

2006

## Patent Law Decisions of the Federal Circuit

Sasha Mayergoyz

Michael F. Harte

David Mckone

Amanda J. Hollis

Peter Moore

*See next page for additional authors*

Follow this and additional works at: <http://digitalcommons.wcl.american.edu/aulr>



Part of the [Intellectual Property Commons](#)

---

### Recommended Citation

Mayergoyz, Sasha. "2005 Patent Law Decisions of the Federal Circuit." American University Law Review 55, no.4 (May 2006): 1001-1261.

This Area Summary is brought to you for free and open access by the Washington College of Law Journals & Law Reviews at Digital Commons @ American University Washington College of Law. It has been accepted for inclusion in American University Law Review by an authorized administrator of Digital Commons @ American University Washington College of Law. For more information, please contact [fbrown@wcl.american.edu](mailto:fbrown@wcl.american.edu).

---

# Patent Law Decisions of the Federal Circuit

**Keywords**

Patent law, Federal Circuit decisions, Patent law Procedurals aspects, Patentability, Patent validity, patent infringement, Patent Remedies, Inequitable conduct

**Authors**

Sasha Mayergoyz, Michael F. Harte, David Mckone, Amanda J. Hollis, Peter Moore, and Jennifer L. Travers

## AREA SUMMARIES

### 2005 PATENT LAW DECISIONS OF THE FEDERAL CIRCUIT

SASHA MAYERGOYZ<sup>\*</sup>  
 MICHAEL F. HARTE<sup>\*\*</sup>  
 DAVID MCKONE<sup>\*\*\*</sup>  
 AMANDA J. HOLLIS<sup>\*\*\*\*</sup>  
 PETER MOORE<sup>\*\*\*\*\*</sup>  
 JENNIFER L. TRAVERS<sup>\*\*\*\*\*</sup>

#### TABLE OF CONTENTS

I. Procedural Aspects .....	1002
A. Appellate Jurisdiction .....	1002
B. Subject Matter Jurisdiction of the United States District Courts.....	1010
C. Personal Jurisdiction .....	1017

---

<sup>\*</sup> B.S.E.E. 1996, *Cornell University*; J.D. 1999, *Northwestern University School of Law*. Mr. Mayergoyz served as a law clerk to the Honorable Arthur J. Gajarsa during the 1999-2000 term. He is currently an associate in the litigation department of Latham & Watkins LLP. All correspondence regarding this article should be addressed to sasha.mayergoyz@lw.com.

<sup>\*\*</sup> B.S. 1995, Biological Sciences, *University of Notre Dame*; M.S. 1998, Physiology, *New York Medical College*; J.D. 2000, Magna Cum Laude, *Notre Dame Law School*. Mr. Harte is currently an associate in the litigation department of Latham & Watkins LLP.

<sup>\*\*\*</sup> B.S.E.E. 1997, *Michigan State University*; J.D. 2002, *University of Michigan Law School*. Mr. McKone served as a law clerk to the Honorable William C. Bryson during the 2003-2004 term. He is currently an associate in the litigation department of Latham & Watkins, LLP.

<sup>\*\*\*\*</sup> B.S. 2000, *University of Illinois, Urbana-Champaign*; J.D. 2003, *University of North Carolina at Chapel Hill*. Ms. Hollis is currently an associate in the litigation department of Latham & Watkins LLP.

<sup>\*\*\*\*\*</sup> B.S. 2000, *Northwestern University*; J.D. 2003, *Northwestern University Law School*. Mr. Moore also served as a law clerk to the Honorable William C. Bryson. He is currently an associate in the litigation department of Latham & Watkins, LLP.

<sup>\*\*\*\*\*</sup> B.A. 2000, *DePaul University*; J.D. 2005, *American University, Washington College of Law*. Ms. Travers is currently an associate at Latham & Watkins LLP.

D. Standing.....	1025
E. Trial Procedures .....	1032
F. USPTO Procedures.....	1033
G. Miscellaneous Procedural Issues .....	1040
II. Patentability and Validity.....	1051
A. 35 U.S.C. § 101.....	1051
B. 35 U.S.C. § 102.....	1053
1. Anticipation.....	1053
2. On-sale bar and public use .....	1069
C. 35 U.S.C. § 103—Obviousness .....	1080
D. 35 U.S.C. § 112 .....	1090
1. Written description .....	1090
2. Enablement .....	1095
3. Indefiniteness.....	1102
E. Reissue .....	1111
F. Inventorship .....	1114
G. Double Patenting .....	1116
H. Certificate of Correction.....	1118
III. Infringement.....	1119
A. Claim Construction .....	1119
B. Means-Plus-Function.....	1194
C. Literal Infringement.....	1196
D. Infringement Under the Doctrine of Equivalents.....	1210
1. Festo.....	1210
2. Dedication-disclosure rule .....	1219
E. Prosecution History Estoppel.....	1222
F. Inducement of Infringement .....	1226
G. Infringement Under the Hatch-Waxman Act.....	1229
H. Willful Infringement.....	1231
J. Repair and Reconstruction .....	1232
IV. Inequitable Conduct and Other Defenses.....	1236
A. Inequitable Conduct .....	1236
B. Estoppel.....	1247
V. Remedies .....	1249
A. Preliminary Injunction .....	1249
B. Damages .....	1251
1. Reasonable royalty .....	1253
2. Attorneys fees and costs .....	1253
3. Marking .....	1258

# I. PROCEDURAL ASPECTS

## A. Appellate Jurisdiction

In *Fort James Corp. v. Solo Cup Co.*,<sup>1</sup> the Federal Circuit addressed the timeliness of the defendant's notice of appeal.<sup>2</sup> At issue in the case

1. 412 F.3d 1340, 75 U.S.P.Q.2d (BNA) 1257 (Fed. Cir. 2005).

2. *Id.* at 1345, 75 U.S.P.Q.2d (BNA) at 1261.

was the defendant's alleged infringement of the Fort James patent, the validity of that patent, and alleged inequitable conduct in prosecuting that patent.<sup>3</sup> The district court had bifurcated the trial, saving the issue of inequitable conduct until after a trial on the issues of infringement and validity.<sup>4</sup> Before the case was submitted to the jury on the issues of infringement and validity of the Fort James patent, the defendant filed several motions for judgment as a matter of law ("JMOL"), including one on the issue of invalidity.<sup>5</sup> Subsequently, on November 25, 2002, the jury found that although the Fort James patent remained valid, the defendant had not infringed the patent.<sup>6</sup> On January 16, 2003, the district court dismissed the defendant's unenforceability counterclaim on the ground that there was no case or controversy.<sup>7</sup> On June 26, 2003, the defendant filed a motion to withdraw four of the JMOLs, and requested consideration of the JMOL of invalidity.<sup>8</sup> The district court denied as moot the motion to withdraw, and final judgment was entered on March 30, 2004.<sup>9</sup>

The defendant filed its Notice of Appeal on April 29, 2004.<sup>10</sup> The plaintiff moved to dismiss the appeal, arguing that final judgment was actually entered on June 16, 2003, by operation of law, 150 days from the January 16, 2003, verdict, and that the Notice of Appeal was untimely filed.<sup>11</sup> On July 15, 2004, a single judge of the United States Court of Appeals for the Federal Circuit ("Federal Circuit") denied the plaintiff's motion to dismiss, determining that the defendant had renewed its motion for JMOL on June 26, 2003, ten days from the date the plaintiff had argued was the date of final judgment, thus tolling the time to appeal until the renewed motion for JMOL was resolved.<sup>12</sup> The plaintiff reasserted its jurisdictional argument before the three-judge panel.

The Federal Circuit held that "[the plaintiff] should properly have renewed its jurisdictional challenge by filing a motion to reconsider the single judge's order within fourteen days of its issuance as required by Federal Circuit Rule 27(1)," but that its "failure to comply with Rule 27(1) is not fatal, however, because this court has held that

---

3. *Id.* at 1344, 75 U.S.P.Q.2d (BNA) at 1259-60.

4. *Id.*, 75 U.S.P.Q.2d (BNA) at 1259-60.

5. *Id.* at 1345, 75 U.S.P.Q.2d (BNA) at 1261.

6. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

7. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

8. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

9. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

10. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

11. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

12. *Id.* at 1345-46, 75 U.S.P.Q.2d (BNA) at 1261.

the merits panel is not bound by the action of a single judge.”<sup>13</sup> Accordingly, the Federal Circuit reached the merits of the plaintiff’s jurisdictional argument.<sup>14</sup>

Applying Seventh Circuit law, the Federal Circuit framed the “key issue to be resolved [as] whether the document filed affords ‘notice of the grounds and prayer of the motion to both the court and to the opposing party, providing that party with a meaningful opportunity to respond and the court with enough information to process the motion correctly.’”<sup>15</sup> The Federal Circuit then determined that the motion to withdraw, read in conjunction with the JMOL motion specifically referenced by the motion to withdraw, did not raise a “question regarding the grounds for relief demanded.”<sup>16</sup> Accordingly, “[t]he Motion to Withdraw satisfied the particularity requirement of FRCP 7(b)(1) and constituted a valid Rule 50(b) motion such that [the defendant’s] time to appeal did not start running until the motion was finally resolved by the district court” and that the “[defendant’s] Notice of Appeal was timely filed and this court has jurisdiction to hear its appeal pursuant to 28 U.S.C. § 1295(a).”<sup>17</sup>

In *Silicon Image, Inc. v. Genesis Microchip Inc.*,<sup>18</sup> the defendant appealed from a district court order enforcing the terms of a settlement agreement in a patent infringement action.<sup>19</sup> The plaintiff in the case was a promoter of a Digital Visual Interface Specification (“DVI Specification”), and along with other promoters, agreed to grant a royalty free license to claims of its patents that would necessarily be infringed by anyone practicing the standards set forth in the DVI Specification.<sup>20</sup> The defendant signed an Adopters Agreement, and began developing DVI receiver technology and incorporating the technology in its products.<sup>21</sup> Later, the plaintiff sued the defendant for infringing non-necessary claims of its patents.<sup>22</sup>

After a claim construction ruling and discovery, the parties informed the district court that they had reached a settlement agreement, and the agreement was memorialized in an

---

13. *Id.* at 1346, 75 U.S.P.Q.2d (BNA) at 1262.

14. *Id.* at 1346-47, 75 U.S.P.Q.2d (BNA) at 1262.

15. *Id.* at 1347, 75 U.S.P.Q.2d (BNA) at 1262.

16. *Id.*, 75 U.S.P.Q.2d (BNA) at 1262.

17. *Id.*, 75 U.S.P.Q.2d (BNA) at 1263.

18. 395 F.3d 1358, 73 U.S.P.Q.2d (BNA) 1758 (Fed. Cir. 2005).

19. *Id.* at 1359, 73 U.S.P.Q.2d (BNA) at 1759.

20. *Id.*, 73 U.S.P.Q.2d (BNA) at 1759.

21. *Id.* at 1360, 73 U.S.P.Q.2d (BNA) at 1759.

22. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760.

Memorandum of Understanding (“MOU”) signed by the Chairman and CEO of each company.<sup>23</sup> The parties disagreed as to the terms of the MOU that defined the products subject to royalties.<sup>24</sup> The plaintiff argued that the MOU required royalties on certain products regardless of whether the products infringed necessary or non-necessary claims, while the defendant argued that the MOU left the royalty-free license of the DVI Specification intact.<sup>25</sup> When the parties failed to draft a definitive agreement, the MOU became the binding settlement agreement.<sup>26</sup>

Each party filed cross-motions to interpret and enforce the MOU.<sup>27</sup> The plaintiff filed a motion requesting that the district court interpret the MOU to require royalty payments on defendant’s entire product base and to find defendant in breach of the MOU.<sup>28</sup> The defendant filed a motion to dismiss “urging its own construction of the MOU and arguing that the terms of the MOU required [the plaintiff] to dismiss the pending patent infringement action.”<sup>29</sup> The district court agreed with the plaintiff, and issued an opinion adopting the plaintiff’s construction of the MOU, and “entered an order, which it called a ‘Final Judgment Order,’ directing [the defendant] to . . . remit to [the plaintiff] the cash payments,” or to “remit such payments to the Clerk of Court for deposit in an escrow account. [The defendant] chose to remit the funds to the Clerk of Court.”<sup>30</sup>

However, the Final Judgment order incorporated the terms of the MOU, which stipulated that the underlying action would be dismissed only upon the condition that plaintiff received the payment of the settlement sum.<sup>31</sup> The plaintiff thus moved the district court to amend the Final Judgment order because the action could not be dismissed until payment of the settlement sum to plaintiff.<sup>32</sup> The district court agreed and issued an amended order making dismissal with prejudice contingent upon payment of the settlement sum to the plaintiff.<sup>33</sup> The district court sought to make the amended order appealable, even though it retained limited jurisdiction to enter an

---

23. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760.

24. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760.

25. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760.

26. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760.

27. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760.

28. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760.

29. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760.

30. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760.

31. *Id.* at 1360-61, 73 U.S.P.Q.2d (BNA) at 1760.

32. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760.

33. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760.

order of dismissal with prejudice upon defendant's payment of the settlement sum to plaintiff.<sup>34</sup> The defendant appealed, and the Federal Circuit requested supplemental briefing on the jurisdictional issue of whether there was an appealable final judgment.<sup>35</sup>

Although neither party raised an objection to the Federal Circuit's jurisdiction, the panel held that it had the obligation to consider whether a final decision of the district court had been made within the meaning of 28 U.S.C. § 1295(a)(1).<sup>36</sup> The Federal Circuit held that it did not have jurisdiction under the statute. The court reasoned that:

Absent the full adjudication of all claims for all parties, the dismissal of any unresolved claims, or an express determination that there is no just reason for delay and an express direction for entry of judgment as to fewer than all of the parties or claims under Fed. R. Civ. P. 54(b), there can be no 'final decision' under 28 U.S.C. 1295(a)(1).<sup>37</sup>

The Federal Circuit also held that "even in a settled case, a final judgment must obtain."<sup>38</sup> Because the MOU required that the plaintiff certify that it had received payment of the settlement sum from defendant as a condition precedent to final judgment, the district court "was powerless to order a dismissal with prejudice of [the plaintiff's] infringement claims until the parties complied with the terms of the agreement."<sup>39</sup> The Federal Circuit also noted that the defendant could have sought permission to immediately appeal the interlocutory judgment and order of the district court under 28 U.S.C. § 1292(b) and (c)(1), or that the defendant could have made the required payment to plaintiff.<sup>40</sup> Because the defendant did not follow either of these procedures, the Federal Circuit was without jurisdiction to consider the appeal.<sup>41</sup>

In *Enzo Biochem, Inc. v. Gen-Probe, Inc.*,<sup>42</sup> the Federal Circuit dismissed the plaintiff's appeal, finding that the court lacked jurisdiction because the lower court failed to issue a final judgment.<sup>43</sup> The court did note, however, that "in the interest of judicial

---

34. *Id.* at 1361, 73 U.S.P.Q.2d (BNA) at 1760-61.

35. *Id.*, 73 U.S.P.Q.2d (BNA) at 1760-61.

36. *Id.* at 1362, 73 U.S.P.Q.2d (BNA) at 1761.

37. *Id.*, 73 U.S.P.Q.2d (BNA) at 1762 (citing *Nystrom v. TREX Co.*, 339 F.3d 1347, 1350, 67 U.S.P.Q.2d (BNA) 1858, 1860 (Fed. Cir. 2003)).

38. *Id.* at 1363, 73 U.S.P.Q.2d (BNA) at 1762.

39. *Id.*, 73 U.S.P.Q.2d (BNA) at 1762.

40. *Id.* at 1364, 73 U.S.P.Q.2d (BNA) at 1763.

41. *Id.*, 73 U.S.P.Q.2d (BNA) at 1763.

42. 414 F.3d 1376, 75 U.S.P.Q.2d (BNA) at 1602 (Fed. Cir. 2005).

43. *Id.* at 1378, 1380, 75 U.S.P.Q.2d (BNA) at 1603.



economy,” it would allow the plaintiff, Enzo Biochem, to return to the lower court to seek remedial relief, and then reinstate its Federal Circuit appeal once the lower court issued a final judgment.<sup>44</sup>

During the lower court proceedings, the court ruled that the plaintiff’s patent was invalid under 35 U.S.C. § 102(b)’s on-sale bar,<sup>45</sup> and it therefore, granted summary judgment to the defendant at an oral summary judgment hearing.<sup>46</sup> At the hearing, the judge ruled that there were “no triable issues of fact,” and asked both parties whether “there is anything that I have missed in my rulings that I should rule upon.”<sup>47</sup> Neither party responded and the judge noted he would enter a summary judgment order that would allow the parties to proceed to the Federal Circuit.<sup>48</sup> The plaintiff filed an appeal with the Federal Circuit. However, the defendant argued that the lower court’s ruling was non-final and thus appellate jurisdiction was not proper, as the lower court never ruled on its counterclaim that plaintiff’s patents were unenforceable for inequitable conduct.<sup>49</sup>

The Federal Circuit first noted that a federal appellate court has “a special obligation to satisfy itself . . . of its own jurisdiction”<sup>50</sup> and that the district court must issue a final judgment before parties may appeal.<sup>51</sup> The plaintiff argued that final judgment occurs when the trial court issued an “unequivocal manifestation” of its belief that the decision it issued was “the end of the case.”<sup>52</sup> The plaintiff argued that this actually had occurred, as evidenced by the lower court judge’s statements and his issuance of the summary judgment order.<sup>53</sup> While the Federal Circuit admitted such a statement of finality did occur, it rejected the plaintiff’s argument, finding that the lower court was in error because it did not issue final judgment regarding the defendant’s counterclaim.<sup>54</sup>

The plaintiff further argued that the defendant’s counterclaim of inequitable conduct was moot, given that the lower court found the plaintiff’s patent to be invalid.<sup>55</sup> Moreover, the plaintiff argued that

---

44. *Id.* at 1380, 75 U.S.P.Q.2d (BNA) at 1605.

45. *Id.* at 1377, 75 U.S.P.Q.2d (BNA) at 1603.

46. *Id.* at 1378, 75 U.S.P.Q.2d (BNA) at 1603.

47. *Id.*, 75 U.S.P.Q.2d (BNA) at 1603.

48. *Id.*, 75 U.S.P.Q.2d (BNA) at 1603.

49. *Id.*, 75 U.S.P.Q.2d (BNA) at 1603.

50. *Id.* (citing *Bender v. Williamsport Area Sch. Dist.*, 475 U.S. 534, 541 (1986)).

51. *Id.* (citing 28 U.S.C. § 1295(a)(1) (2000)).

52. *Id.* at 1379-80, 75 U.S.P.Q.2d (BNA) at 1603 (citing *Pandrol USA, LP v. Airboss Ry. Prods.*, 320 F.3d 1354, 1362-63, 65 U.S.P.Q.2d (BNA) 1985, 1992 (Fed. Cir. 2003)).

53. *Id.* at 1380, 75 U.S.P.Q.2d (BNA) at 1603.

54. *Id.*, 75 U.S.P.Q.2d (BNA) at 1603.

55. *Enzo Biochem, Inc. v. Gen-Probe, Inc.*, 414 F.3d 1376, 1379, 75 U.S.P.Q.2d

the only outstanding issue as to inequitable conduct would be the attorney fees, which would not prevent a final judgment for appellate review purposes.<sup>56</sup>

The Federal Circuit rejected these arguments. The court agreed that a pending attorney fees issue will not render an otherwise final judgment unappealable.<sup>57</sup> This is only the case, however, when there are no other outstanding, unadjudicated claims.<sup>58</sup> Because there was an outstanding unadjudicated claim, and the lower court still needed to determine whether the plaintiff engaged in inequitable conduct, the Federal Circuit concluded that issues still remained for the lower court and thus never issued a final judgment.<sup>59</sup>

In *Pause Technology LLC v. Tivo Inc.*,<sup>60</sup> the plaintiff sued the defendant alleging that the defendant's digital video recorder products infringed its reissue patent. The district court entered summary judgment of non-infringement in favor of the defendant.<sup>61</sup> The plaintiff appealed, stating that the district court did not rule on the defendant's motion for summary judgment of invalidity.<sup>62</sup> The Federal Circuit issued an order to "show cause as to why th[e] appeal should not be dismissed for lack of jurisdiction."<sup>63</sup> The plaintiff then submitted a supplemental brief, arguing that the Federal Circuit had jurisdiction under 28 U.S.C. § 1295(a)(1) because the district court ordered judgment in favor of the defendant and because the district court's docket sheet showed that the case was dismissed.<sup>64</sup>

The Federal Circuit held that it had no jurisdiction. As a general matter, it explained that, under the "final judgment rule" of 28 U.S.C. § 1295, the parties could only appeal a district court's final decision.<sup>65</sup> The court found that there were no special exceptions to this rule in patent cases, and that "piecemeal litigation is as strictly precluded by the rule of finality for patent cases as it is for any other case."<sup>66</sup> Therefore, it concluded, to promote the policies explained by the Supreme Court in *Firestone Tire & Rubber Co. v. Risjord*,<sup>67</sup> it would "insist upon diligent compliance by counsel with the rule of

---

(BNA) 1602, 1604 (Fed. Cir. 2005).

56. *Id.*, 75 U.S.P.Q.2d (BNA) at 1604.

57. *Id.*, 75 U.S.P.Q.2d (BNA) at 1604-05.

58. *Id.*, 75 U.S.P.Q.2d (BNA) at 1604-05.

59. *Id.*, 75 U.S.P.Q.2d (BNA) at 1604-05.

60. 401 F.3d 1290, 74 U.S.P.Q.2d (BNA) 1058 (Fed. Cir. 2005).

61. *Id.* at 1291, 74 U.S.P.Q.2d (BNA) at 1059.

62. *Id.*, 74 U.S.P.Q.2d (BNA) at 1059.

63. *Id.*, 74 U.S.P.Q.2d (BNA) at 1059.

64. *Id.*, 74 U.S.P.Q.2d (BNA) at 1059.

65. *Id.* at 1292, 74 U.S.P.Q.2d (BNA) at 1060.

66. *Id.* at 1293, 74 U.S.P.Q.2d (BNA) at 1060.

67. 440 U.S. 368 (1981).

finality.”<sup>68</sup>

In this case, the Federal Circuit found no final judgment where the district court had not expressly disposed of the invalidity counterclaim and where there was no finding that the invalidity counterclaim was moot.<sup>69</sup> It was not persuaded by the plaintiff’s argument that the court should deem the invalidity counterclaim impliedly dismissed.<sup>70</sup> It found that, even if the district court could impliedly dispose of the invalidity defense in its ruling on infringement, the invalidity counterclaim was a separate claim that remained unresolved.<sup>71</sup> To accept plaintiff’s argument that the counterclaim was impliedly dismissed would eviscerate Rule 54(b).<sup>72</sup> The Federal Circuit found no case which found appellate jurisdiction despite the existence of an unadjudicated counterclaim.<sup>73</sup> Therefore, it held that no appellate jurisdiction existed.<sup>74</sup> It granted the plaintiff leave to seek remedial action at the district court and thereafter reinstate the appeal.<sup>75</sup>

In *Cross Medical Products, Inc. v. Medtronic Sofamor Danek, Inc.*,<sup>76</sup> the district court had permanently enjoined defendant Medtronic from infringing claim 5 of plaintiff Cross Medical’s patent involving orthopedic surgical implants, following grant of partial summary judgment of validity and infringement.<sup>77</sup> Medtronic sought interlocutory appeal of the injunction, and the Federal Circuit found there to be jurisdiction, over Cross Medical’s objection.<sup>78</sup> Medtronic sought review of the district court’s claim constructions, reversal of the granting of summary judgment, and to vacate the injunction.<sup>79</sup>

Under 28 U.S.C. § 1292(a)(1), the Federal Circuit has jurisdiction over appeals from orders “granting, continuing, modifying, refusing or dissolving injunctions, or refusing to dissolve or modify injunctions.”<sup>80</sup> Cross Medical argued that the injunction issued was

---

68. See *Pause Tech.*, 401 F.3d at 1293, 74 U.S.P.Q.2d (BNA) at 1060 (finding that the “importance of the rule of finality [was] underscored by the court’s recent amendment of Federal Circuit Rule 28(a)(5), which now requires that the jurisdictional statement also include a statement that the judgment or order appealed from is final or otherwise appealable”).

69. *Id.*, 74 U.S.P.Q.2d (BNA) at 1060.

70. *Id.* at 1294, 74 U.S.P.Q.2d (BNA) at 1061.

71. *Id.*, 74 U.S.P.Q.2d (BNA) at 1061 (emphasis added).

72. *Id.*, 74 U.S.P.Q.2d (BNA) at 1061.

73. *Id.*, 74 U.S.P.Q.2d (BNA) at 1061.

74. *Id.*, 74 U.S.P.Q.2d (BNA) at 1061.

75. *Id.*, 74 U.S.P.Q.2d (BNA) at 1061.

76. 424 F.3d 1293, 76 U.S.P.Q.2d (BNA) 1662 (Fed. Cir. 2005).

77. *Id.* at 1297, 74 U.S.P.Q.2d (BNA) at 1665.

78. *Id.*, 74 U.S.P.Q.2d (BNA) at 1665.

79. *Id.* at 1299, 74 U.S.P.Q.2d (BNA) at 1667.

80. *Id.* at 1300, 74 U.S.P.Q.2d (BNA) at 1667.

only in form, not substance, since it merely prohibited activity it had already abandoned.<sup>81</sup> Further, it argued that the Court had no jurisdiction since there was no final judgment on the merits but merely a grant of partial summary judgment, not certified for appeal.<sup>82</sup> Cross Medical relied on *Woodward v. Sage Products, Inc.*,<sup>83</sup> which held that an order granting defendant's motion for summary judgment of non-infringement could not be appealed even where the plaintiff's complaint included a prayer for injunctive relief, since no order granting or denying an injunction had been issued. In this case, an injunctive order was explicitly issued, thus, *Sage Products*, and *Carson v. American Brands, Inc.*,<sup>84</sup> upon which *Sage Products* relied, were inapplicable. The Court also held that it could review the partial summary judgment orders despite the lack of final judgment because they were "inseparably connected" to the merits of the injunction.<sup>85</sup> The Court went on to reverse the grant of partial summary judgment of non-infringement and validity based on claim construction issues, finding genuine issues of material fact precluding summary judgment.<sup>86</sup>

*B. Subject Matter Jurisdiction of the United States District Courts*

In *Fort James Corp. v. Solo Cup Co.*,<sup>87</sup> the Federal Circuit addressed the timeliness of the defendant's notice of appeal. At issue in the case was Solo Cup's alleged infringement of Fort James's patent, the validity of the patent, and alleged inequitable conduct during prosecution of the patent.<sup>88</sup> Prior to trial, the district court had bifurcated the trial, saving the issue of inequitable conduct until after a trial on the issues of infringement and validity.<sup>89</sup> Before the case was submitted to the jury on the issues of infringement and validity, Solo Cup filed several motions for JMOL, including one on the issue of invalidity.<sup>90</sup> Subsequently, on November 25, 2002, the jury found that although Fort James's patent remained valid, Solo Cup had not infringed the patent.<sup>91</sup> On January 16, 2003, the district court dismissed Solo Cup's unenforceability counterclaim on the ground

81. *Id.*, 74 U.S.P.Q.2d (BNA) at 1667-68.

82. *Id.*, 74 U.S.P.Q.2d (BNA) at 1668.

83. 818 F.2d 841, 2 U.S.P.Q.2d (BNA) 1649 (Fed. Cir. 1987) (en banc).

84. 450 U.S. 79 (1981).

85. *Id.* at 1301.

86. *Id.* at 1314-19.

87. 412 F.3d 1340, 75 U.S.P.Q.2d (BNA) 1257 (Fed. Cir. 2005).

88. *Id.* at 1344, 75 U.S.P.Q.2d (BNA) at 1260.

89. *Id.*, 75 U.S.P.Q.2d (BNA) at 1260.

90. *Id.* at 1345, 75 U.S.P.Q.2d (BNA) at 1261.

91. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

that there was no case or controversy.<sup>92</sup> On June 26, 2003, Solo Cup filed a motion to withdraw four of the JMOLs, and requested consideration of the JMOL on invalidity.<sup>93</sup> The district court denied as moot Solo Cup's motion to withdraw, and final judgment was entered on March 30, 2004.<sup>94</sup>

Solo Cup filed its Notice of Appeal on April 29, 2004.<sup>95</sup> Fort James moved to dismiss the appeal, arguing that final judgment was actually entered on June 16, 2003, by operation of law, 150 days from the January 16, 2003 verdict, and that Solo Cup's Notice of Appeal was untimely filed.<sup>96</sup>

On July 15, 2004, a single judge of the Federal Circuit denied Fort James's motion to dismiss, determining that Solo Cup renewed its motion for JMOL on June 26, 2003, ten days from the date Fort James argued was the date of final judgment, thus tolling the time to appeal until the renewed motion for JMOL was resolved.<sup>97</sup> Fort James reasserted its jurisdictional argument before the three-judge panel. At issue was whether the district court had jurisdiction to consider Solo Cup's counterclaim of unenforceability.<sup>98</sup> After the jury returned a verdict of non-infringement, Fort James covenanted not to sue Solo Cup on the patents at issue in the case.<sup>99</sup> The district court agreed with Fort James that this divested the district court of jurisdiction to hear the counterclaim of unenforceability, and the district court dismissed this counterclaim as moot on the ground that there was no case or controversy.<sup>100</sup>

The Federal Circuit disagreed, however, and concluded that the district court had jurisdiction to hear the counterclaim.<sup>101</sup> The Federal Circuit distinguished its decision in *Super Sack Manufacturing Corp. v. Chase Packaging Corp.*,<sup>102</sup> explaining that "[t]he district court's

---

92. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

93. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

94. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

95. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

96. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

97. *Id.* at 1345-46, 75 U.S.P.Q.2d (BNA) at 1261-62.

98. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261-62.

99. *Id.* at 1345, 75 U.S.P.Q.2d (BNA) at 1261.

100. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

101. *Id.*, 75 U.S.P.Q.2d (BNA) at 1261.

102. 57 F.3d 1054, 35 U.S.P.Q.2d (BNA) 1139 (Fed. Cir. 1995). The Federal Circuit explained that:

The rationale applied by the court in *Super Sack* was that the patentee's covenant not to sue resolved the actual controversy between the parties, i.e., the question of infringement of the subject patent, such that the court no longer had Article III jurisdiction to hear a declaratory judgment action regarding the validity or enforceability of that patent. Here, the district court concluded that in light of the [covenant] there was no actual

literal application of the holding of *Super Sack* fails to comprehend the unique procedural posture of the instant case.”<sup>103</sup> In this case, “the Post-Verdict Covenant had no effect on Fort James’s claim for infringement, because that controversy had already been resolved by the jury’s verdict.” The Federal Circuit observed that “[t]he question then becomes whether the court retained jurisdiction to hear Solo Cup’s declaratory judgment counterclaim after the jury determined that Solo Cup’s products do not infringe Fort James’s patents.”<sup>104</sup> Resolving the issue, the Federal Circuit explained that “a counterclaim questioning the validity or enforceability of a patent raises issues beyond the initial claim for infringement that are not disposed of by a decision of non-infringement.”<sup>105</sup> The Federal Circuit concluded that “the jury verdict holding that Solo Cup did not infringe Fort James’s patents did not moot Solo Cup’s counterclaim for unenforceability nor did it act to divest the district court of jurisdiction to hear that unlitigated counterclaim.”<sup>106</sup>

In *MedImmune, Inc. v. Centocor, Inc.*,<sup>107</sup> the Federal Circuit affirmed the district court’s decision that it did not have jurisdiction to hear MedImmune’s declaratory judgment claims of invalidity and inequitable conduct. MedImmune entered into a license with Centocor for rights to practice Centocor’s patent.<sup>108</sup> MedImmune argued that it had only agreed to the license after mounting pressure and the threat of an infringement lawsuit.<sup>109</sup> MedImmune continued to make timely royalty payments and was not otherwise in violation of the licensing agreement.<sup>110</sup> After concluding the license, MedImmune brought suit claiming that Centocor’s patent was invalid

---

controversy between the parties capable of resolution by a hearing on the unenforceability of the ‘140 Patent and therefore Solo Cup’s counterclaim was moot.

*Fort James Corp.*, 412 F.3d at 1348, 75 U.S.P.Q.2d (BNA) at 1263 (citations omitted).

103. *Id.*, 75 U.S.P.Q.2d (BNA) at 1263.

104. *Id.*, 75 U.S.P.Q.2d (BNA) at 1263.

105. *Id.*, 75 U.S.P.Q.2d (BNA) at 1263.

106. *Id.* at 1348, 75 U.S.P.Q.2d (BNA) at 1257, 1263. In his dissent, Judge Schall “agree[d] that a finding of non-infringement does not, by itself, moot a counterclaim of invalidity or unenforceability.” *Id.* at 1353, 75 U.S.P.Q.2d (BNA) at 1267-68. In Judge Schall’s view, however, “Fort James’s covenant had the effect of eliminating any real and immediate controversy between the parties and, therefore, mooted Solo Cup’s counterclaim.” *Id.*, 75 U.S.P.Q.2d (BNA) at 1267-68. According to Judge Schall, due to Fort James’ covenant, “Solo Cup no longer faced the prospect of Fort James pursuing its original infringement claim—through, say, an appeal to this court—or the risk of being sued for other present or past acts of perceived infringement.” *Id.* at 1354, 75 U.S.P.Q.2d (BNA) at 1268.

107. 409 F.3d 1376, 74 U.S.P.Q.2d (BNA) 1942 (Fed. Cir. 2005).

108. *Id.* at 1378, 74 U.S.P.Q.2d (BNA) at 1943.

109. *Id.*, 74 U.S.P.Q.2d (BNA) at 1943.

110. *Id.*, 74 U.S.P.Q.2d (BNA) at 1943.

and unenforceable.<sup>111</sup> The district court granted Centocor's motion to dismiss MedImmune's case for lack of jurisdiction for failure to establish an actual controversy between the parties.<sup>112</sup>

The Federal Circuit explained that:

When a potential infringer seeks declaratory relief in the absence of a lawsuit by the patentee, there must be both (1) a reasonable apprehension on the part of the declaratory judgment plaintiff that it will face an infringement suit; and (2) present activity by the declaratory judgment plaintiff which could constitute infringement, or concrete steps taken with the intent to conduct such activity.<sup>113</sup>

The Federal Circuit's decision relied on its holding in *Gen-Probe, Inc. v. Vysis, Inc.*,<sup>114</sup> stating that "[i]n *Gen-Probe*, we considered the case of a licensee in good standing who sought a declaratory judgment that it was not infringing the licensed patent, and that the licensed patent was invalid."<sup>115</sup> The Federal Circuit noted that:

For the purposes of the Declaratory Judgment Act, . . . the license, "unless materially breached, obliterated any reasonable apprehension of a lawsuit," and that once the licensor and licensee "formed the license, an enforceable covenant not to sue, the events that led to the formation [of the license] became irrelevant."<sup>116</sup>

The Federal Circuit agreed with the district court that there was no controversy between MedImmune and Centocor, explaining that "[a]ny controversy that may have existed between MedImmune and Centocor prior to and during their various negotiations vanished when MedImmune executed the license agreement, which is a covenant by Centocor not to sue."<sup>117</sup>

The Federal Circuit explained that its decisions here and in *Gen-Probe* were consistent with Supreme Court precedent.<sup>118</sup> The Federal Circuit first noted that *Cardinal Chemical Co. v. Morton International*<sup>119</sup> only dealt with the jurisdiction of the Federal Circuit to hear an appeal, and did not address the issue of a district court's jurisdiction.<sup>120</sup> Next, the Federal Circuit acknowledged that *Lear, Inc. v. Adkins*<sup>121</sup> held that a licensee is not estopped from challenging the

111. *Id.*, 74 U.S.P.Q.2d (BNA) at 1943.

112. *Id.*, 74 U.S.P.Q.2d (BNA) at 1943.

113. *Id.* at 1379, 74 U.S.P.Q.2d (BNA) at 1943-44 (Fed. Cir. 2005).

114. 359 F.3d 1376, 70 U.S.P.Q.2d (BNA) 1087 (Fed. Cir. 2004).

115. *Medimmune, Inc.*, 409 F.3d at 1379, 74 U.S.P.Q.2d (BNA) at 1943-44.

116. *Id.*, 74 U.S.P.Q.2d (BNA) at 1943-44.

117. *Id.*, 74 U.S.P.Q.2d (BNA) at 1943-44.

118. *Id.* at 1380, 74 U.S.P.Q.2d (BNA) at 1945.

119. 508 U.S. 83 (1993).

120. 409 F.3d at 1380, 74 U.S.P.Q.2d (BNA) at 1945.

121. 395 U.S. 653 (1969).

validity of a licensed patent, but explained that *Lear* left open whether a court has jurisdiction to hear such a challenge, noting that “the fact that a party is not estopped from making an argument does not mean that federal courts have jurisdiction to entertain that argument in all circumstances.”<sup>122</sup>

The Federal Circuit also determined that its decision was consistent with its prior decision in *C.R. Bard, Inc. v. Schwartz*.<sup>123</sup> The court noted that in *C.R. Bard*, several facts supported the existence of a case or controversy, including that the licensee had ceased paying royalties.<sup>124</sup> “By contrast, in this case MedImmune can have no reasonable apprehension of suit—indeed, it can have no apprehension of suit at all—because there is nothing for which Centocor can sue MedImmune.”<sup>125</sup> The Federal Circuit also rejected MedImmune’s argument that a controversy existed once Centocor filed an infringement suit against MedImmune in response to MedImmune’s suit, noting that “[t]he presence or absence of a case or controversy is based on facts at the time the complaint was filed.”<sup>126</sup>

Finally, the Federal Circuit rejected MedImmune’s argument that it was unfair to have to pay royalties on an invalid patent, explaining that every alleged patent infringer must make a “Hobson’s choice”: whether to “settle or fight.”<sup>127</sup> This dilemma arises, not from the *Gen-Probe* precedent, but from Article III’s requirement that an “actual controversy” exist between the parties before a court can exercise jurisdiction over the dispute.<sup>128</sup>

In *University of Texas System v. Nippon Telephone & Telegraph Corp.*,<sup>129</sup> the Federal Circuit transferred the appeal to the Fifth Circuit after determining that it did not have subject matter jurisdiction,<sup>130</sup> as the case did not “arise[] under the federal patent laws.”<sup>131</sup> The suit stemmed from an agreement between the University of Texas (“the University”) and Nippon Telephone and Telegraph Corporation (“NTT”), which allowed an NTT scientist to work as a visiting scientist at the University for one year.<sup>132</sup> Per the agreement, “any information, ideas, discoveries, applications, research, inventions,

---

122. 409 F.3d at 1380, 74 U.S.P.Q.2d (BNA) at 1945.

123. 716 F.2d 874, 219 U.S.P.Q. (BNA) 197 (Fed. Cir. 1983).

124. 409 F.3d at 1381, 74 U.S.P.Q.2d (BNA) at 1946.

125. *Id.*, 74 U.S.P.Q.2d (BNA) at 1946.

126. *Id.*, 74 U.S.P.Q.2d (BNA) at 1946.

127. *Id.* at 1382, 74 U.S.P.Q.2d (BNA) at 1946.

128. *Id.*, 74 U.S.P.Q.2d (BNA) at 1946.

129. 414 F.3d 1358, 75 U.S.P.Q.2d (BNA) 1518 (Fed. Cir. 2005).

130. *Id.* at 1359, 75 U.S.P.Q.2d (BNA) at 1519.

131. *Id.* at 1362, 75 U.S.P.Q.2d (BNA) at 1521 (internal quotation marks omitted).

132. *Id.* at 1359-60, 75 U.S.P.Q.2d (BNA) at 1519-20.



and work product generated by the [NTT] scientist, directly or indirectly, or with which he became familiar as a result of his stay, were the exclusive property of [the University].”<sup>133</sup>

During the NTT scientist’s one year at the University, he produced work that eventually led to the University obtaining a patent.<sup>134</sup> However, after the scientist returned to Japan, NTT filed for a Japanese patent based on his work.<sup>135</sup> The plaintiff University filed suit against NTT in a Texas state court alleging state law claims including: breach of confidential relationship, conversion, breach of contract, statutory and common law misappropriation of trade secrets, breach of fiduciary duty, tortious interference, unfair competition, and civil conspiracy.<sup>136</sup> The defendant removed the suit to federal district court pursuant to 28 U.S.C. § 1338(a), which provides federal courts jurisdiction over civil actions involving patent laws.<sup>137</sup> The district court found it had jurisdiction under § 1338, as the University’s tortious interference claim required it to “show that [] [its] patent overlaps the subject matter of NTT’s Japanese patent.”<sup>138</sup> Three years after removal, NTT filed a motion to dismiss arguing it had sovereign immunity from suit.<sup>139</sup> The district court denied its motion, and NTT appealed this ruling with the Federal Circuit.<sup>140</sup>

The Federal Circuit bypassed NTT’s sovereign immunity issue, finding that the Federal Circuit did not have jurisdiction.<sup>141</sup> It noted that 29 U.S.C. § 1338 provides the Federal Circuit with jurisdiction over those cases where the “well-pleaded complaint establishes either that federal patent law creates the cause of action or that the plaintiff’s right to relief necessarily depends on resolution of a substantial question of federal patent law in that patent law is a necessary element of one of the well-pleaded claims.”<sup>142</sup> Moreover, the Federal Circuit noted that courts must closely review the plaintiff’s pleadings to make “the determination as to whether a cause of action arises under the patent laws.”<sup>143</sup>

133. *Id.* at 1360, 75 U.S.P.Q.2d (BNA) at 1520.

134. *Id.*, 75 U.S.P.Q.2d (BNA) at 1520.

135. *Id.*, 75 U.S.P.Q.2d (BNA) at 1520.

136. *Id.*, 75 U.S.P.Q.2d (BNA) at 1520.

137. *Id.* at 1361, 75 U.S.P.Q.2d (BNA) at 1520.

138. *Id.*, 75 U.S.P.Q.2d (BNA) at 1520.

139. *Id.*, 75 U.S.P.Q.2d (BNA) at 1521.

140. *Id.*, 75 U.S.P.Q.2d (BNA) at 1521.

141. *Id.* at 1359, 75 U.S.P.Q.2d (BNA) at 1519.

142. *Id.* at 1362, 75 U.S.P.Q.2d (BNA) at 1521 (quoting *Christianson v. Colt*, 486 U.S. 800, 809 (1988)).

143. *Id.*, 75 U.S.P.Q.2d (BNA) at 1521 (quoting *Air Prod. & Chem., Inc. v. Reichhold Chem., Inc.*, 755 F.2d 1559, 1562, 225 U.S.P.Q. (BNA) 121, 123 (Fed. Cir.

The Federal Circuit quickly concluded that the University's pleadings only asserted Texas state law causes of action, and accordingly, a federal action under § 1338(a) could only be sustained if resolution of the state claims depended "on resolution of a substantial question of federal patent law."<sup>144</sup>

NTT argued that the University's tortious interference claim required a federal court to resolve a "substantial question[] of patent law."<sup>145</sup> One of the elements of the state's tortious interference with a business relationship law required plaintiffs to show that there was a "reasonable probability that the parties would have entered into a contractual relationship."<sup>146</sup> NTT argued that in order for the University to prove this element, a federal court would have to rule that the plaintiff was the "rightful inventor" and owner of the patent.<sup>147</sup> Additionally, NTT argued that issues of patent inventorship, validity, enforceability, and interpretation would arise.<sup>148</sup> Although the Federal Circuit agreed that these issues would provide it jurisdiction under § 1338(a), it denied that these patent issues would arise in regard to the University's tortious interference claim.<sup>149</sup>

Further, it stated that "the patent law issues identified by NTT are not essential to the resolution of Plaintiffs' claim."<sup>150</sup> First, the court stated that the University did not need to prove its patent was valid in order to satisfy the business expectancy element of the tortious interference claim, as patents are presumed valid.<sup>151</sup> Second, questions regarding who has true inventorship of a product does not "convert the state law action into one arising under the patent laws."<sup>152</sup> NTT made an additional argument that, in order for a court to resolve whether NTT's actions interfered with the University's business opportunities, it would also need to construe the University's patent and that the Federal Circuit's holding in *U.S. Valves, Inc. v. Dray*<sup>153</sup> demanded this conclusion.<sup>154</sup> The court explained that the *U.S. Valves* holding required the court to construe a patent only when the breach of contract claim rested on a determination of the subject

---

1985)).

144. *Id.*, 75 U.S.P.Q.2d (BNA) at 1521 (quoting *Christianson*, 486 U.S. at 809).

145. *Id.*, 75 U.S.P.Q.2d (BNA) at 1521.

146. *Id.*, 75 U.S.P.Q.2d (BNA) at 1521 (quoting *Ash v. Hack Branch Distrib. Co.*, 54 S.W.3d 401, 414-15 (Tex. App. 2001)).

147. *Id.*, 75 U.S.P.Q.2d (BNA) at 1522.

148. *Id.* at 1363, 75 U.S.P.Q.2d (BNA) at 1522.

149. *Id.*, 75 U.S.P.Q.2d (BNA) at 1522.

150. *Id.*, 75 U.S.P.Q.2d (BNA) at 1522.

151. *Id.*, 75 U.S.P.Q.2d (BNA) at 1522.

152. *Id.*, 75 U.S.P.Q.2d (BNA) at 1522.

153. 212 F.3d 1368, 1372, 54 U.S.P.Q.2d (BNA) 1834 (Fed. Cir. 2000).

154. *Univ. of Texas Sys.*, 414 F.3d at 1363, 75 U.S.P.Q.2d (BNA) at 1522.

patent's scope.<sup>155</sup> However, *U.S. Valves* "does not stand for the proposition that all breach of contract actions involving patents require such a determination."<sup>156</sup>

Lastly, the court stated that the plaintiff's request for an injunction in the lower court did not provide the Federal Circuit with jurisdiction.<sup>157</sup> The defendant argued that the injunction prohibiting it from disseminating information contained in the patent was improper on the theory that the plaintiff's trade secrets ceased when it filed its patent application.<sup>158</sup> Citing *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, the defendant argued that the plaintiff's requested injunction presented a conflict between state law and federal patent laws.<sup>159</sup> The Federal Circuit rejected the defendant's argument and stated that the *Bonito Boats* precedent did not mean that "patent laws preempt a patentee's right to recover under theories sounding in either contract or tort for misappropriation of property protected under state law at the time of its misappropriation."<sup>160</sup> Further, "[n]othing in the injunction requested by Plaintiffs would improperly expand the scope of rights granted under [] [the Plaintiffs' patent] and Plaintiffs' quest for such an injunction does not require resolution of a substantial question of patent law."<sup>161</sup> Accordingly, the Federal Circuit denied jurisdiction and transferred the case to the Fifth Circuit pursuant to 28 U.S.C. § 1631.<sup>162</sup>

### C. Personal Jurisdiction

*Rates Technology Inc. v. Nortel Networks Corp.*<sup>163</sup> involved the appeal of a dismissal of a patent infringement action for lack of personal jurisdiction. The plaintiff's complaint alleged that the defendant, a Canadian corporation, was the successor-in-interest to other companies that infringed the patent-in-suit.<sup>164</sup> The defendant's answer to the complaint raised the lack of personal jurisdiction as an affirmative defense.<sup>165</sup> In the same pleading, the defendant also counterclaimed for declaratory judgment of noninfringement,

155. *Id.*, 75 U.S.P.Q.2d (BNA) at 1523.

156. *Id.* at 1364, 75 U.S.P.Q.2d (BNA) at 1523.

157. *Id.* at 1365, 75 U.S.P.Q.2d (BNA) at 1524.

158. *Id.*, 75 U.S.P.Q.2d (BNA) at 1524.

159. *Id.*, 75 U.S.P.Q.2d (BNA) at 1524.

160. *Id.*, 75 U.S.P.Q.2d (BNA) at 1524.

161. *Id.*, 75 U.S.P.Q.2d (BNA) at 1524.

162. *Id.* at 1366, 75 U.S.P.Q.2d (BNA) at 1525. The Federal Circuit transferred the case to the Fifth Circuit because the defendant provided an alternative argument that gave the Fifth Circuit jurisdiction. *Id.*, 75 U.S.P.Q.2d (BNA) at 1524.

163. 399 F.3d 1302, 73 U.S.P.Q.2d (BNA) 1904 (Fed. Cir. 2005).

164. *Id.* at 1304, 73 U.S.P.Q.2d (BNA) at 1905.

165. *Id.*, 73 U.S.P.Q.2d (BNA) at 1905.

invalidity, and unenforceability of the patent-in-suit, as well as unfair competition and patent misuse.<sup>166</sup> After obtaining leave of court, the defendant also filed a motion pursuant to Federal Rule of Civil Procedure ("FRCP") 12(b)(2) to dismiss the plaintiff's complaint for lack of personal jurisdiction.<sup>167</sup> The defendant supported its motion to dismiss with a declaration from an executive stating that it was a Canadian holding company that did not manufacture, use, sell, or offer for sale products in the United States, and the executive also stated that the defendant was not a successor-in-interest to any company that manufactured, used, sold, or offered for sale products accused of infringement.<sup>168</sup> The plaintiff did not offer any evidence contradicting the defendant's declaration, but argued that the defendant had waived its personal jurisdiction defense by filing permissive counterclaims in its answer.<sup>169</sup>

The district court granted the defendant's motion to dismiss, finding that the plaintiff had failed to offer any evidence contradicting the defendant's declaration.<sup>170</sup> The district court also found that the defendant properly raised its jurisdictional objection from the inception of the litigation, and did not waive its personal jurisdiction defense by filing permissive counterclaims with its answer.<sup>171</sup>

The Federal Circuit was persuaded by the views of other circuits in regard to the personal jurisdiction issue<sup>172</sup> and affirmed the district court's dismissal order. The court held that "filing a counterclaim, compulsory or permissive, cannot waive a party's objections to personal jurisdiction, so long as the requirements of Rule 12(h)(1) are satisfied."<sup>173</sup> The court reasoned that a contrary holding "would effectively eliminate the unqualified right provided by Rule 12(b) of raising jurisdictional defenses either by motion or answer."<sup>174</sup>

In *Commissariat a L'Energie Atomique v. Chi Mei Optoelectronics Corp.*,<sup>175</sup> the Federal Circuit considered the appeal of an order of dismissal for

---

166. *Id.*, 73 U.S.P.Q.2d (BNA) at 1905.

167. *Id.* at 1304-05, 73 U.S.P.Q.2d (BNA) at 1905.

168. *Id.* at 1305, 73 U.S.P.Q.2d (BNA) at 1905.

169. *Id.* at 1305, 73 U.S.P.Q.2d (BNA) at 1906.

170. *Id.* at 1306, 73 U.S.P.Q.2d (BNA) at 1906.

171. *Id.*, 73 U.S.P.Q.2d (BNA) at 1906.

172. *Id.* at 1307, 73 U.S.P.Q.2d (BNA) at 1907 (citing *Bayou Steel Corp. v. M/V Amstelveorn*, 809 F.2d 1147, 1149 (5th Cir. 1987) and *Neifeld v. Steinberg*, 438 F.2d 423, 428-29 (3d Cir. 1971) to stand for the proposition that raising jurisdictional defenses in the same pleading with a counterclaim does not waive such jurisdictional defenses).

173. *Id.* at 1308, 73 U.S.P.Q.2d (BNA) at 1907-08.

174. *Id.*, 73 U.S.P.Q.2d (BNA) at 1908 (internal citation omitted).

175. 395 F.3d 1315, 74 U.S.P.Q.2d (BNA) 1145 (Fed. Cir. 2005).

lack of personal jurisdiction. The plaintiff, a French government research agency that developed new technologies for sale and license to the private sector for commercial use, owned two patents directed to technology for the design and manufacture of liquid crystal displays (“LCDs”).<sup>176</sup> The defendant was a Taiwanese manufacturer of LCD products, including modules alleged to infringe the plaintiff’s patents.<sup>177</sup> The defendant sold its modules directly to original equipment manufacturers that incorporated the modules into computer monitors which were, in turn, shipped to major brand-name computer manufacturers that shipped their products to retailers in the United States.<sup>178</sup> The defendant made no direct sales to these retailers.<sup>179</sup>

After the plaintiff filed suit against the defendant in Delaware, the defendant moved to dismiss the plaintiff’s infringement lawsuit for lack of personal jurisdiction prior to any discovery taking place.<sup>180</sup> In its response to the motion, the plaintiff submitted documentary evidence that arguably was sufficient to support denial of the motion. Alternatively, the plaintiff argued that, if the record were not sufficient, it should be allowed to conduct discovery.<sup>181</sup> The defendant also submitted evidence that it had not transacted business in Delaware, had not done any type of work in Delaware, had no operations or property in Delaware, had no employees living in Delaware, and was not licensed to do business in Delaware.<sup>182</sup> The defendant did not, however, submit any evidence to contradict the allegation that it derived substantial revenue from sales of its products in Delaware or that its modules incorporated in other products were likely to reach Delaware.<sup>183</sup> The defendant did argue that mere introduction of its products into the “stream of commerce” was not sufficient to establish personal jurisdiction under Delaware’s long arm statute.<sup>184</sup> The district court dismissed the plaintiff’s action for lack of jurisdiction, rejecting arguments that the Delaware long arm statute conferred jurisdiction.<sup>185</sup>

---

176. *Id.* at 1316-17, 74 U.S.P.Q.2d (BNA) at 1147.

177. *Id.* at 1317, 74 U.S.P.Q.2d (BNA) at 1147.

178. *Id.*, 74 U.S.P.Q.2d (BNA) at 1147.

179. *Id.*, 74 U.S.P.Q.2d (BNA) at 1147.

180. *Id.*, 74 U.S.P.Q.2d (BNA) at 1147.

181. *Id.*, 74 U.S.P.Q.2d (BNA) at 1147.

182. *Id.*, 74 U.S.P.Q.2d (BNA) at 1147.

183. *Id.* at 1317-18, 74 U.S.P.Q.2d (BNA) at 1147-48.

184. *Id.* at 1318, 74 U.S.P.Q.2d (BNA) at 1148.

185. *Id.*, 74 U.S.P.Q.2d (BNA) at 1148.

The plaintiff had argued that section 3104(c)(1), (3) and (4) of Title 10 of the Delaware Code conferred jurisdiction. Subsection (c)(4) establishes personal jurisdiction over a defendant that:

Causes tortious injury in the State or outside of the State by an act or omission outside of the state if the person regularly does or solicits business, engages in any other persistent course of conduct in the State or derives substantial revenue from services, or things used or consumed in the State.<sup>186</sup>

The district court found the record insufficient to satisfy the requirements of the long-arm statute because the plaintiff failed to demonstrate that the defendant derived substantial revenue specifically from Delaware.<sup>187</sup> As a result, the district court declined to reach the issue of whether the requirements of due process had been satisfied.<sup>188</sup>

In its motion to reconsider, the plaintiff again requested jurisdictional discovery, which it had raised in its original response to the defendant's motion to dismiss.<sup>189</sup> The court declined to grant jurisdictional discovery, and entered final judgment in favor of the defendant pursuant to FRCP 54(b).<sup>190</sup>

Upon appeal, the Federal Circuit considered whether the district court properly dismissed the action for lack of personal jurisdiction. The court stated that to establish personal jurisdiction in a patent infringement case over a non-resident defendant whose products are sold in the forum state, "a plaintiff must show both that the state long arm statute applies and that the requirements of due process are satisfied."<sup>191</sup> The court found that the plaintiff had presented sufficient evidence to demonstrate that the defendant sold a large volume of LCDs to companies that incorporate the LCDs into final product and that the products were "likely sold in Delaware in substantial quantities."<sup>192</sup> Accordingly, the Federal Circuit held that the district court should have found the plaintiff's showing "sufficient to establish that substantial revenues could be derived by [the defendant] from the sales of products in Delaware incorporating [the defendant's] LCDs."<sup>193</sup> However, the Federal Circuit noted that whether the plaintiff's showing was sufficient for personal jurisdiction

186. *Id.*, 74 U.S.P.Q.2d (BNA) at 1148 (quoting DEL. CODE ANN. TIT. 10, § 3104(c)(4) (2003)) (internal quotation marks omitted).

187. *Id.*, 74 U.S.P.Q.2d (BNA) at 1148.

188. *Id.* at 1318, 74 U.S.P.Q.2d (BNA) at 1148.

189. *Id.* at 1318-19, 74 U.S.P.Q.2d (BNA) at 1148.

190. *Id.* at 1319, 74 U.S.P.Q.2d (BNA) at 1149.

191. *Id.*, 74 U.S.P.Q.2d (BNA) at 1149.

192. *Id.* at 1320, 74 U.S.P.Q.2d (BNA) at 1149.

193. *Id.*, 74 U.S.P.Q.2d (BNA) at 1149.

“presents difficult questions under both Delaware law and the due process clause.”<sup>194</sup>

The scope of the stream of commerce theory under Delaware law had not been addressed directly by the Delaware Supreme Court. While lower Delaware courts held that the theory was available under the long arm statute, it was not clear whether proof of intent to serve the Delaware market was necessary, nor was it clear whether the Delaware long arm statute extended to the full extent that the due process clause permits.<sup>195</sup> Moreover, the United States Supreme Court has not been clear on whether a showing such as the one made by the plaintiff was sufficient to satisfy the purposeful minimum contacts required to exercise personal jurisdiction under the due process clause.<sup>196</sup> The Federal Circuit analyzed the two “minimum contacts” analyses from the plurality opinions of Justices O’Connor and Brennan<sup>197</sup> in *Asahi Metal Industries Co. v. Superior Court*.<sup>198</sup> The Federal Circuit stated:

On the existing record, this case thus presents a factual scenario which would require us to determine whether or not additional conduct, beyond a showing of use of established distribution channels, is required to meet the demands of due process under the stream of commerce theory of personal jurisdiction. We have not had occasion to resolve that question, and we conclude that we should not do so on the inadequate record presented here.<sup>199</sup>

Because the Federal Circuit found that there was “substantial uncertainty” regarding the scope of Delaware law and of the due process clause, the court decided that “these issues should not be resolved on the present record because the district court declined to order jurisdictional discovery.”<sup>200</sup>

The Federal Circuit then considered the district court’s denial of the plaintiff’s discovery request as untimely.<sup>201</sup> Applying Third Circuit law, the Federal Circuit found that the plaintiffs had adequately preserved their discovery request, as Third Circuit law did not require the formal filing of a request for discovery in order to preserve the issue.<sup>202</sup> The Federal Circuit held that the plaintiffs preserved their

---

194. *Id.* at 1320, 74 U.S.P.Q.2d (BNA) at 1149.

195. *Id.*, 74 U.S.P.Q.2d (BNA) at 1149-50.

196. *Id.*, 74 U.S.P.Q.2d (BNA) at 1150.

197. *Id.* at 1321-22, 74 U.S.P.Q.2d (BNA) at 1150-51.

198. 480 U.S. 102 (1987).

199. 395 F.3d at 1322, 74 U.S.P.Q.2d (BNA) at 1151 (internal footnote omitted).

200. *Id.*, 74 U.S.P.Q.2d (BNA) at 1151.

201. *Id.*, 74 U.S.P.Q.2d (BNA) at 1151.

202. *Id.* at 1323, 74 U.S.P.Q.2d (BNA) at 1151 (citing *Renner v. Lanard Toys Ltd.*, 33 F.3d 277, 283 (3d Cir. 1994)).

request for discovery in their opposition to the motion to dismiss and that the request was reiterated during oral argument and in a motion to reconsider.<sup>203</sup> The Federal Circuit also held that “[t]he mere fact that [the plaintiffs] also argued that the record was sufficient to establish jurisdiction without discovery was not a waiver of the right to discovery in the event the district court disagreed.”<sup>204</sup>

Finally, the Federal Circuit held that the discovery request was highly relevant and that additional facts would likely assist the court in making the jurisdictional determination. Because a threshold showing had been made to merit jurisdictional discovery, the Federal Circuit held that the district court erred in denying the request.<sup>205</sup> The Federal Circuit vacated the district court’s decision and remanded for further proceedings.<sup>206</sup>

*Trintec Industries, Inc. v. Pedre Promotional Products, Inc.*<sup>207</sup> also involved the appeal of a district court’s dismissal for lack of personal jurisdiction.<sup>208</sup> *Trintec* involved a patent infringement lawsuit in which Trintec Industries, Inc., a Canadian corporation, and Time to Invent, L.L.C., a District of Columbia corporation (collectively “Trintec”), sued Pedre Promotional Products, Inc. (“Pedre”) for patent infringement in the United States District Court for the District of Columbia.<sup>209</sup> The complaint alleged that Pedre was a New York corporation with its main office in New York City.<sup>210</sup> Pedre moved to dismiss for lack of personal jurisdiction and improper venue,<sup>211</sup> supporting its motion with a declaration from Pedre’s president stating that the corporation’s sole office was in New York, that all of its manufacturing facilities were in New York, and that it had no offices, employees, facilities, or sales representatives in Washington, D.C.<sup>212</sup>

The declaration also stated that Pedre did not directly employ sales representatives, but rather contracted with Multiline Marketing Group, Inc. (“Multiline”), a sales organization based in Florida, for these employees.<sup>213</sup> Multiline also acted as the sales representative for

203. *Id.*, 74 U.S.P.Q.2d (BNA) at 1151.

204. *Id.*, 74 U.S.P.Q.2d (BNA) at 1152.

205. *Id.* at 1323-24, 74 U.S.P.Q.2d (BNA) at 1152.

206. *Id.* at 1324, 74 U.S.P.Q.2d (BNA) at 1152.

207. 395 F.3d 1275, 73 U.S.P.Q.2d (BNA) 1587 (Fed. Cir. 2005).

208. *Id.* at 1277, 73 U.S.P.Q.2d (BNA) at 1588.

209. *Id.*, 73 U.S.P.Q.2d (BNA) at 1588.

210. *Id.*, 73 U.S.P.Q.2d (BNA) at 1588.

211. *See id.*, 73 U.S.P.Q.2d (BNA) at 1588. Defendant also moved for alternative relief of a transfer to the Southern District of New York pursuant to 28 U.S.C. § 1404. *Id.*, 73 U.S.P.Q.2d (BNA) at 1588.

212. *Id.*, 73 U.S.P.Q.2d (BNA) at 1588.

213. *Id.*, 73 U.S.P.Q.2d (BNA) at 1588.



seven other product manufacturers that had no relationship to Pedre's product lines.<sup>214</sup> Pedre further stated that one of its sales representatives spent only four to five days per year visiting clients in Washington, D.C. not only on behalf of Pedre, but also Multiline's seven other product manufacturers.<sup>215</sup> Trintec replied that Pedre's products were extensively advertised on dozens of web sites, including Pedre's own website, where it offered infringing products for direct sale to customers living in the District of Columbia.<sup>216</sup> Trintec also claimed that Pedre's company website advertised product exhibitions that took place throughout the country, including two exhibitions in Washington, D.C.<sup>217</sup> Without explanation, the district court granted Pedre's motion to dismiss the complaint.<sup>218</sup>

On appeal, the Federal Circuit again applied the two-step inquiry to determine whether a district court has personal jurisdiction in patent cases: (1) does jurisdiction exist under the state long-arm statute and (2) would the exercise of that jurisdiction be consistent with the limitations of the due process clause?<sup>219</sup>

The Federal Circuit noted that the District of Columbia permits general jurisdiction over a foreign corporation for claims not arising from the corporation's conduct in the District, if the corporation is "doing business" in the District and if its business contacts are "continuous and systematic."<sup>220</sup> Thus, the court held that the reach of general jurisdiction in the District is "coextensive with the reach of constitutional due process."<sup>221</sup>

The Federal Circuit also stated that specific jurisdiction depends on the District of Columbia's long-arm statute, providing that:

A District of Columbia court may exercise personal jurisdiction over a person, who acts directly or by an agent, as to a claim for relief arising from the person's—

- (1) transacting any business in the District of Columbia; . . .
- (3) causing tortious injury in the District of Columbia by an act or omission in the District of Columbia;
- (4) causing tortious injury in the District of Columbia by an act or omission outside the District of Columbia if he regularly does or solicits business, engages in any other persistent course of conduct,

---

214. *Id.*, 73 U.S.P.Q.2d (BNA) at 1588.

215. *Id.* at 1277-78, 73 U.S.P.Q.2d (BNA) at 1588.

216. *Id.* at 1278, 73 U.S.P.Q.2d (BNA) at 1588-89.

217. *Id.*, 73 U.S.P.Q.2d (BNA) at 1589.

218. *Id.* at 1279, 73 U.S.P.Q.2d (BNA) at 1589.

219. *Id.*, 73 U.S.P.Q.2d (BNA) at 1589.

220. *Id.* at 1279, 73 U.S.P.Q.2d (BNA) at 1590 (quoting D.C. CODE § 13-334(a) (2004)).

221. *Id.* at 1279-80, 73 U.S.P.Q.2d (BNA) at 1590.

or derives substantial revenue from goods used or consumed, or services rendered, in the District of Columbia; . . . .<sup>222</sup>

The court held that specific jurisdiction under the District's long-arm statute would be met under subsections (a)(3) or (a)(4) if an infringing product were sold in Washington, D.C. because patent infringement is a tort and such a sale would therefore constitute "tortious injury."<sup>223</sup> Noting that the district court's order did not disclose the grounds or factual basis upon which it might have concluded that personal jurisdiction did not exist, either under the long-arm statute or in light of due process requirements,<sup>224</sup> the Federal Circuit evaluated the evidence in the record to determine if the United States District Court for the District of Columbia had appropriate jurisdiction over this matter.<sup>225</sup>

The Federal Circuit noted that Pedre's use of its own interactive website to advertise its products was not dispositive to the issue of whether jurisdiction existed because the site was "not directed at customers in the District of Columbia, but instead is available to all customers throughout the country who have access to the Internet."<sup>226</sup> The Federal Circuit held that "the ability of District residents to access the defendants' websites . . . does not by itself show any persistent course of conduct by the defendants in the District."<sup>227</sup> The court further reasoned that "[a]lthough Trintec has shown that Pedre's websites contain some interactive features aimed at transacting business, it is unclear how frequently those features are utilized or, indeed, whether any District residents have ever actually used Pedre's website to transact business."<sup>228</sup> The Federal Circuit concluded that Trintec's evidence of Pedre's contracted sales representative's annual visits to the District was insufficient to support its claim of jurisdiction, remarking that it could not know how much time the representative spent with Pedre's clients or the extent of the representative's visits.<sup>229</sup> Additionally, the court could not find evidence in the record to support Trintec's claim that Pedre

---

222. *Id.* at 1280, 73 U.S.P.Q.2d (BNA) at 1590 (quoting D.C. CODE § 13-423(a) (2004)).

223. *Id.*, 73 U.S.P.Q.2d (BNA) at 1590 (internal quotation omitted).

224. *Id.*, 73 U.S.P.Q.2d (BNA) at 1590.

225. *Id.* at 1281-82, 73 U.S.P.Q.2d (BNA) at 1591-92.

226. *Id.* at 1281, 73 U.S.P.Q.2d (BNA) at 1591.

227. *Id.*, 73 U.S.P.Q.2d (BNA) at 1591 (quoting *GTE New Media Servs. Inc. v. BellSouth Corp.*, 199 F.3d 1343, 1349 (D.C. Cir. 2000)).

228. *Id.*, 73 U.S.P.Q.2d (BNA) at 1591.

229. *See id.* at 1282, 73 U.S.P.Q.2d (BNA) at 1591-92 (mentioning that the evidence in the record was also insufficient to establish the nature of Pedre's exhibitions in Washington, D.C.).

conducted sufficient sales of infringing products to customers in the District of Columbia.<sup>230</sup>

The Federal Circuit thus held that it was unable to determine whether specific or general jurisdiction existed over Pedre.<sup>231</sup> With respect to specific jurisdiction, the record provided insufficient evidence on the issue of whether Pedre was transacting business in the District, nor could the court determine whether Pedre was causing injury in the District by its conduct outside the District while regularly doing or soliciting business, engaging in any persistent course of conduct, or deriving substantial revenue from goods used or consumed in the District.<sup>232</sup>

On the issue of general jurisdiction, the court determined that the record also provided insufficient facts to determine whether Pedre had contacts with the District that were so continuous and systematic as to overcome the fact that the claim did not arise from Pedre's conduct within the District.<sup>233</sup> Noting that no jurisdictional discovery had been conducted, and that Trintec's prima facie showing of jurisdiction was sparse and contained considerable evidentiary gaps, the Federal Circuit concluded that "additional evidence [would be] needed before a decision on jurisdiction properly [could] be made."<sup>234</sup> The Federal Circuit vacated the district court's dismissal for lack of personal jurisdiction and remanded for further proceedings.<sup>235</sup>

#### *D. Standing*

In *Sicom Systems Ltd. v. Agilent Technologies, Inc.*,<sup>236</sup> the Plaintiff-Appellant, Sicom, executed a license agreement with the Canadian government for a patent covering a type of digital signal transmission channel monitor. The Canadian government retained the title to the patent and reserved the rights to: "(1) continue operating under the patented technology; (2) veto proposed sublicenses; (3) grant contracts to further develop the [] patent; (4) sublicense any improvements or corrections developed by Sicom; and (5) sue for infringement of the [] patent except for 'commercial infringement actions.'" In addition, the agreement prevented Sicom from assigning its rights to the patent without first obtaining Canada's

---

230. *Id.*, 73 U.S.P.Q.2d (BNA) at 1592.

231. *Id.*, 73 U.S.P.Q.2d (BNA) at 1592.

232. *Id.*, 73 U.S.P.Q.2d (BNA) at 1592.

233. *Id.*, 73 U.S.P.Q.2d (BNA) at 1592.

234. *Id.* at 1283, 73 U.S.P.Q.2d (BNA) at 1592.

235. *Id.*, 73 U.S.P.Q.2d (BNA) at 1592.

236. 427 F.3d 971, 76 U.S.P.Q.2d (BNA) 1933 (Fed. Cir. 2005).

approval, and prevented Sicom from suing infringers without first notifying Canada.

Sicom's standing to sue for infringement was at issue in the appeal. In 2003, Sicom sued Agilent, Lecroy, and Tektronix for infringing upon the patent.<sup>237</sup> The Canadian government declined to join the litigation. The defendants in that case moved to dismiss on the ground that Sicom lacked standing to sue.<sup>238</sup> The district court granted the defendants' motion holding that "Canada had retained substantial rights to the patent to a degree sufficient to bar Sicom from commencing without the Canadian government."<sup>239</sup> Subsequently, Sicom and the Canadian government amended their original agreement.

The amendment granted to Sicom: (1) the exclusive right to 'initiate commercial infringement actions' related to the patent; (2) an extension of the term of the Agreement to coincide with the term of the patent; and (3) an extension of Sicom's right to initiate commercial infringement actions after expiration of the patent.<sup>240</sup>

Shortly thereafter, Sicom filed a second suit, and the defendants filed a second motion to dismiss for lack of standing.<sup>241</sup> Again, the district court granted the defendants' motion to dismiss the case although this time the district court dismissed the case with prejudice.<sup>242</sup> The court held that "Sicom does not possess the substantial rights necessary to be an 'effective patentee' for purposes of granting Sicom standing to sue for infringement of the [] patent."<sup>243</sup>

The court then proceeded to review five recent cases that addressed the issue of what constitutes a transfer of Substantial rights: (1) In *Intellectual Property Development, Inc. v TCI Cablevision of California, Inc.*,<sup>244</sup> the court held that the transfer of rights constituted an exclusive license and not assignment of the patent because the patent holder "did not transfer the sole right to sue other parties for infringement [of the patent]" and because the agreement provides for certain circumstances in which the patent holder must consent to litigation—the consent could be with drawn at any time.<sup>245</sup> (2) In

---

237. *Sicom*, 427 F.3d at 973, 76 U.S.P.Q.2d (BNA) 1934-35.

238. *Id.*, 76 U.S.P.Q.2d (BNA) at 1935.

239. *Id.*, 76 U.S.P.Q.2d (BNA) at 1935.

240. *Id.*, 76 U.S.P.Q.2d (BNA) at 1935.

241. *Id.*, 76 U.S.P.Q.2d (BNA) at 1935.

242. *Id.*, 76 U.S.P.Q.2d (BNA) at 1935.

243. *Id.*, 76 U.S.P.Q.2d (BNA) at 1935.

244. 248 F.3d 1333, 58 U.S.P.Q.2d (BNA) 1681 (Fed. Cir. 2001).

245. *Sicom*, 427 F.3d at 977, 76 U.S.P.Q.2d (BNA) at 1937.

*Prima Tek II, L.L.C. v. A-Roo Co.*,<sup>246</sup> the court held that the transfer of a license from the first exclusive licensee, Prima Tek I, to Prima Tek II, demonstrated that the original license transferred less than substantial rights in the patent.<sup>247</sup> (3) In *Textile Products, Inc. v. Mead Corp.*,<sup>248</sup> the court held that patent owner's failure to clearly promise to refrain from granting further licenses demonstrated that the patent owner failed to transfer substantial rights to the patent.<sup>249</sup> (4) In *Abbott Labs v. Diamedix Corp.*,<sup>250</sup> the patent holder retained the right to produce and sell the patented products to those parties with whom the patent holder had pre-existing contracts.<sup>251</sup> The patent holder also retained the right to bring its own infringement suits, the right to veto any further assignment by the licensee.<sup>252</sup> As a result, the court held that the patent owner transferred fewer than substantial rights.<sup>253</sup> (5) In *Vaupel Textilmaschinen KG v. Meccanica Euro Italia SPA*,<sup>254</sup> the court held that the patent owner transferred substantial rights to the patent because the assignee received the right to sue for infringement without the approval of the patent owner. The court affirmed the district court because Canada's failure to transfer the right to sue for all infringement, both commercial and non-commercial, demonstrate that Canada did not transfer substantial rights.

In *Evident Corp. v. Church & Dwight Co.*,<sup>255</sup> Evident Corp. ("Evident") sued Church & Dwight Co. and Colgate-Palmolive Co. (collectively "Church & Dwight") for infringement of a patent.<sup>256</sup> Church & Dwight answered Evident's complaint and filed a declaratory judgment counterclaim alleging invalidity, noninfringement, and unenforceability of the patent-in-suit due to inequitable conduct.<sup>257</sup> Church & Dwight also joined the Peroxydent Group ("Peroxydent"), Evident's licensor, as a third-party defendant.<sup>258</sup> After a three-day bench trial, the district court held that the patent-in-suit was unenforceable due to inequitable conduct; namely, the inventors' withholding of three material references from the United States

246. 222 F.3d 1372, 55 U.S.P.Q.2d (BNA) 1742 (Fed. Cir. 2000).

247. *Sicom*, 427 F.3d at 977, 76 U.S.P.Q.2d (BNA) at 1937-38.

248. 134 F.3d 1481, 45 U.S.P.Q.2d (BNA) 1633 (Fed. Cir. 1998).

249. *Sicom*, 427 F.3d at 977-78, 76 U.S.P.Q.2d (BNA) at 1938.

250. 47 F.3d 1128, 33 U.S.P.Q.2d (BNA) 1771 (Fed. Cir. 1995).

251. *Sicom*, 427 F.3d at 978, 76 U.S.P.Q.2d (BNA) at 1938.

252. *Id.*, 76 U.S.P.Q.2d (BNA) at 1938.

253. *Id.*, 76 U.S.P.Q.2d (BNA) at 1938.

254. 944 F.2d 870, 20 U.S.P.Q.2d (BNA) 1045 (Fed. Cir. 1991).

255. 399 F.3d 1310, 73 U.S.P.Q.2d (BNA) 1910 (Fed. Cir. 2005).

256. *Id.* at 1312, 73 U.S.P.Q.2d (BNA) at 1911.

257. *Id.*, 73 U.S.P.Q.2d (BNA) at 1911.

258. *Id.*, 73 U.S.P.Q.2d (BNA) at 1911.

Patent and Trademark Office (“USPTO”) with the intent to deceive.<sup>259</sup> Evident and Peroxydent appealed that decision and the Federal Circuit affirmed without opinion.<sup>260</sup> While that appeal was pending, Church & Dwight moved for attorney’s fees and \$1.3 million in expenses, arguing that the case was exceptional.<sup>261</sup> The district court agreed and awarded Church & Dwight nearly all of the requested attorney’s fees.<sup>262</sup>

On appeal to the Federal Circuit regarding the fees awarded to Church & Dwight, Peroxydent argued that the award could not stand because Evident was a mere licensee, lacking all substantial rights in the patent, and therefore did not have standing to bring the original patent suit against Church & Dwight.<sup>263</sup> Peroxydent also claimed that as a passive third-party defendant, it held no interest in the litigation.<sup>264</sup> Church & Dwight responded to Peroxydent’s contention by arguing that constitutional and prudential standing requirements were met because Evident possessed sufficient rights to bring suit in its own name, and because any deficiency in standing that might have originally existed was cured when Peroxydent was joined as a third-party defendant.<sup>265</sup>

The Federal Circuit agreed with Church & Dwight, stating that “Evident and Peroxydent, being on the losing side of both their own patent infringement claim and an opposing claim for attorney fees, now appear to seek escape from the judgment by arguing that Evident lacked standing in the first place . . . .”<sup>266</sup> The court stated that constitutional standing “requires only that a plaintiff must have suffered an injury in fact, that there be a causal connection between the injury and a defendant’s conduct, and that the injury be redressable by a favorable court decision.”<sup>267</sup> The Federal Circuit consequently held that Evident, as an exclusive licensee to the patent-in-suit, did have standing to sue because it had significant rights to the patent and would be injured by any party that made, used, or sold the patented product.<sup>268</sup>

---

259. *Id.*, 73 U.S.P.Q.2d (BNA) at 1911.

260. *Evident Corp. v. Church & Dwight Co.*, 78 Fed. Appx. 113 (Fed. Cir. 2003).

261. *Evident Corp.*, 399 F.3d at 1312-13, 73 U.S.P.Q.2d (BNA) at 1912.

262. *Id.* at 1313, 73 U.S.P.Q.2d (BNA) at 1912.

263. *Id.*, 73 U.S.P.Q.2d (BNA) at 1912.

264. *Id.*, 73 U.S.P.Q.2d (BNA) at 1912.

265. *Id.*, 73 U.S.P.Q.2d (BNA) at 1912.

266. *Id.*, 73 U.S.P.Q.2d (BNA) at 1912.

267. *Id.*, 73 U.S.P.Q.2d (BNA) at 1912 (citing *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992)).

268. *Id.* at 1313-14, 73 U.S.P.Q.2d (BNA) at 1912.

The Federal Circuit next examined the primary issue of whether Peroxydent's presence in the suit, as simply a third-party defendant, satisfied prudential standing requirements.<sup>269</sup> With respect to the prudential components of the standing doctrine, the court stated that "a patentee should be joined, either voluntarily or involuntarily, in any infringement suit brought by an exclusive licensee . . . ."<sup>270</sup> Noting that this case did not involve a typical challenge to prudential standing because it was brought by the patent owner,<sup>271</sup> the court held that there was no standing problem, regardless of "whether Peroxydent was brought into the suit by the accused or the licensee . . . ."<sup>272</sup> The court reasoned that Peroxydent was joined in the lawsuit through Church & Dwight's counterclaim and was therefore involved and participating in the suit from the start of the litigation.<sup>273</sup> The court also noted that Peroxydent could not fairly argue that it was uninterested in the litigation, as its patent was in jeopardy and the litigation would have affected its interest.<sup>274</sup> Accordingly, Peroxydent's presence in the litigation as a third-party defendant satisfied any standing requirements.<sup>275</sup>

*Thatcher v. Kohl's Department Stores, Inc.*,<sup>276</sup> involved a motion for a rule to show cause for lack of standing in a patent infringement case.<sup>277</sup> This motion was filed by Deckers Outdoor Corp. ("Deckers"), the patent owner's assignee, for the right to enforce a 1997 consent judgment between Mark Thatcher ("Thatcher"), the patentee, and the defendant, Kohl's Department Stores ("Kohl's").<sup>278</sup> The district court dismissed Deckers's motion and ruled that it lacked standing, reasoning that the 1997 consent judgment did not contain language

---

269. *Id.* at 1314, 73 U.S.P.Q.2d (BNA) at 1912.

270. *Id.*, 73 U.S.P.Q.2d (BNA) at 1912 (citing *Prima-Tek II, L.L.C. v. A-Roo Co.*, 222 F.3d 1372, 1377 (Fed. Cir. 2000)).

271. *See id.*, 73 U.S.P.Q.2d (BNA) at 1913 (mentioning that a typical prudential standing challenge involves the allegedly infringing party asserting that the plaintiff, a licensee with rights to the patent, lacked standing to bring the original lawsuit because the patentee was not a party).

272. *Id.*, 73 U.S.P.Q.2d (BNA) at 1913.

273. *Id.*, 73 U.S.P.Q.2d (BNA) at 1913.

274. *Id.*, 73 U.S.P.Q.2d (BNA) at 1913.

275. *Id.*, 73 U.S.P.Q.2d (BNA) at 1913.

276. 397 F.3d 1370, 73 U.S.P.Q.2d (BNA) 1861 (Fed. Cir. 2005).

277. *Id.* at 1372, 73 U.S.P.Q.2d (BNA) at 1862.

278. *See id.* at 1372-73, 73 U.S.P.Q.2d (BNA) at 1862 (noting that Deckers acquired, from Thatcher, all of the intellectual property rights to the challenged product's patent and trade dress, along with purchasing the right to all contracts, claims, rights, causes of action, and judgments that were related to the business and intellectual property assets). Deckers is therefore the purported successor-in-interest to Thatcher. *Id.* at 1373, 73 U.S.P.Q.2d (BNA) at 1863.

granting Thatcher the power to assign his rights under the judgment, or for his successors to enforce his rights.<sup>279</sup>

The Federal Circuit applied both the law of the Seventh Circuit and Illinois contract law,<sup>280</sup> and found that the consent judgment was an unambiguous written agreement in which Thatcher expressly declined to assign his right of enforcement to another party.<sup>281</sup> The Federal Circuit noted that while consent judgments have the attributes of contracts, they are different from contracts in that consent judgments not only reflect an agreement on terms, but also “a resolution and compromise of contested legal positions in matters that are the subject of litigation.”<sup>282</sup> Relying on *United States v. Armour & Co.*,<sup>283</sup> the Federal Circuit held that the scope of the consent decree “must [therefore] be discerned within its four corners, and not by reference to what might satisfy the purposes of one of the parties to it . . . .”<sup>284</sup> Because Thatcher did not assign his rights to a third party, including any successor-in-interest, the court held that this “silence [was] the functional equivalent of the parties’ express intent to exclude language of assignment.”<sup>285</sup>

In *Israel Bio-Engineering Project v. Amgen Inc.*,<sup>286</sup> the plaintiff sued the defendants for infringement of a patent, developed by researchers affiliated with two Israeli companies, Yeda and Inter-Yeda, covering a tumor necrosis factor inhibitory protein.<sup>287</sup> On appeal, the Federal Circuit addressed the issue of whether Yeda, Inter-Yeda, or the plaintiff owned the invention.<sup>288</sup> Yeda and Inter-Yeda had entered into an agreement in which Inter-Yeda agreed to finance Yeda research projects including those that focused on anticellular factor research.<sup>289</sup> This “1981 contract” expired in 1986. In 1982, the plaintiff agreed to fund Inter-Yeda’s financial obligations to Yeda under the 1981 contract (“the 1982 agreement”).<sup>290</sup> In return, Inter-

---

279. *Id.* at 1373, 73 U.S.P.Q.2d (BNA) at 1863.

280. The Federal Circuit reasoned that interpretation of a settlement agreement is not an issue unique to patent law and that a consent decree is a form of contract that should be governed by state contract law. *Id.* at 1373-74, 73 U.S.P.Q.2d (BNA) at 1863.

281. *Id.* at 1374, 73 U.S.P.Q.2d (BNA) at 1864.

282. *Id.*, 73 U.S.P.Q.2d (BNA) at 1864.

283. 402 U.S. 673 (1971).

284. *Thatcher*, 397 F.3d at 1375, 73 U.S.P.Q.2d (BNA) at 1864 (quoting *Armour*, 402 U.S. at 681-82).

285. *Id.*, 73 U.S.P.Q.2d (BNA) at 1864.

286. 401 F.3d 1299, 74 U.S.P.Q.2d (BNA) 1198 (Fed. Cir. 2005).

287. *Id.* at 1300-01, 74 U.S.P.Q.2d (BNA) at 1199-1200.

288. *Id.* at 1302, 74 U.S.P.Q.2d (BNA) at 1200.

289. *Id.* at 1301, 74 U.S.P.Q.2d (BNA) at 1200.

290. *Id.*, 74 U.S.P.Q.2d (BNA) at 1200.



Yeda agreed that the plaintiff would own any discoveries that were made as a result of the research funded by the plaintiff.<sup>291</sup>

The patented invention was developed in 1987 after the 1981 agreement had expired but during the time in which the 1982 agreement was still in effect.<sup>292</sup> The plaintiff argued that the invention belonged to it and sued the defendants and three licensees for infringement.<sup>293</sup> The district court granted summary judgment in the defendants' favor. The plaintiff, on appeal,<sup>294</sup> argued that under Israeli law, which governed the 1981 and 1982 agreements, the 1981 agreement should be "harmonized" with the 1982 agreement. Once "harmonized," all of Yeda's discoveries through the later expiration date of the 1982 agreement would become the property of the plaintiff by operation of its 1982 contracts with Inter-Yeda.<sup>295</sup>

The Federal Circuit rejected this "single transaction" theory.<sup>296</sup> Although the Federal Circuit found that Israeli law permits related agreements for a common purpose to be read as a whole under "some circumstances," it did not require two related agreements to be read to have the same terms.<sup>297</sup> Additionally, although the court agreed that Israeli law allows a court to consult extrinsic evidence to determine the meaning of contracts, the Federal Circuit found the plaintiff's evidence of its own intent in entering the 1982 agreement to be irrelevant to Yeda and Inter-Yeda's intent in entering the 1981 agreement.<sup>298</sup> Thus, there was no evidence that "alter[ed] the fact that both Yeda and Inter-Yeda entered into a contract in 1981 whose terms expired in 1986."<sup>299</sup>

The plaintiff argued in the alternative that at the time of their invention, the inventors were employees of Inter-Yeda, and that the 1982 agreement provided that the plaintiff would own all discoveries made by Inter-Yeda research that was funded by the plaintiff between December 1982 and December 1987.<sup>300</sup> The district court rejected this argument, stating that expert testimony indicated that the inventors were not employees of Inter-Yeda.<sup>301</sup> The Federal Circuit reversed, finding that the district court improperly failed to analyze

---

291. *Id.*, 74 U.S.P.Q.2d (BNA) at 1200.

292. *Id.*, 74 U.S.P.Q.2d (BNA) at 1200.

293. *Id.*, 74 U.S.P.Q.2d (BNA) at 1200.

294. *Id.*, 74 U.S.P.Q.2d (BNA) at 1200.

295. *Id.* at 1302, 74 U.S.P.Q.2d (BNA) at 1201.

296. *Id.* at 1303, 74 U.S.P.Q.2d (BNA) at 1202.

297. *Id.* at 1304, 74 U.S.P.Q.2d (BNA) at 1202.

298. *Id.* at 1303, 74 U.S.P.Q.2d (BNA) at 1202.

299. *Id.*, 74 U.S.P.Q.2d (BNA) at 1201.

300. *Id.*, 74 U.S.P.Q.2d (BNA) at 1202.

301. *Id.* at 1304, 74 U.S.P.Q.2d (BNA) at 1202.

the plaintiff's affirmative evidence that the inventors were Inter-Yeda employees.<sup>302</sup> Accordingly, the Federal Circuit reversed the district court's grant of summary judgment on this issue.<sup>303</sup>

#### *E. Trial Procedures*

In *Junker v. Eddings*,<sup>304</sup> the Federal Circuit considered the appeal of the district court's finding that the defendant had infringed a valid design patent for a catheter introducer sheath.<sup>305</sup> The defendant challenged the district court's denial of its motion for JMOL, and the plaintiff cross-appealed from the district court's refusal to establish a constructive trust for the patentee's benefit.<sup>306</sup> The defendant argued that the design patent at issue was invalid under 35 U.S.C. § 102(e), (f) and/or (g) (2), because the patentee was not the first to invent the ornamental design features shown in the patent.<sup>307</sup>

The Federal Circuit agreed with the plaintiff that the defendant had failed to adequately challenge the sufficiency of the evidence supporting the plaintiff's infringement claim.<sup>308</sup> The Federal Circuit reasoned that Federal Rule of Civil Procedure 50(a) requires that a motion for JMOL must be sufficiently specific regarding its factual basis to inform the plaintiff of exactly what the moving party believed to be deficient in the evidence, thus giving the plaintiff an opportunity to cure the defects in proof.<sup>309</sup> Additionally, the specificity requirement serves the purpose of informing the trial court of the precise issues it must resolve in ruling on the motion.<sup>310</sup>

The Federal Circuit noted that the defendant's original motion referred to the subject matter claimed in the patent in general terms, but that the plaintiff had presented evidence on the sole ornamental feature he claimed to have invented: the shape of the introducer sheath's handle.<sup>311</sup> On appeal, however, the defendant argued that additional features of the design were ornamental.<sup>312</sup> The Federal Circuit held that the general statements of invalidity in the original motion for JMOL were inadequate to inform the plaintiff or the district court that the defendant's validity challenge involved the

---

302. *Id.* at 1305-06, 74 U.S.P.Q.2d (BNA) at 1203-04.

303. *Id.* at 1307, 74 U.S.P.Q.2d (BNA) at 1204.

304. 396 F.3d 1359, 73 U.S.P.Q.2d (BNA) 1850 (Fed. Cir. 2005).

305. *Id.* at 1360, 73 U.S.P.Q.2d (BNA) at 1851.

306. *Id.*, 73 U.S.P.Q.2d (BNA) at 1852.

307. *Id.* at 1362, 73 U.S.P.Q.2d (BNA) at 1853.

308. *Id.*, 73 U.S.P.Q.2d (BNA) at 1853.

309. *Id.* at 1363, 73 U.S.P.Q.2d (BNA) at 1853.

310. *Id.*, 73 U.S.P.Q.2d (BNA) at 1854.

311. *Id.*, 73 U.S.P.Q.2d (BNA) at 1854.

312. *Id.*, 73 U.S.P.Q.2d (BNA) at 1854.

specific ornamental elements raised on appeal. The Federal Circuit also noted that the defendant had failed to offer evidence regarding the additional ornamental features at trial,<sup>313</sup> and that while the post-verdict motion was “somewhat more specific,” it also was not sufficiently specific to describe the facts and ornamental features upon which the defendant based its invalidity claim.<sup>314</sup>

Additionally, the Federal Circuit noted that the defendant’s arguments regarding the interpretation of the design patent diagrams did not sustain its position, as the issue before the Federal Circuit was not one of claim construction, but rather “which elements of that claim [defendant] asserted in its JMOL motions as a basis for its invalidity assertions.”<sup>315</sup> Finally, the Federal Circuit held that the evidence before the jury “support[ed] the jury’s finding that there was not clear and convincing evidence that [the plaintiff] was not the first to invent the enlarged ‘Mickey Mouse ear’ shaped handle design claimed in the [design] patent.”<sup>316</sup>

#### F. USPTO Procedures

*Star Fruits S.N.C. v. United States*<sup>317</sup> involved a lawsuit brought by the applicants for a plant patent, alleging that the Patent and Trademark Office (“PTO”) abused its discretion when it deemed the plaintiff’s application abandoned for failing to respond to a Requirement for Information under 37 C.F.R. § 1.105.<sup>318</sup> Plaintiff had filed a patent application directed to a variety of peach tree.<sup>319</sup> In an office action, the PTO requested information regarding the sale or other public distribution of the claimed plant anywhere in the world, as well as “copies of the application, published proposed denomination, and published breeder’s right grant.”<sup>320</sup> The PTO also informed plaintiff that to the extent plaintiff did not have or could not readily obtain the required information, a statement to that effect would be a complete response to the requirement.<sup>321</sup> Plaintiff declined to provide the required information on the grounds that it was not material to patentability.<sup>322</sup> The PTO informed plaintiff that its refusal to provide the required information was a deliberate omission

---

313. *Id.* at 1364, 73 U.S.P.Q.2d (BNA) at 1854.

314. *Id.*, 73 U.S.P.Q.2d (BNA) at 1854.

315. *Id.*, 73 U.S.P.Q.2d (BNA) at 1854.

316. *Id.* at 1365, 73 U.S.P.Q.2d (BNA) at 1854-55.

317. 393 F.3d 1277, 73 U.S.P.Q.2d (BNA) 1409 (Fed. Cir. 2005).

318. *Id.* at 1280, 73 U.S.P.Q.2d (BNA) at 1411.

319. *Id.*, 73 U.S.P.Q.2d (BNA) at 1411.

320. *Id.*, 73 U.S.P.Q.2d (BNA) at 1411.

321. *Id.*, 73 U.S.P.Q.2d (BNA) at 1411.

322. *Id.*, 73 U.S.P.Q.2d (BNA) at 1411.

and issued a Notice of Abandonment.<sup>323</sup> The PTO denied plaintiff's petition to accept the response as complete, but reset the time period to respond to the Requirement for Information to three months. Plaintiff requested reconsideration, which the PTO denied, and the PTO deemed the application abandoned.<sup>324</sup> Plaintiff filed suit, and the district court held that plaintiff had abandoned its application by refusing to provide the required information.<sup>325</sup>

On appeal, the plaintiff argued that the PTO abused its discretion by requiring compliance with the Requirement for Information. The plaintiff argued that the duty of candor embodied in 37 C.F.R. § 1.56 controls the requirements of § 1.105.<sup>326</sup> Thus, the plaintiff argued that an applicant need not comply with any Requirement for Information that is not material to patentability.<sup>327</sup> Plaintiff also argued that it was the applicant, not the examiner, that determines what information is material to patentability under § 1.56, and therefore, the PTO cannot require information unless the product of the requirement will require a rejection.<sup>328</sup> The majority of the Federal Circuit's panel disagreed.

The majority noted that § 1.105 allows the PTO to require information that does not directly support a rejection.<sup>329</sup> Moreover, the majority noted that the PTO is an agency, and the PTO's interpretation of its own regulations is entitled to substantial deference, and will not be overturned unless plainly erroneous or inconsistent with the regulation.<sup>330</sup> The majority held that the PTO's interpretation of § 1.105 was not plainly erroneous or inconsistent. The majority reasoned that

Such information as may be reasonably necessary to properly examine or treat the matter," 37 C.F.R. 1.105(a)(1), contemplates information relevant to examination either procedurally or substantively. It includes a zone of information beyond that defined by section 1.56 as material to patentability, and beyond that which is directly useful to support a rejection or conclusively decide the issue of patentability.<sup>331</sup>

The majority further reasoned that: (1) the applicant's duty to disclose under § 1.56 would render § 1.105 superfluous if it did not

---

323. *Id.*, 73 U.S.P.Q.2d (BNA) at 1411.

324. *Id.*, 73 U.S.P.Q.2d (BNA) at 1411.

325. *Id.* at 1280-81, 73 U.S.P.Q.2d (BNA) at 1411-12.

326. *Id.* at 1281, 73 U.S.P.Q.2d (BNA) at 1412.

327. *Id.*, 73 U.S.P.Q.2d (BNA) at 1412.

328. *Id.*, 73 U.S.P.Q.2d (BNA) at 1412.

329. *Id.* at 1281-82, 73 U.S.P.Q.2d (BNA) at 1412.

330. *Id.* at 1282, 73 U.S.P.Q.2d (BNA) at 1412.

331. *Id.*, 73 U.S.P.Q.2d (BNA) at 1413.

empower the PTO to require information from the applicant, (2) “reasonably necessary to properly examine or treat the matter” is different language with a different intended meaning than “material to patentability,” and (3) § 1.105’s plain language contemplates requirements for information that go beyond information required by § 1.56.<sup>332</sup> The majority also rejected plaintiff’s argument that the duty of candor from § 1.56 gives the applicant the power to refuse a requirement for information under § 1.105. The majority reasoned that neither section permits the applicant to limit responses under § 1.105 to what the applicant believes it might have been required to submit under § 1.56.<sup>333</sup> Moreover, the majority held the plain language of § 1.105 “very expressly states that the Office, not the applicant, controls the scope of the requirement.”<sup>334</sup>

The majority also noted that the “real issue” in *Star Fruits* was “whether the [PTO] can use section 1.105 to compel disclosure of information that the examiner deems pertinent to patentability when the applicant has a contrary view of the applicable law.”<sup>335</sup> In holding that the PTO could do so, the majority stated that the PTO “is clearly entitled to use section 1.105 to seek information that may support a rejection. Just as the applicant produces information it deems pertinent to patentability under section 1.56, the examiner is free to request information under section 1.105 that the examiner deems pertinent to the issue of patentability.”<sup>336</sup> The majority reasoned that the dispute involved in *Star Fruits* “boil[ed] down to a disagreement between [plaintiff] and the examiner as to the significance of the information sought to the ultimate question of whether [plaintiff’s] application discloses patentable subject matter.”<sup>337</sup> The majority noted that it was “hardly surprising” that an examiner may disagree with the applicant “on the theory or scope of the law to be applied.”<sup>338</sup> The majority held that in such situations,

So long as the request from the examiner for information is not arbitrary or capricious, the applicant cannot impede the examiner’s performance of his duty by refusing to comply with an information requirement which proceeds from the examiner’s view of the scope of the law to be applied to the application at hand. To allow such interference would have the effect of forcing the Office

---

332. *Id.*, 73 U.S.P.Q.2d (BNA) at 1413.

333. *Id.* at 1283, 73 U.S.P.Q.2d (BNA) at 1414.

334. *Id.*, 73 U.S.P.Q.2d (BNA) at 1414.

335. *Id.*, 73 U.S.P.Q.2d (BNA) at 1414.

336. *Id.*, 73 U.S.P.Q.2d (BNA) at 1414.

337. *Id.*, 73 U.S.P.Q.2d (BNA) at 1414.

338. *Id.* at 1284, 73 U.S.P.Q.2d (BNA) at 1414.

to make patentability determinations on insufficient facts and information. Such conduct inefficiently shifts the burden of obtaining information that the applicant is in the best position to most cheaply provide onto the shoulders of the Office and risks the systemic inefficiencies that attend the issue of invalid patents. Examination under such circumstances is neither fair and equitable to the public nor efficient.<sup>339</sup>

The majority also noted that plaintiff's argument that the information sought was not relevant to the examination process rendered the PTO's request improper as a "preemptive challenge to the [PTO's] patentability determination."<sup>340</sup> The majority held that "APA challenges in cases like this are not properly directed to prospective patentability determinations."<sup>341</sup> The majority reasoned that "[a]ssuming the [PTO] intended to enter a rejection under 35 U.S.C. § 102(b), the correctness *vel non* of that rejection is not properly challenged by . . . withholding information from the [PTO]."<sup>342</sup> The majority held that the plaintiff's proper course of conduct would have been to "wait a rejection under section 102(b) and then litigate the propriety of that rejection before the proper forum for such a complaint, in the first instance, the Board of Patent Appeals and Interferences ("Board"), not the district court."<sup>343</sup> The majority held further that the PTO's Requirement for Information was not unreasonable and was within the scope of the regulation, meaning there was no abuse of discretion or arbitrary or capricious conduct in the PTO's decision.<sup>344</sup> Moreover, while the district court erred if it "deemed itself powerless to review the final action of the [PTO] deeming [plaintiff's] application as abandoned," the majority noted that the district court's review under the APA was limited to "guard[ing] against the possibility of arbitrary or capricious behavior by examiners in seeking information," and was not to "enmesh itself in the decision-making process of the examiner."<sup>345</sup> The majority held the Requirement For Information under § 1.105 was not unreasonable and it affirmed the district court's decision.

In dissent, Judge Newman noted that the majority failed to address the issue underlying plaintiff's dispute with the PTO: whether foreign sales and use are relevant to patentability in the United

---

339. *Id.*, 73 U.S.P.Q.2d (BNA) at 1414.

340. *Id.*, 73 U.S.P.Q.2d (BNA) at 1414.

341. *Id.*, 73 U.S.P.Q.2d (BNA) at 1414.

342. *Id.*, 73 U.S.P.Q.2d (BNA) at 1414.

343. *Id.*, 73 U.S.P.Q.2d (BNA) at 1414.

344. *Id.*, 73 U.S.P.Q.2d (BNA) at 1414-15.

345. *Id.* at 1285, 73 U.S.P.Q.2d (BNA) at 1415.

States. Because 35 U.S.C. § 102(b) bars patentability only when an invention is “in public use or on sale in [the United States] more than one year prior to the date of the application for patent in the United States,”<sup>346</sup> Judge Newman agreed with plaintiff’s argument that the PTO’s Requirement for Information was “contrary to law.”<sup>347</sup> Judge Newman stated that the majority ignored the APA’s criterion for judicial review of agency decisions that are “contrary to law.”<sup>348</sup> Judge Newman reasoned that:

Despite its broad power to grant or deny patents, the Patent and Trademark Office does not have the responsibility, or the authority, to depart from the law, or to make or change the policy embodied in the law, or to reinterpret the statute in a way that departs from congressional intention or judicial interpretation. Judicial review under the Administrative Procedure Act serves to test agency compliance with statute and precedent. An agency change of law, particularly a change that was not subjected to notice-and-comment rulemaking before its implementation, is not immune from APA review. My colleagues’ rule that the patent applicant’s only recourse is to comply with the request for information and undergo full examination to final rejection, with appeal available only through the PTO Board of Appeals, bypasses and forecloses APA procedures. When an agency unilaterally makes a major and far-reaching change in law, the entire administrative process need not be forced to proceed on the incorrect law, a process that may consume years, in order to challenge the change in law. I know of no reason for denying to the invention community the full scope of APA procedures, now that the Court has confirmed . . . that the APA applies to the Patent and Trademark Office.<sup>349</sup>

In *Group One Ltd v. Hallmark Cards, Inc.*,<sup>350</sup> the Federal Circuit affirmed the district court’s determination that a patent in suit had been retroactively reinstated. More than a year before the jury’s verdict in the case, Group One failed to pay the required maintenance fees for one of the patents in suit.<sup>351</sup> After the jury’s verdict, but before the trial court issued final judgment, Group One petitioned the PTO to accept delayed payment of the maintenance

---

346. 35 U.S.C. § 102(b) (2000).

347. *Star Fruits*, 393 F.3d at 1286, 73 U.S.P.Q.2d (BNA) at 1416.

348. *Id.*, 73 U.S.P.Q.2d (BNA) at 1416.

349. *Id.*, 73 U.S.P.Q.2d (BNA) at 1416 (citing *Dickinson v. Zurko*, 527 U.S. 150 (1999)).

350. 407 F.3d 1297, 74 U.S.P.Q.2d (BNA) 1759 (Fed. Cir. 2005).

351. *Id.* at 1306, 74 U.S.P.Q.2d (BNA) at 1766.

fee.<sup>352</sup> The PTO granted the petition before the trial court issued final judgment.<sup>353</sup>

Relying on 35 U.S.C. § 41(c)(1), the Federal Circuit determined that the patent was properly retroactively rendered enforceable during the lapse time period when the PTO accepted the late payment.<sup>354</sup> Hallmark argued that the trial court erred by taking judicial notice, after the close of evidence, of the patent's reinstatement.<sup>355</sup> Federal Rule of Evidence 201(f), however, allows the court to take judicial notice at any time, as long as it is not unfair.<sup>356</sup> Hallmark did not allege that the taking of judicial notice of the patent's reinstatement was unfair in this case, and the Federal Circuit accordingly affirmed the trial court's decision.<sup>357</sup>

Next, the defendant argued that the terminal disclaimer filed for the patent was ineffective because it was signed by the applicant and not the assignee.<sup>358</sup> The governing regulation, 37 C.F.R. § 1.321, stated that a terminal disclaimer must be signed by the applicant unless there is an assignee of record.<sup>359</sup> The patent had been assigned twice, but neither assignment had been recorded.<sup>360</sup> There being no assignee of record, the terminal disclaimer was properly signed by the applicant.<sup>361</sup>

In *In re Kumar*,<sup>362</sup> the Federal Circuit vacated a decision of the Board and remanded for further proceedings.<sup>363</sup> Sujeet Kumar, the patent applicant, had appealed the Board's rejection of his patent application as obvious in view of U.S. Patent No. 5,389,194 (hereinafter "the Rostoker patent").<sup>364</sup> Kumar appealed to the Federal Circuit arguing the Board erred procedurally by failing to allow him to respond to its decision and by refusing to consider evidence submitted in his request for reconsideration.<sup>365</sup>

Kumar's patent application related to aluminum oxide particles of submicron size.<sup>366</sup> While the Rostoker patent also involved aluminum

---

352. *Id.*, 74 U.S.P.Q.2d (BNA) at 1766.

353. *Id.*, 74 U.S.P.Q.2d (BNA) at 1766.

354. *Id.*, 74 U.S.P.Q.2d (BNA) at 1766.

355. *Id.*, 74 U.S.P.Q.2d (BNA) at 1766.

356. *Id.*, 74 U.S.P.Q.2d (BNA) at 1766.

357. *Id.*, 74 U.S.P.Q.2d (BNA) at 1766.

358. *Id.* at 1301, 74 U.S.P.Q.2d (BNA) at 1762-63.

359. *Id.* at 1306, 74 U.S.P.Q.2d (BNA) at 1766.

360. *Id.* at 1307, 74 U.S.P.Q.2d (BNA) at 1766.

361. *Id.*, 74 U.S.P.Q.2d (BNA) at 1766.

362. 418 F.3d 1361, 76 U.S.P.Q.2d (BNA) 1048 (Fed. Cir. 2005).

363. *Id.* at 1363, 76 U.S.P.Q.2d (BNA) at 1048.

364. *Id.* at 1364, 76 U.S.P.Q.2d (BNA) at 1050.

365. *Id.*, 76 U.S.P.Q.2d (BNA) at 1050.

366. *Id.* at 1363, 76 U.S.P.Q.2d (BNA) at 1048.



oxide particles of submicron size, Kumar argued his particles differed in particle size distribution.<sup>367</sup> To support this argument, Kumar presented the Board with a declaration by co-inventor Dr. Kambe attesting to the Rostoker patent's failure to enable one of ordinary skill in the field to produce particles of the size or distribution of the particles in Kumar's application.<sup>368</sup> The Board rejected this declaration as conclusory and unsupported by evidence.<sup>369</sup> In its decision, the Board stated it found a *prima facie* case of obviousness.<sup>370</sup>

In the decision's appendix, the Federal Circuit included mathematical calculations it conducted supporting its holding.<sup>371</sup> The calculations were not made by the examiner or applicant.<sup>372</sup> Rather, the Federal Circuit made the calculations *sua sponte* and presented them for the first time in its decision.<sup>373</sup> Kumar requested the Board's reconsideration and included a declaration from Dr. Singh with this request.<sup>374</sup> Dr. Singh was a professor of Materials Science and Engineering and his declaration provided evidence supporting Kumar's argument that his particles differed from those in the Rostoker patent.<sup>375</sup> The Board refused to consider Dr. Singh's declaration, stating Kumar had this declaration prior to its ruling and thus, the submission was tardy.<sup>376</sup>

Agreeing with Kumar, the Federal Circuit found the Board erred by its inclusion of calculations that never appeared in prior art, the examination record, or by Kumar.<sup>377</sup> The Federal Circuit stated, "[i]nstead of basing its decision on the values directly disclosed by Rostoker, the Board 'went off on its own in considering the differences' between Rostoker and the Kumar invention . . . ."<sup>378</sup> Because the Board found facts not relied on by the examiner, its decision constituted a new ground of rejection.<sup>379</sup> Citing *In re DeBlauwe*<sup>380</sup> and 37 C.F.R. § 1.196(b), the Federal Circuit indicated that where the Board provides a new ground of rejection, the

---

367. *Id.* at 1364, 76 U.S.P.Q.2d (BNA) at 1049.

368. *Id.* at 1365, 76 U.S.P.Q.2d (BNA) at 1050.

369. *Id.*, 76 U.S.P.Q.2d (BNA) at 1050.

370. *Id.*, 76 U.S.P.Q.2d (BNA) at 1050.

371. *Id.*, 76 U.S.P.Q.2d (BNA) at 1049-50.

372. *Id.*, 76 U.S.P.Q.2d (BNA) at 1049-50.

373. *Id.*, 76 U.S.P.Q.2d (BNA) at 1049-50.

374. *Id.*, 76 U.S.P.Q.2d (BNA) at 1050.

375. *Id.*, 76 U.S.P.Q.2d (BNA) at 1050.

376. *Id.*, 76 U.S.P.Q.2d (BNA) at 1050.

377. *Id.* at 1367, 76 U.S.P.Q.2d (BNA) at 1051-52.

378. *Id.*, 76 U.S.P.Q.2d (BNA) at 1051-52.

379. *Id.* at 1368, 76 U.S.P.Q.2d (BNA) at 1052.

380. 736 F.2d 699, 706 n.9, 222 U.S.P.Q. (BNA) 191, 203-04 n.9 (Fed. Cir. 1984).

applicant has a right to respond.<sup>381</sup> Accordingly, the Board erred by failing to consider Dr. Singh's declaration, which, although in existence, was not presented by Kumar during the patent prosecution.<sup>382</sup> The Federal Circuit reasoned that the content of Dr. Singh's declaration was not at issue until the Board issued its decision containing new calculations.<sup>383</sup> Accordingly, the Federal Circuit vacated the Board's decision and remanded for further proceedings.<sup>384</sup>

### G. Miscellaneous Procedural Issues

In *Ultra-Precision Manufacturing, Ltd. v. Ford Motor Co.*,<sup>385</sup> the Federal Circuit upheld the district court's summary judgment that plaintiff's unjust enrichment claim was preempted by federal patent law. Ford Motor Company asked Ross Herron and Gary Beard, who formed Ultra-Precision (the plaintiff), to design a solution to noise, vibration, and harshness problems with its air conditioner compressors.<sup>386</sup> Herron and Beard designed a solution, patented it, assigned the patent to Ultra-Precision, and attempted to sell the solution to Ford Motor Company, the defendant.<sup>387</sup> Negotiations broke down, and Ultra-Precision ultimately did not sell the solution to Ford.<sup>388</sup>

Later, Herron and Beard found a Ford vehicle that they believed used their solution.<sup>389</sup> Herron and Beard filed suit claiming "unjust enrichment" under Michigan law, but did not claim patent infringement.<sup>390</sup> The district court raised the issue of preemption sua sponte, but determined that federal patent law did not preempt the unjust enrichment claim.<sup>391</sup> Ford later raised the defense of preemption; the district court held a hearing, and ruled (over Ultra-Precision's objections that the defense had been waived) that the unjust enrichment claim was preempted.<sup>392</sup>

Applying Sixth Circuit law, the Federal Circuit determined that Ford had not waived the preemption defense.<sup>393</sup> The Federal Circuit explained that "[f]ailure to raise an affirmative defense by responsive

381. 418 F.3d at 1367, 76 U.S.P.Q.2d (BNA) at 1051.

382. *Id.* at 1369, 76 U.S.P.Q.2d (BNA) at 1053.

383. *Id.*, 76 U.S.P.Q.2d (BNA) at 1053.

384. *Id.*, 76 U.S.P.Q.2d (BNA) at 1053.

385. 411 F.3d 1369, U.S.P.Q.2d (BNA) 1065 (Fed. Cir. 2005).

386. *Id.* at 1371-72, 75 U.S.P.Q.2d (BNA) at 1066-67.

387. *Id.* at 1372-73, 75 U.S.P.Q.2d (BNA) at 1067-68.

388. *Id.* at 1373, 75 U.S.P.Q.2d (BNA) at 1067.

389. *Id.* at 1374, 75 U.S.P.Q.2d (BNA) at 1068.

390. *Id.*, 75 U.S.P.Q.2d (BNA) at 1068.

391. *Id.* at 1375, 75 U.S.P.Q.2d (BNA) at 1069.

392. *Id.*, 75 U.S.P.Q.2d (BNA) at 1069.

393. *Id.* at 1376, 75 U.S.P.Q.2d (BNA) at 1069-70.

pleading does not always result in waiver. The purpose of Rule 8(c) of the Federal Rules of Civil Procedure is to give the opposing party notice of the affirmative defense and a chance to respond.”<sup>394</sup> In this case, the district court raised the issue of preemption *sua sponte*, allowed the plaintiff a chance to brief the issue, and held oral argument on the issue.<sup>395</sup> The Federal Circuit concluded that the district court had not abused its discretion in finding that Ford had not waived the preemption defense.<sup>396</sup>

On the issue of preemption, “[f]ederal law preempts state law that offers ‘patent-like protection’ to discoveries unprotected under federal patent law.”<sup>397</sup> The Federal Circuit determined that Ultra Precision was seeking damages based on Ford’s cost savings gained by technology disclosed in but not claimed by Ultra Precision’s patents:

Ultra-Precision has insisted throughout this lawsuit that it is entitled to damages based on cost savings Ford allegedly realized by “using, manufacturing, and selling vehicles equipped with Ultra-Precision’s technology,” despite the fact that the technology that Ford used was not patented and was publicly disclosed in Plaintiff’s ‘482 and ‘647 patents, such that “one of ordinary skill in the art” could readily glean the concept from Plaintiff’s patents.<sup>398</sup>

According to the Federal Circuit, this was a “royalty-like award, premised on Ford’s savings from using Ultra-Precision’s technical information after Ultra-Precision made the discovery available to the public.”<sup>399</sup> The result of allowing Ultra-Precision’s claim to proceed would be that “a would-be inventor need not satisfy any of the rigorous standards of patentability to secure a perpetual patent-like royalty under state law based on the use of an unpatented idea.”<sup>400</sup>

In *ArthroCare Corp. v. Smith & Nephew, Inc.*,<sup>401</sup> the Federal Circuit vacated the dismissal of defendant Smith & Nephew’s antitrust counterclaim. The plaintiff had alleged infringement of its patents, and the defendant responded with the antitrust counterclaim.<sup>402</sup> The lower court bifurcated the case, trying the patent issues first and the antitrust issues second.<sup>403</sup> At trial on the patent issues, the jury

---

394. *Id.*, 75 U.S.P.Q.2d (BNA) at 1070 (quoting *Smith v. Sushka*, 117 F.3d 965, 969 (6th Cir. 1997)).

395. *Id.* at 1376, 75 U.S.P.Q.2d (BNA) at 1070.

396. *Id.* at 1377, 75 U.S.P.Q.2d (BNA) at 1070.

397. *Id.* at 1377-78, 75 U.S.P.Q.2d (BNA) at 1071.

398. *Id.* at 1380, 75 U.S.P.Q.2d (BNA) at 1072.

399. *Id.*, 75 U.S.P.Q.2d (BNA) at 1073.

400. *Ultra-Precision Mfg., Ltd.*, 411 F.3d at 1381, 75 U.S.P.Q.2d (BNA) at 1073.

401. 406 F.3d 1365, 74 U.S.P.Q.2d (BNA) 1749 (Fed. Cir. 2005).

402. *Id.* at 1367, 74 U.S.P.Q.2d (BNA) at 1752.

403. *Id.*, 74 U.S.P.Q.2d (BNA) at 1752.

determined that the defendant infringed the patents and that those patents were not invalid.<sup>404</sup> The defendant moved for JMOL and a new trial, while the plaintiff moved to dismiss the antitrust counterclaim.<sup>405</sup>

Before the defendant had responded to the motion to dismiss, the trial court stayed all proceedings on the antitrust counterclaim while considering the motion for JMOL or a new trial.<sup>406</sup> In a teleconference, in response to a question about the motion to dismiss, the trial court stated that everything regarding the antitrust counterclaim was stayed, including the motion to dismiss.<sup>407</sup> The lower court subsequently denied the motions for JMOL and new trial, and granted the plaintiff's motion to dismiss the antitrust counterclaim without the defendant's response.<sup>408</sup> The defendant then moved for reconsideration, and the lower court held that reliance on the teleconference was misplaced and that the written order only stayed discovery on the antitrust counterclaim, and not the motion to dismiss.<sup>409</sup>

On appeal, the Federal Circuit explained that, in light of the lower court's representations during the teleconference, "it was reasonable for [the defendant] to conclude that the stay order extended to the proceedings on the motion to dismiss and that it would not be required to respond to the dismissal motion until the stay was lifted."<sup>410</sup> The effect of these events resulted in the lower court inappropriately granting the plaintiff's motion to dismiss without giving the defendant's an opportunity to respond.<sup>411</sup>

Applying Third Circuit law, the Federal Circuit determined that a categorical rule exists ensuring Smith & Nephew an opportunity to respond.<sup>412</sup> The lower court's consideration of the defendant's motion for reconsideration did not cure the lower court's error because "the district court did not conduct a de novo analysis of the motion to dismiss, but instead applied the highly restrictive standard applicable to reconsideration motions."<sup>413</sup> The Federal Circuit further instructed the lower court that in the event it found the

---

404. *Id.*, 74 U.S.P.Q.2d (BNA) at 1752.

405. *Id.* at 1367-68, 74 U.S.P.Q.2d (BNA) at 1752-53.

406. *Id.* at 1368, 74 U.S.P.Q.2d (BNA) at 1753.

407. *Id.* at 1368-69, 74 U.S.P.Q.2d (BNA) at 1753.

408. *Id.* at 1368, 74 U.S.P.Q.2d (BNA) at 1753.

409. *Id.*, 74 U.S.P.Q.2d (BNA) at 1753.

410. *Id.* at 1369, 74 U.S.P.Q.2d (BNA) at 1753.

411. *Id.*, 74 U.S.P.Q.2d (BNA) at 1753.

412. *Id.*, 74 U.S.P.Q.2d (BNA) at 1753 (citing *Dougherty v. Harper's Magazine Co.*, 537 F.2d 758, 761 (3d Cir. 1976)).

413. *Id.*, 74 U.S.P.Q.2d (BNA) at 1753 (emphasis added).

defendant's counterclaim if not sufficiently specific, it could only dismiss the counterclaim "the complainant is unable or unwilling to amend the complaint."<sup>414</sup>

In *Electronics for Imaging, Inc. v. Coyle*,<sup>415</sup> the plaintiff and the defendant had been involved in negotiations in which the defendant offered to license to the plaintiff printing technology for which the defendant had filed patent applications that were pending.<sup>416</sup> The defendant had informed the plaintiff that it expected the PTO to issue a patent, and that it would sue the plaintiff and its customers if the plaintiff did not agree to a license.<sup>417</sup> The defendant also identified specific law firms and attorneys in making its litigation threats, and issued ultimatums including deadlines by which defendant would initiate litigation if the plaintiff refused to agree to a deal.<sup>418</sup> The plaintiff then sued the defendant in a declaratory judgment action, seeking a declaratory judgment that it did not breach two non-disclosure agreements and that it did not misappropriate the defendant's trade secrets.<sup>419</sup>

Upon issuance of the patent to the defendant, the plaintiff amended its complaint to assert non-infringement and invalidity of the patent.<sup>420</sup> The defendant filed motions to dismiss for "lack of personal jurisdiction, improper venue, and failure to comport with the objectives of the Declaratory Judgment Act."<sup>421</sup> The district court initially dismissed on grounds of lack of personal jurisdiction, and the Federal Circuit reversed the dismissal.<sup>422</sup>

On remand, the district court determined that the plaintiff did not have any uncertainty about the defendant's intention to sue, or about the strength of its legal position.<sup>423</sup> As a result, the district court held that the declaratory suit did not serve the purposes of the Declaratory Judgment Act and that the suit was merely anticipatory and designed to preempt the defendant's suit and secure the plaintiff's choice of forum.<sup>424</sup>

---

414. *Id.* at 1370, 74 U.S.P.Q.2d (BNA) at 1753-54.

415. 394 F.3d 1341, 73 U.S.P.Q.2d 1528 (Fed. Cir. 2005).

416. *Id.* at 1343-44, 73 U.S.P.Q.2d at 1529.

417. *Id.* at 1344, 73 U.S.P.Q.2d at 1529.

418. *Id.*, 73 U.S.P.Q.2d at 1529.

419. *Id.*, 73 U.S.P.Q.2d at 1530.

420. *Id.*, 73 U.S.P.Q.2d at 1530.

421. *Id.*, 73 U.S.P.Q.2d at 1530.

422. *Id.*, 73 U.S.P.Q.2d at 1530; *see also* *Elecs. for Imaging, Inc. v. Coyle*, 340 F.3d 1344, 1351, 67 U.S.P.Q.2d 1940, 1947 (Fed. Cir. 2003) (remanding the case to district court).

423. 406 F.3d at 1344, 73 U.S.P.Q.2d at 1530.

424. *Id.* at 1345, 73 U.S.P.Q.2d at 1530.

On appeal, the Federal Circuit noted that the district court has discretion to exercise jurisdiction under the Declaratory Judgment Act,<sup>425</sup> but that the court must have “well-founded reasons for declining to entertain a declaratory judgment action.”<sup>426</sup> The Federal Circuit also held that the “question whether to accept or decline jurisdiction in an action for a declaration of patent rights . . . impacts this court’s mandate to promote national uniformity in patent practice.”<sup>427</sup> Accordingly, the Federal Circuit applied its own law in deciding the appeal.<sup>428</sup> The Federal Circuit reversed the decision of the district court, finding that the district court “erred as a matter of law when it held that [the plaintiff] suffered no uncertainty of the kind recognized by the Declaratory Judgment Act.”<sup>429</sup> The Federal Circuit explained that the district court incorrectly interpreted the term “uncertainty” as used in the Declaratory Judgment Act. Recognizing that litigation is “rarely ‘certain,’” the court instead defined “uncertainty” to mean “the reasonable apprehension created by a patentee’s threats and the looming specter of litigation that results from those threats.”<sup>430</sup>

The Federal Circuit also dismissed the defendant’s argument that the district court properly dismissed the plaintiff’s lawsuit as “anticipatory.”<sup>431</sup> The Federal Circuit applied the “general rule favoring the forum of the first-filed case, ‘unless considerations of judicial and litigant economy, and the just and effective disposition of disputes, requires otherwise.’”<sup>432</sup> The Federal Circuit also reasoned that it had endorsed the anticipatory nature of a declaratory action as “merely one factor in the analysis” of whether to dismiss a declaratory action.<sup>433</sup> Because the defendant offered evidence of no “other factors” favoring dismissal, such as “convenience and availability of witnesses, . . . absence of jurisdiction over all necessary . . . parties, or the possibility of consolidation” with other actions, the Federal Circuit held that the first to file rule should apply, and it reversed the district court’s dismissal of the declaratory judgment action.<sup>434</sup>

---

425. 28 U.S.C. § 2001 (2000).

426. *Elec. for Imaging, Inc.*, 394 F.3d at 1345, 73 U.S.P.Q.2d at 1530 (quoting *Capo, Inc. v. Dioptrics Med. Prods.*, 387 F.3d 1352, 1355, 73 U.S.P.Q.2d 1051, 1053 (Fed. Cir. 2004)) (internal quotation marks omitted).

427. *Id.*, 73 U.S.P.Q.2d at 1531.

428. *Id.* at 1345-46, 73 U.S.P.Q.2d at 1531.

429. *Id.*, 73 U.S.P.Q.2d at 1531.

430. *Id.* at 1346-47, 73 U.S.P.Q.2d at 1531-32 (citation omitted).

431. *Id.* at 1347, 73 U.S.P.Q.2d (BNA) at 1532.

432. *Id.*, 73 U.S.P.Q.2d (BNA) at 1532 (quoting *Genentech, Inc. v. Eli Lilly & Co.*, 998 F.2d 931, 938, 27 U.S.P.Q.2d (BNA) 1241, 1244 (Fed. Cir. 1993)).

433. *Id.* at 1347-48, 73 U.S.P.Q.2d (BNA) at 1532.

434. *Id.* at 1348, 73 U.S.P.Q.2d (BNA) at 1532-33 (quoting *Genentech*, 998 F.2d at

The Federal Circuit also considered the district court's sua sponte dismissal of a purported counterclaim-in-reply in *Rates Technology, Inc. v. Nortel Networks Corp.*<sup>435</sup> During the pre-trial period, the plaintiff attached a "purported counterclaim-in-reply"—naming both the original defendant and its subsidiary as defendants—to a supplemental opposition to the original defendant's motion to dismiss for lack of personal jurisdiction.<sup>436</sup>

However, the plaintiff did not serve its supplemental opposition or the counterclaim-in-reply upon the non-party subsidiary at all, and it did not serve the supplemental opposition or counterclaim-in-reply upon the original defendant until four months after the district court's deadline for joinder of additional parties.<sup>437</sup> The district court dismissed the counterclaim-in-reply.<sup>438</sup> The Federal Circuit affirmed the district court's dismissal, rejecting the plaintiff's argument that sua sponte dismissal of the counterclaim was improper under FRCP 4(m) and because the plaintiff had 120 days to serve the non-party subsidiary.<sup>439</sup> The court decided that it need not reach the appellant's arguments, because "[t]he proper course of conduct for [the plaintiff] would have been to seek leave of the district court to join [the non-party subsidiary] as a defendant to the suit prior to the [] cutoff," and the "so-called counterclaim against [the non-party subsidiary] was improper as filed without leave of court."<sup>440</sup> The Federal Circuit held that the lower court did not abuse its discretion when it dismissed the counterclaim-in-reply.<sup>441</sup>

*Lisle Corp. v. A.J. Manufacturing Co.*<sup>442</sup> involved an appeal from a denial of summary judgment of patent invalidity on the grounds of indefiniteness and impossibility under United States Patent Code §§ 101 and 112.<sup>443</sup> The plaintiff urged the Federal Circuit to decline consideration of this appeal, because the defendant had allegedly waived these defenses in the final pretrial order.<sup>444</sup> The Federal Circuit agreed that the defendant had waived the defenses, as the

---

938, 27 U.S.P.Q.2d (BNA) at 1244).

435. 399 F.3d 1302, 73 U.S.P.Q.2d (BNA) 1904 (Fed. Cir. 2005), *cert. denied*, 125 S. Ct. 2981 (2005) (mem.).

436. *Id.* at 1305, 73 U.S.P.Q.2d (BNA) at 1906; *see also supra* Part I.C (elaborating on the personal jurisdiction issues in *Rates Technology*).

437. *Rates Tech.*, 399 F.3d at 1305-06, 73 U.S.P.Q.2d (BNA) at 1906.

438. *Id.*, 73 U.S.P.Q.2d (BNA) at 1906.

439. *Id.* at 1309-10 & n.8, 73 U.S.P.Q.2d (BNA) at 1909-10 & n.8.

440. *Id.* at 1309-10, 73 U.S.P.Q.2d (BNA) at 1909.

441. *Id.* at 1310, 73 U.S.P.Q.2d (BNA) at 1909.

442. 398 F.3d 1306, 73 U.S.P.Q.2d (BNA) 1891 (Fed. Cir. 2005).

443. *Id.* at 1317, 73 U.S.P.Q.2d (BNA) at 1897 (citing 35 U.S.C. §§ 101, 112 (2000)).

444. *Id.*, 73 U.S.P.Q.2d (BNA) at 1897-98.

defendant had failed to pursue the defenses at trial, failed to ask the district court to dismiss the defenses with prejudice, and, “in the [f]inal [p]retrial [o]rder, merely reserved the right to appeal the §§ 101 and 112 defenses contingent on this court’s adopting [the defendant’s] proposed construction of the ‘detachably cooperative’ limitation.”<sup>445</sup> Because the Federal Circuit rejected the defendant’s proposed construction, the court concluded that the defendant waived its indefiniteness and impossibility defenses.<sup>446</sup>

In *Israel Bio-Engineering Project v. Amgen Inc.*,<sup>447</sup> two parties appealed a district court’s denial of their motion to intervene as defendants in a patent infringement case.<sup>448</sup> The Federal Circuit did not describe the relationship of the two parties to the litigation. Rather, the Federal Circuit summarily overturned the district court’s decision prohibiting intervention where the parties “had an interest relating to the intellectual property that is the subject of the current litigation,” the “disposition of [the] litigation may impair or impede the [] parties’ ability to protect [their] interest,” and the parties intended to assert a laches defense and a contract defense that were personal to the parties and could not be represented by any named defendant.<sup>449</sup>

In *Schreiber Foods, Inc. v. Beatrice Cheese, Inc.*,<sup>450</sup> the plaintiff sued the defendants for infringement of a patent relating to machinery and methods for packaging food products.<sup>451</sup> At the time the plaintiff initiated the suit, the plaintiff was the owner of the asserted patent; during the litigation, however, the plaintiff assigned the patent and the rights to all causes of action for infringement of the patent to its subsidiary to avoid state income taxes.<sup>452</sup> The subsidiary did not join the action, and the plaintiff did not inform the defendants or the district court of the assignment.<sup>453</sup> During discovery the plaintiff did not turn over documents relating to the assignment although the plaintiff was responsive to the defendants’ requests.<sup>454</sup> Further, one of the plaintiff’s directors who had approved of the assignment testified at trial that the plaintiff had owned the asserted patent since its issuance from the PTO.<sup>455</sup>

---

445. *Id.*, 73 U.S.P.Q.2d (BNA) at 1898.

446. *Id.*, 73 U.S.P.Q.2d (BNA) at 1898.

447. 401 F.3d 1299, 74 U.S.P.Q.2d (BNA) 1198 (Fed. Cir. 2005).

448. *Id.* at 1306, 74 U.S.P.Q.2d (BNA) at 1204.

449. *Id.*, 74 U.S.P.Q.2d (BNA) at 1204.

450. 402 F.3d 1198, 74 U.S.P.Q.2d (BNA) 1204 (Fed. Cir. 2005).

451. *Id.* at 1200, 74 U.S.P.Q.2d (BNA) at 1206.

452. *Id.*, 74 U.S.P.Q.2d (BNA) at 1206.

453. *Id.*, 74 U.S.P.Q.2d (BNA) at 1206.

454. *Id.*, 74 U.S.P.Q.2d (BNA) at 1206.

455. *Id.* at 1201, 74 U.S.P.Q.2d (BNA) at 1206.



The jury returned a special verdict finding the patent valid and infringed, calculating total damages at approximately \$26 million for the infringement of two separate patents at issue in the trial.<sup>456</sup> After the verdict, while the defendants' motion for JMOL remained pending, the plaintiff's counsel became aware of the assignment of the patent.<sup>457</sup> The plaintiff's counsel concluded that at that point in the litigation process no legal or ethical obligation to disclose the assignment existed.<sup>458</sup> The plaintiff did, however, reacquire the patent and all associated causes of action.<sup>459</sup> The defendants' motion for JMOL was granted, but the Federal Circuit reversed on appeal, reinstating the jury's verdict and ordering the defendants to pay approximately \$15 million in damages.<sup>460</sup>

One of the defendants eventually learned of the patent's assignment and moved to vacate the judgment pursuant to FRCP 60(b).<sup>461</sup> The district court granted the motion, holding that the plaintiff's lack of ownership during the litigation deprived the plaintiff of standing, rendering the suit moot and the judgment void.<sup>462</sup> The district court also found that the plaintiff's conduct during litigation "constituted fraud, misrepresentation or misconduct that would warrant relief from judgment under Rule 60(b)(3)"<sup>463</sup> and that the assignment was "newly discovered evidence that would warrant relief from judgment under Rule 60(b)(2)."<sup>464</sup>

On appeal, the Federal Circuit considered "whether a judgment is void when there is a temporary transfer of the patent in suit to a non-party, which temporarily deprives the court of jurisdiction, even though the plaintiff owned the patent at the commencement of the suit and at the time of judgment."<sup>465</sup> Applying Federal Circuit law, the court decided that the judgment was not void.<sup>466</sup> Contrasting this case

456. *Id.*, 74 U.S.P.Q.2d (BNA) at 1206.

457. *Id.*, 74 U.S.P.Q.2d (BNA) at 1206.

458. *Id.*, 74 U.S.P.Q.2d (BNA) at 1206.

459. *Id.*, 74 U.S.P.Q.2d (BNA) at 1206.

460. *Id.*, 74 U.S.P.Q.2d (BNA) at 1206-07.

461. *Id.*, 74 U.S.P.Q.2d (BNA) at 1207. Footnote 2 notes that FED. R. CIV. P. 60(b) permits relief from final judgment when new evidence arises following the judgment, regardless of whether the new evidence was genuinely undiscoverable prior to judgment or improperly concealed by the opposing party, or when a judgment is otherwise void.

462. *Id.* at 1201-02, 74 U.S.P.Q.2d (BNA) at 1207.

463. *Id.* at 1202, 74 U.S.P.Q.2d (BNA) at 1207 (citing *Schreiber Foods, Inc. v. Beatrice Cheese, Inc.*, 305 F. Supp. 2d 939, 958-61 (E.D. Wis. 2004)).

464. *Id.*, 74 U.S.P.Q.2d (BNA) at 1207 (citing *Schreiber Foods, Inc. v. Beatrice Cheese, Inc.*, 305 F. Supp. 2d 939, 961 (E.D. Wis. 2004)).

465. *Id.* at 1203, 74 U.S.P.Q.2d (BNA) at 1208.

466. *Id.*, 74 U.S.P.Q.2d (BNA) at 1208 (citing *Boryhill Furniture Indus., Inc. v. Craftmaster Furniture Corp.*, 12 F.3d 1080, 1082-84, 29 U.S.P.Q.2d 1283, 1284-86 (Fed. Cir. 1993)).

to those in which the original plaintiff lacked initial Article III standing,<sup>467</sup> the Federal Circuit emphasized that the plaintiff had constitutional standing at the commencement of the lawsuit, and, in accordance with the Supreme Court's holding in *Caterpillar Inc. v. Lewis*,<sup>468</sup> the plaintiff could correct a temporary lapse in standing so long as the correction occurred prior to final judgment.<sup>469</sup> Here, though the patent was reassigned to the plaintiff after the trial completed, the patent was nonetheless reassigned "before the entry of judgment and thus the judgment was not void."<sup>470</sup>

Although the Federal Circuit disagreed with the district court's holding that the judgment should be vacated under Rule 60(b)(4) for lack of jurisdiction, the Federal Circuit agreed that the judgment should be vacated under Rule 60(b)(3) due to misconduct during litigation.<sup>471</sup> The Federal Circuit found that once the plaintiff's counsel discovered that a witness had made "highly material false statements" in court documents, and that other "highly material documents" had not been produced, the plaintiff and his counsel "were under an obligation to promptly correct the record."<sup>472</sup>

The Federal Circuit further rejected the plaintiff's argument that vacating the entire judgment was inappropriate to the extent that the plaintiff "removed the effects of tangible prejudice" to the defendant by waiving claims to monetary damages on appeal.<sup>473</sup> The Seventh Circuit, the court noted, "has held that a new trial on all issues may be granted as a form of sanction for attorney misconduct."<sup>474</sup>

The court also rejected the defendant's request that, in addition to vacating the judgment, the court dismiss the case with prejudice.<sup>475</sup> The court noted that the Seventh Circuit viewed dismissal as a "draconian" sanction, specifically requiring a dismissal with prejudice to be backed by findings, on the record, as to why lesser remedies are insufficient.<sup>476</sup> In this case, such findings were unnecessary: the defendant effectively waived the possibility of dismissal by failing to

---

467. *Id.*, 74 U.S.P.Q.2d (BNA) at 1208.

468. *See* 519 U.S. 61, 73 (1996) (permitting parties to cure most jurisdictional defects at any time before the court enters final judgment in the case).

469. *Schreiber Foods*, 402 F.3d at 1203-04, 74 U.S.P.Q.2d (BNA) at 1208.

470. *Id.* at 1204, 74 U.S.P.Q.2d (BNA) at 1209.

471. *Id.* at 1204-06, 74 U.S.P.Q.2d (BNA) at 1209-10.

472. *Id.* at 1205, 74 U.S.P.Q.2d (BNA) at 1209.

473. *Id.* at 1206, 74 U.S.P.Q.2d (BNA) at 1210.

474. *Id.*, 74 U.S.P.Q.2d (BNA) at 1210 (citing *Petrilli v. Drechsel*, 94 F.3d 325, 330 (7th Cir. 1996)).

475. *Id.*, 74 U.S.P.Q.2d (BNA) at 1210.

476. *Id.*, 74 U.S.P.Q.2d (BNA) at 1210.

request dismissal in its motion to vacate judgment under Rule 60(b)(3).<sup>477</sup>

In *Invitrogen Corp. v. Clontech Labs., Inc.*,<sup>478</sup> the defendant cross-appealed the lower court's finding that its PowerScript RT product infringed four claims of the plaintiff's patent, as well as the lower court's grant of partial summary judgment.<sup>479</sup> On appeal, the defendant, Clontech, made several arguments. It argued the lower court erred by failing to construct the plaintiff's claims using the test results of a solubilization assay, which is the method the defendant used in developing its product.<sup>480</sup> Additionally, it argued that the lower court erred in its grant of partial summary judgment on the issue of infringement, as it ignored two issues of fact.<sup>481</sup>

Clontech argued partial summary judgment was improper when discrepancies existed between its expert, Dr. Falkinham, and the plaintiff's expert, Dr. Champoux, regarding interpretation of gel assays.<sup>482</sup> The lower court found that Dr. Champoux's explanation of how gel assays worked was consistent with the plaintiff's patent specification, as well as a 1996 article by scientists Blain and Goff who had done considerable research on RNase activity.<sup>483</sup> Dr. Falkinham's theory differed considerably and the lower court found that Dr. Falkinham did not provide any explanation or evidence for his theory.<sup>484</sup> Therefore, the lower court held his "assertions [did] not rise to the level of genuine issues of fact[.]"<sup>485</sup> The Federal Circuit agreed, stating "no reasonable juror could find for Clontech based on Falkinham's speculative difference of opinion."<sup>486</sup> Moreover, "[a] party does not manufacture more than a merely colorable dispute simply by submitting an expert declaration asserting that something is black when the moving party's expert says it is white; there must be some foundation or basis for the opinion."<sup>487</sup>

The Federal Circuit also rejected the defendant's argument that a second genuine issue of fact existed which should have precluded the lower court from granting partial summary judgment.<sup>488</sup> In 1993, a

---

477. *Id.*, 74 U.S.P.Q.2d (BNA) at 1210.

478. 429 F.3d 1052, 77 U.S.P.Q.2d (BNA) 1161 (Fed. Cir. 2005).

479. *Id.* at 1074, 77 U.S.P.Q.2d (BNA) at 1176.

480. *Id.* at 1076, 77 U.S.P.Q.2d (BNA) at 1178.

481. *Id.* at 1079, 77 U.S.P.Q.2d (BNA) at 1180.

482. *Id.*, 77 U.S.P.Q.2d (BNA) at 1180.

483. *Id.* at 1079-80, 77 U.S.P.Q.2d (BNA) at 1180.

484. *Id.* at 1080, 77 U.S.P.Q.2d (BNA) at 1181.

485. *Id.*, 77 U.S.P.Q.2d (BNA) at 1181 (quotation omitted).

486. *Id.*, 77 U.S.P.Q.2d (BNA) at 1181.

487. *Id.*, 77 U.S.P.Q.2d (BNA) at 1181.

488. *Id.* at 1081, 77 U.S.P.Q.2d (BNA) at 1181.

published article provided RNase H studies involving a mutant RT—the same mutant RT from which the defendant derived its product.<sup>489</sup> The 1993 article showed that the RT had some RNase H activity.<sup>490</sup> The defendant argued that because its product was a derivative of this RT, its product could not possibly infringe on the plaintiff's claims.<sup>491</sup> Thus, the lower court's determination that this article did not create a genuine issue was in error.<sup>492</sup> Reasoning that the 1996 article by Blain and Goff revised and corrected the 1993 article, the Federal Circuit affirmed the lower court's finding that the 1993 article did not create a genuine issue of fact.<sup>493</sup>

In *Dorel Juvenile Group, Inc. v. Graco Children's Products, Inc.*,<sup>494</sup> the Federal Circuit vacated the lower court's grant of summary judgment to the defendant, Graco Children's Products, Inc. ("Graco") and remanded for further fact finding.<sup>495</sup> In the lower court's proceedings, the plaintiff brought suit against the defendant for literal infringement of two of its patents involving a child's car seat.<sup>496</sup> Under the lower court's interpretation of the relevant claim terms, it found no literal infringement and granted summary judgment to the defendant.<sup>497</sup> Reviewing the claim terms independently,<sup>498</sup> the Federal Circuit found that an issue of fact existed as to whether the defendant's product literally infringed on the plaintiff's patents.<sup>499</sup>

The plaintiff's two patents-at-issue involved a child seat that consisted of two parts, a seat and base, from which the seat could easily be removed.<sup>500</sup> The defendant's product also involved a two-part seat, however, the two parts were "firmly held together with [one-way] screws," and the one-way screws were only removable with a special type of screwdriver.<sup>501</sup> The lower court reviewed the claim language and found that the claim language of the plaintiff's patents did not require or consider the "ease" of detachment of the seat from

---

489. *Id.*, 77 U.S.P.Q.2d (BNA) at 1181.

490. *Id.*, 77 U.S.P.Q.2d (BNA) at 1181.

491. *Id.*, 77 U.S.P.Q.2d (BNA) at 1181.

492. *Id.*, 77 U.S.P.Q.2d (BNA) at 1181.

493. *See id.*, 77 U.S.P.Q.2d (BNA) at 1181 ("[T]he 1996 article reports that—when problems with the . . . 1993 [article] are corrected, and using gels corresponding to those described in the [plaintiff's] patent . . . and used in the [plaintiff's] assay—the mutant RT] showed no RNase H activity.").

494. 429 F.3d 1043, 77 U.S.P.Q.2d (BNA) 1090 (Fed. Cir. 2005).

495. *Id.* at 1044, 77 U.S.P.Q.2d (BNA) at 1092.

496. *Id.*, 77 U.S.P.Q.2d (BNA) at 1092.

497. *Id.*, 77 U.S.P.Q.2d (BNA) at 1092.

498. *Id.* at 1045-46, 77 U.S.P.Q.2d (BNA) at 1092 (citation omitted).

499. *Id.* at 1047, 77 U.S.P.Q.2d (BNA) at 1093.

500. *Id.* at 1044-45, 77 U.S.P.Q.2d (BNA) at 1091.

501. *Id.* at 1045, 77 U.S.P.Q.2d (BNA) at 1091.

the base.<sup>502</sup> The claim language did, however, require that the seat and base be “affixed together in a manner that contemplates that the seat may be removed from the base such that the seat remains functional.”<sup>503</sup> Because of the one-way screws that the defendant’s product required and the special type of screwdriver needed to remove the screws, the lower court found that the defendant’s product did not consist of two parts, but was an “integrated unit.”<sup>504</sup> Because the lower court found that the defendant’s product did not consist of two stand-alone structures, it found that the defendant’s product did not literally infringe on the plaintiff’s patents that contemplated a product where the seat remained functional when separate from the base.<sup>505</sup>

The Federal Circuit disagreed with the lower court’s interpretation that the defendant’s product could not literally infringe on the plaintiff’s patents because its seat and base were integral.<sup>506</sup> Specifically, the Federal Circuit found that the lower court “invaded the province of the finder of fact” by deciding that the defendant’s product was integrated—a fact that should have been determined by a jury.<sup>507</sup> Given that there remained a question of fact, the Federal Circuit vacated the summary judgment grant and remanded the case back to the lower court.<sup>508</sup>

## II. PATENTABILITY AND VALIDITY

### A. 35 U.S.C. § 101

In *In re Fisher*,<sup>509</sup> the appellant, Dane K. Fisher and Raghunath Lalgudi, appealed the decision of the Board that affirmed the examiner’s final rejection of their patent application. The PTO found the claimed patent unpatentable for lack of utility under 35 U.S.C. § 101 and a lack of enablement under 35 U.S.C. § 112. The patent claimed an invention that related to five purified nucleic acid sequences that encoded proteins and protein fragments in maize plants. These claimed nucleic acid sequences “are commonly referred to as ‘expressed sequence tags’ or ‘ESTs.’”<sup>510</sup>

---

502. *Id.*, 77 U.S.P.Q.2d (BNA) at 1092.

503. *Id.*, 77 U.S.P.Q.2d (BNA) at 1092 (quotation marks omitted).

504. *Id.*, 77 U.S.P.Q.2d (BNA) at 1092.

505. *Id.*, 77 U.S.P.Q.2d (BNA) at 1092.

506. *Id.* at 1047, 77 U.S.P.Q.2d (BNA) at 1093.

507. *Id.*, 77 U.S.P.Q.2d (BNA) at 1093.

508. *Id.*, 77 U.S.P.Q.2d (BNA) at 1093.

509. 421 F.3d 1365, 76 U.S.P.Q.2d (BNA) 1225 (Fed. Cir. 2005).

510. *Fisher*, 421 F.3d at 1367, 76 U.S.P.Q.2d (BNA) at 1226.

Fisher claimed that “the Board unilaterally applied a heightened standard for utility in the case of ESTs, conditioning patentability upon ‘some undefined ‘spectrum’ of knowledge concerning the corresponding gene function.”<sup>511</sup> Chief Judge Michel begins his opinion by establishing the historic standard which the court applies to determine whether the patent utility requirement under 35 U.S.C. § 101 has been satisfied. The court held that to show utility the application must have (1) a “substantial” utility, and (2) a “specific” utility.<sup>512</sup>

The court defines “substantial” utility as “an asserted use [that shows] that [the] claimed invention has significant and presently available benefit to the public.”<sup>513</sup> To show “specific” utility, “an application must disclose a use which is not so vague as to be meaningless.”<sup>514</sup> The court held that this standard is embodied in the PTO’s Utility Examination Guidelines.<sup>515</sup> Analyzing the Board’s review of Fisher’s patent application, the court held that the Board properly reviewed the application, and that the Utility Requirement under 35 U.S.C. § 101 was not satisfied.

A consequence of failing to meet the Utility Requirement is that the application fails to satisfy the Enablement Requirement of 35 U.S.C. § 112. Section 112 incorporates the utility requirement of § 101.<sup>516</sup> As a result, the court affirmed the Board’s decision that affirmed the final rejection of the patent application.

In dissent, Judge Rader contends that the ESTs have utility as research tools.<sup>517</sup> Rader contends that if the “ESTs qualify as research tools, then they have a ‘specific’ and ‘substantial’ utility sufficient for § 101.”<sup>518</sup> Rader argues that they are “more akin to research tools than [] unpatentable methods.”<sup>519</sup> In *Brenner v. Manson*, the Supreme Court held that a method for “producing compounds with no known use” did not satisfy the Utility Requirement.<sup>520</sup> Rader contends that the ESTs are analogous to a microscope because it takes the researcher one step closer to finding his or answer. Rader notes that Patent Office faces a dilemma in that it needs to reject applications that might advance the “useful arts” but are not deserving of patent

---

511. *Id.* at 1369, 76 U.S.P.Q.2d (BNA) at 1228.

512. *Id.* at 1371, 76 U.S.P.Q.2d (BNA) at 1230.

513. *Id.*, 76 U.S.P.Q.2d (BNA) at 1230.

514. *Id.*, 76 U.S.P.Q.2d (BNA) at 1230.

515. 66 Fed. Reg. 1092 (Jan. 5, 2001).

516. *Fisher*, 421 F.3d at 1378, 76 U.S.P.Q.2d (BNA) at 1235.

517. *Id.* at 1379, 76 U.S.P.Q.2d (BNA) at 1236.

518. *Id.*, 76 U.S.P.Q.2d (BNA) at 1236.

519. *Id.*, 76 U.S.P.Q.2d (BNA) at 1236.

520. 383 U.S. 519, 530 (1966).

protection.<sup>521</sup> Rader states that the Utility Requirement is poorly suited to solve this problem and that the Obviousness Requirement under 35 U.S.C. § 103 is more appropriate.<sup>522</sup>

*B. 35 U.S.C. § 102*

*1. Anticipation*

*Perricone v. Medicis Pharmaceutical Corp.*<sup>523</sup> involved an appeal from a district court's grant of summary judgment that claims for treating skin sunburn were invalid as anticipated.<sup>524</sup> The plaintiff first argued that the disputed prior art reference was not anticipatory because it disclosed a claimed ingredient among a laundry list of other potential ingredients.<sup>525</sup> The Federal Circuit "reject[ed] the notion that one of these ingredients cannot anticipate because it appears without special emphasis in a longer list. To the contrary, the disclosure is prior art to the extent of its enabling disclosure."<sup>526</sup>

Addressing the plaintiff's argument that a disclosure of broad genus does not necessarily nor specifically disclose a species within that genus, the Federal Circuit reasoned that "[i]n this case, the prior art does not merely disclose a genus of skin benefit ingredients without disclosing the particular claimed ingredient. Rather [the prior art reference] specifically discloses ascorbyl palmitate."<sup>527</sup> Consequently, the Federal Circuit held "[t]hat specific disclosure, even in a list, makes this case different from cases involving disclosure of a broad genus without reference to the potentially anticipating species."<sup>528</sup>

In *ArthroCare Corp. v. Smith & Nephew, Inc.*,<sup>529</sup> the Federal Circuit held that a patent in suit was anticipated, reversing the trial court's JMOL upholding a jury verdict.<sup>530</sup> The patent was directed to controlling the electrical path in conductive fluids for electrosurgical probes.<sup>531</sup> ArthroCare argued that there was a distinction between a

521. *Fisher*, 421 F.3d at 1381-82, 76 U.S.P.Q.2d (BNA) at 1238.

522. *Id.* at 1382, 76 U.S.P.Q.2d (BNA) at 1238.

523. 432 F.3d 1368, 77 U.S.P.Q.2d (BNA) 1321 (Fed. Cir. 2005).

524. *Id.* at 1371, 77 U.S.P.Q.2d (BNA) at 1323.

525. *Id.* at 1376, 77 U.S.P.Q.2d (BNA) at 1326.

526. *See id.*, 77 U.S.P.Q.2d (BNA) at 1326 ("The anticipation analysis asks solely whether the prior art reference discloses and enables the claimed invention, and not how the prior art characterizes that disclosure or whether alternatives are also disclosed.") (citing *Hewlett-Packard Co. v. Mustek Sys., Inc.*, 340 F.3d 1314, 1324 n.6, 67 U.S.P.Q.2d (BNA) 1825, 1832 n.6).

527. *Id.* at 1377, 77 U.S.P.Q.2d (BNA) at 1326.

528. *Id.*, 77 U.S.P.Q.2d (BNA) at 1326.

529. 406 F.3d 1365, 74 U.S.P.Q.2d (BNA) 1749 (Fed. Cir. 2005).

530. *Id.* at 1367-68, 74 U.S.P.Q.2d (BNA) at 1752.

531. *Id.* at 1367, 74 U.S.P.Q.2d (BNA) at 1751-52.

fluid that provides electrical conductance and “an electrically conductive fluid.”<sup>532</sup> Particularly, someone of skill in the art would only consider some fluids “electrically conductive” and this distinction formed a basis for distinguishing the prior art.<sup>533</sup> The Federal Circuit disagreed and instead determined that both the patent in suit and a prior art patent “recite a fluid that provides a path for the electrical current between the electrodes of the electrosurgical devices.”<sup>534</sup>

The lower court had reasoned that the prior art patent did not disclose an electrically conducting fluid because it did not list certain examples of electrically conducting fluid.<sup>535</sup> However, that was error because “there is no requirement that an anticipating reference must provide specific examples; rather, the reference need only be enabling and describe the applicant’s claimed invention sufficiently to have placed it in possession of a person of ordinary skill in the field of the invention.”<sup>536</sup> The district court also improperly focused on a single embodiment of the prior art patent, when there were other embodiments that could show an electrically conducting fluid.<sup>537</sup> Therefore, the Federal Circuit held that “it was error for the district court to limit the disclosure of the prior art reference to a preferred embodiment.”<sup>538</sup>

The district court also concluded that a prior art article did not teach an electrically conductive fluid.<sup>539</sup> The prior art article described both a monopolar electrosurgical procedure that would likely not use an electrically conducting fluid and a bipolar procedure that would use such a fluid.<sup>540</sup> The district court had concluded, based on the article’s description of the fluid as an “irrigation liquid” for both monopolar and bipolar procedures, that the fluid in both procedures must be non-conducting.<sup>541</sup> The Federal Circuit, on the other hand, concluded that the article “describes the liquid as providing a path for the current, thus serving as a conducting fluid.”<sup>542</sup>

---

532. *Id.* at 1371, 74 U.S.P.Q.2d (BNA) at 1754.

533. *Id.*, 74 U.S.P.Q.2d (BNA) at 1754.

534. *Id.*, 74 U.S.P.Q.2d (BNA) at 1754.

535. *Id.*, 74 U.S.P.Q.2d (BNA) at 1755.

536. *Id.* at 1371-72, 74 U.S.P.Q.2d (BNA) at 1755 (internal citation omitted).

537. *Id.* at 1372, 74 U.S.P.Q.2d (BNA) at 1755.

538. *Id.*, 74 U.S.P.Q.2d (BNA) at 1755.

539. *Id.* at 1371-72, 74 U.S.P.Q.2d (BNA) at 1755.

540. *Id.* at 1372, 74 U.S.P.Q.2d (BNA) at 1755.

541. *Id.*, 74 U.S.P.Q.2d (BNA) at 1755.

542. *Id.* at 1372-73, 74 U.S.P.Q.2d (BNA) at 1756.



ArthroCare also asserted that the prior art references did not teach a “connector near the proximal end,” arguing that the jury could have concluded that a wire (disclosed in the prior art) was not a connector.<sup>543</sup> The Federal Circuit disagreed, concluding that the district court’s construction of connector as a “structure” that electrically links the electrodes and the power supply, which was not challenged by ArthroCare, “easily encompasses a wire between the electrodes and the power supply.”<sup>544</sup> Regarding the prior art article, ArthroCare limited its arguments to contesting the veracity of Smith & Nephew’s expert.<sup>545</sup> The Federal Circuit, however, concluded that the article itself disclosed a connector.<sup>546</sup>

In *Seachange International, Inc. v. C-COR Inc.*,<sup>547</sup> the Federal Circuit revisited the lower court’s denial of JMOL of anticipation in light of its construction of certain claim elements.<sup>548</sup> “When [the Federal Circuit] determine[s] on appeal that a trial judge has misinterpreted a patent claim, [it] independently construe[s] the claim to determine its correct meaning, and then determine[s] if the facts presented at trial can support the judgment as a matter of law.”<sup>549</sup> On appeal, the Federal Circuit narrowed the claim construction of one limitation and broadened the construction of two other limitations.<sup>550</sup> In particular, the Federal Circuit explained:

If [the broadened limitations] were the only limitations at issue and C-COR were properly entitled to JMOL of anticipation under the district court’s narrower construction, [the Federal Circuit’s] broader construction of those limitations would not change the outcome. However, [the Federal Circuit] ha[d] more narrowly construed the “network for data communications” limitation to cover only point-to-point interconnections. If the jury was not

---

543. *Id.* at 1373, 74 U.S.P.Q.2d (BNA) at 1756.

544. *Id.*, 74 U.S.P.Q.2d (BNA) at 1756.

545. *Id.* at 1374, 74 U.S.P.Q.2d (BNA) at 1757.

546. *Id.*, 74 U.S.P.Q.2d (BNA) at 1757.

547. 413 F.3d 1361, 75 U.S.P.Q.2d (BNA) 1385 (Fed. Cir. 2005).

548. *See id.* at 1365, 75 U.S.P.Q.2d (BNA) at 1386 (concluding that the district court incorrectly construed the limitations “network for data communications,” “distributed computer system,” and “processor systems” and that C-COR did not infringe as a matter of law).

549. *Id.* at 1379, 75 U.S.P.Q.2d (BNA) at 1397.

550. *See id.* at 1375-77, 75 U.S.P.Q.2d (BNA) at 1394-96 (finding that the term “network for data communications” is “limited to networks in which every processor system is connected to every other processor system via direct, point-to-point channel interconnections,” that the term “distributed computer system” ordinarily means “a computer system in which several interconnected computers share computing tasks,” and that “processor systems” must have a CPU but do not need to be “capable of running application-type software”).

presented with any evidence that the references disclosed point-to-point interconnections, JMOL would be precluded.<sup>551</sup>

The Federal Circuit concluded that “[t]he district court’s opinion does not discuss the details of the evidence before the jury on the ‘network for data communications’ limitation, nor do the parties in their briefs in this appeal elucidate the evidence presented to the jury to establish that this limitation was disclosed.”<sup>552</sup>

Addressing the trial court’s determination that the “processor systems” limitation was not met by the Gardner reference, the Federal Circuit stated that it was enough to find disclosure in the text of the reference.<sup>553</sup> “To be anticipating, Gardner need not disclose a separate figure depicting a plurality of machines with the combined media client and media server; disclosing the embodiment in textual form is enough.”<sup>554</sup> Moreover, “[t]he fact that another embodiment is disclosed does not detract from the remainder of the disclosure.”<sup>555</sup> The Federal Circuit also characterized Seachange’s argument that “Gardner teaches away from a computer with a combined media client and media server” as “misplaced,” explaining that “[t]eaching away is irrelevant to anticipation.”<sup>556</sup>

Because the Federal Circuit broadened the constructions of two terms, and because there was insufficient discussion in the record to address anticipation in light of the narrowed construction of a third claim term, the Federal Circuit vacated the district court’s denial of JMOL and remanded the issue for reconsideration by the district court.<sup>557</sup> The Federal Circuit instructed that:

If the district court determines that, on the basis of clear and convincing evidence in the record presented to the jury, no reasonable juror could not find anticipation based on Gardner, the district court should grant JMOL to C-COR on that ground. If not, JMOL based on Gardner should be denied.<sup>558</sup>

In the alternative, the Federal Circuit also granted C-COR a new trial on the issue of anticipation. The Federal Circuit explained that “[a]n erroneous instruction on claim interpretation that affects the jury’s decision on anticipation is grounds for a new trial.”<sup>559</sup> “For prejudicial error to exist, there must have been sufficient evidence

551. *Id.* at 1379, 75 U.S.P.Q.2d (BNA) at 1397 (internal citations omitted).

552. *Id.*, 75 U.S.P.Q.2d (BNA) at 1397.

553. *Id.* at 1380, 75 U.S.P.Q.2d (BNA) at 1397-98.

554. *Id.*, 75 U.S.P.Q.2d (BNA) at 1398.

555. *Id.*, 75 U.S.P.Q.2d (BNA) at 1398.

556. *Id.*, 75 U.S.P.Q.2d (BNA) at 1398.

557. *Id.* at 1381, 75 U.S.P.Q.2d (BNA) at 1398.

558. *Id.*, 75 U.S.P.Q.2d (BNA) at 1398.

559. *Id.*, 75 U.S.P.Q.2d (BNA) at 1399.

proffered below to support anticipation under a correct construction.”<sup>560</sup> The district court had explained in its denial of JMOL that if the Federal Circuit decided that C-COR’s claim construction was correct, then C-COR would be entitled to a new trial.<sup>561</sup> Determining that the trial court would have considered such error prejudicial, the Federal Circuit remanded the issue of anticipation for a new trial in the event that the district court did not grant C-COR’s motion for JMOL on anticipation.<sup>562</sup>

In *Northpoint Technology, Ltd. v. MDS Am., Inc.*,<sup>563</sup> the Federal Circuit affirmed a district court’s denial of JMOL, agreeing that substantial evidence supported the jury’s finding that the asserted claims were anticipated. The claims at issue asserted receiving a broadcast signal from a satellite and receiving a terrestrial broadcast signal (e.g., local television channels) on the same frequency by using an antenna that receives the terrestrial broadcast signal “outside of the directional reception range of the first antenna positioned to receive direct broadcast satellite signals from the satellite.”<sup>564</sup> The district court construed the term “directional reception range” to mean a “three-dimensional space about the centerline of a receiving antenna within which a usable signal can be received, a usable signal being a signal from which the information carried by it can be extracted.”<sup>565</sup> The Federal Circuit interpreted this construction to mean “the three-dimensional space in which the antenna could receive a usable signal, and not solely with reference to the physical positioning of the antenna.”<sup>566</sup>

The prior art reference, the Hult reference, described electronic canceling rather than the physical positioning of the antennas to receive both signals broadcast on the same frequency without interference.<sup>567</sup> Based on its understanding of the district court’s claim construction, which was not challenged by Northpoint, the Federal Circuit explained that:

Far from teaching away from the claims of the ‘605 and ‘878 patents, as Northpoint argues, the Hult reference describes an antenna in which the directional reception range is generated by creating areas of high gain in certain directions from the antenna

---

560. *Id.*, 75 U.S.P.Q.2d (BNA) at 1399.

561. *Id.* at 1366, 75 U.S.P.Q.2d (BNA) at 1387.

562. *Id.* at 1381-82, 75 U.S.P.Q.2d (BNA) at 1399.

563. 413 F.3d 1301, 75 U.S.P.Q.2d (BNA) 1244 (Fed. Cir. 2005).

564. *Id.* at 1303-04, 75 U.S.P.Q.2d (BNA) at 1246-47.

565. *Id.* at 1306, 75 U.S.P.Q.2d (BNA) at 1248.

566. *Id.*, 75 U.S.P.Q.2d (BNA) at 1248.

567. *Id.* at 1307, 75 U.S.P.Q.2d (BNA) at 1248-49.

and areas of little or no gain in other directions. The terrestrial signal in Hult is outside the directional reception range of the satellite receiver because there is a null in the gain of the satellite receiving antenna in the direction of the terrestrial transmitter, which prevents the satellite antenna and receiver from receiving a signal from the terrestrial transmitter from which usable information can be extracted.<sup>568</sup>

The Federal Circuit noted that both experts agreed on the teaching of the Hult reference, and that:

The Hult reference and the expert testimony regarding it made clear that the unwanted signal in Hult is outside the directional reception range of the antenna as that term is used in the '605 and '878 patents. Accordingly, there was substantial evidence from which a jury could find that the Hult reference taught the separate "directional reception ranges" recited by Northpoint's patents and therefore anticipated the asserted claims.<sup>569</sup>

Northpoint argued that it was entitled to a new trial because the defendant relied upon five prior art references, and, Northpoint contended, each of those references constituted a separate legal theory of anticipation, and that a failure of proof with respect to any of the five references was sufficient for a grant of a new trial.<sup>570</sup> The Federal Circuit disagreed, stating that "the five prior art references offered to prove anticipation in this case did not represent separate legal theories, but instead simply provided separate factual bases for the jury to consider with regard to the single legal theory of anticipation" and further explaining that:

It is not necessary for every possible factual basis for liability to be independently sufficient in order for the evidence to be sufficient to support a jury verdict. A failure of proof with respect to any single item of evidence does not justify a grant of either JMOL or a new trial; even if some of the proposed factual grounds for liability

---

568. *Id.* at 1307-08, 75 U.S.P.Q.2d (BNA) at 1249.

569. *Id.* at 1308, 75 U.S.P.Q.2d (BNA) at 1249. Judge Dyk, in his dissent, argued that:

[the district court's] claim construction, referring to a "three-dimensional space about the centerline of a receiving antenna within which a usable signal can be received," in my view clearly requires that the patented device achieve non-interference as a result of the geographic orientation of the two antennas so that each is outside the range of the unwanted signal due to the limitation of the antennas. The majority effectively rejects the district court's claim construction and construes the claims so that geographic separation is unnecessary, and the claims are satisfied if the unwanted signal is not received through electronic canceling of the unwanted signal rather than physical pointing.

*Id.* at 1315, 75 U.S.P.Q.2d (BNA) at 1255 (Dyk, J., dissenting).

570. *Id.* at 1311, 75 U.S.P.Q.2d (BNA) at 1252.

are not legally sufficient to support a verdict, that is not fatal, because the critical question is whether the evidence, taken as a whole, was sufficient to support the jury's verdict.<sup>571</sup>

The Federal Circuit continued, explaining that the sufficiency of the evidence with respect to at least one of the prior art references supported the jury's verdict of anticipation:

In the context of this case, the question is whether the evidence as a whole was sufficient to enable a reasonable jury to conclude, by clear and convincing evidence, that the asserted claims of the '605 and '878 patents were anticipated. The inadequacy of any particular item of evidence to establish anticipation, such as the failure of any particular reference to contain all the limitations of the asserted claims, would not undermine the verdict as a legal matter. In this case, the evidence with respect to at least one of the prior art references was sufficient to prove anticipation of the asserted claims.<sup>572</sup>

In *Prima Tek II, L.L.C. v. Polypap, S.A.R.L.*,<sup>573</sup> the Federal Circuit, concluding that the district court erred in its claim construction, reversed that court's judgment that Prima Tek's patents were not invalid as anticipated. The asserted claims of the patents were directed to "an assembly and method for displaying a floral grouping."<sup>574</sup> The primary prior art reference that anticipated the asserted claims was a French patent granted to one of the defendants, and was before the examiner during the prosecution of the patents in suit.<sup>575</sup>

The Federal Circuit first considered the meaning of the claim term "pot means," which the district court construed as "a closed bottom receptacle such as a flower pot, vase, etc."<sup>576</sup> The claims required an absence of a "pot means."<sup>577</sup> The Federal Circuit consulted a dictionary, and determined that the ordinary meaning of "pot" was a "rounded metal or earthen container of varying size used for domestic purposes."<sup>578</sup> "The specifications do not define pot means other than to give the example of a flower pot."<sup>579</sup> The prior art reference disclosed "wire or string tied around . . . moss" and did not

---

571. *Id.*, 75 U.S.P.Q.2d (BNA) at 1252.

572. *Id.* at 1312, 75 U.S.P.Q.2d (BNA) at 1252-53.

573. 412 F.3d 1284, 75 U.S.P.Q.2d (BNA) 1219 (Fed. Cir. 2005).

574. *Id.* at 1286, 75 U.S.P.Q.2d (BNA) at 1221.

575. *Id.* at 1287, 75 U.S.P.Q.2d (BNA) at 1222.

576. *Id.* at 1288, 75 U.S.P.Q.2d (BNA) at 1222.

577. *Id.*, 75 U.S.P.Q.2d (BNA) at 1222.

578. *Id.*, 75 U.S.P.Q.2d (BNA) at 1223 (citing *Webster's Third New Int'l Dictionary* 1774 (2002)).

579. *Id.*, 75 U.S.P.Q.2d (BNA) at 1222.

use a metal or earthenware container, and thus satisfied the limitation of an absence of a “pot means.”<sup>580</sup>

The Federal Circuit also addressed the claim limitation “floral holding material,”<sup>581</sup> which the Federal Circuit had construed in a previous appeal.<sup>582</sup> The district court, after the appeal, construed this limitation to require that the floral holding material be capable of holding its predetermined shape.<sup>583</sup> The Federal Circuit explained that the language in the specification relied upon by the district court:

Which appears as part of the Description of the Preferred Embodiments, merely describes the preferred embodiment, and does not define floral holding material to include an undefined limitation not found in the ordinary meaning of the claim language. We have repeatedly made clear that limitations cannot be imported from the specification into the claims.<sup>584</sup>

The district court also determined that the prior art reference did not include a “crimping and overlapping fold” limitation.<sup>585</sup> In addressing the issue of inherent anticipation, the Federal Circuit explained that “a prior art reference may anticipate when the claim limitation or limitations not expressly found in that reference are nonetheless inherent in it” and that “[i]nherent anticipation does not require an appreciation of the inherent limitation by those of skill in the art before the critical date of the patents in issue.”<sup>586</sup> The court found that the evidence clearly showed that crimping and overlapping folds were inherent to the Charrin reference because “[o]ne figure shows the sheet of material tied up around a flower pot by the string such that the material has overlapping folds and is crimped.”<sup>587</sup> The Federal Circuit also relied on the testimony of the prior art inventor (a defendant in the case) in determining that the prior art reference inherently disclosed the limitation.<sup>588</sup> Concluding that the prior art reference disclosed each of the limitations of the

---

580. *Id.*, 75 U.S.P.Q.2d (BNA) at 1223.

581. *Id.*, 75 U.S.P.Q.2d (BNA) at 1223.

582. *Prima Tek II, L.L.C. v. Polypap, S.A.R.L.*, 318 F.3d 1143, 65 U.S.P.Q.2d (BNA) 1818 (Fed. Cir. 2003).

583. 412 F.3d at 1289, 75 U.S.P.Q.2d (BNA) at 1223.

584. *Id.*, 75 U.S.P.Q.2d (BNA) at 1223.

585. *Id.*, 75 U.S.P.Q.2d (BNA) at 1223.

586. *Id.* at 1289-90, 75 U.S.P.Q.2d (BNA) at 1223-24.

587. *Id.* at 1290, 75 U.S.P.Q.2d (BNA) at 1224.

588. *See id.*, 75 U.S.P.Q.2d (BNA) at 1224 (“Philippe Charrin provided testimony that when tightened, the string would create overlapping folds in the sheet of material.”).

asserted claims, the Federal Circuit reversed the lower court and held that the asserted claims were invalid as anticipated.<sup>589</sup>

In *Upsher-Smith Laboratories, Inc. v. PamLab, L.L.C.*,<sup>590</sup> the Federal Circuit held that “a prior art composition that ‘optionally includes’ an ingredient anticipates a claim for the same composition that expressly excludes that ingredient . . . .”<sup>591</sup> The patents at issue claimed vitamin supplement compositions that prevent brain and nervous system damage, and expressly required that the compositions be “essentially free of antioxidants.”<sup>592</sup> The prior art relied upon by the district court in its grant of summary judgment of anticipation was a European patent application that disclosed the same composition as the patents in suit with the difference that the European application “optionally include[d]” antioxidants.<sup>593</sup> On appeal, Upsher-Smith argued that the district court erred in finding that an application describing a composition that optionally included antioxidants anticipates a limitation that expressly excludes antioxidants.<sup>594</sup>

Relying on “[a] century-old axiom of patent law [that] holds that a product ‘which would literally infringe if later in time anticipates if earlier,’”<sup>595</sup> the Federal Circuit affirmed the district court’s grant of summary judgment of anticipation.<sup>596</sup> The court determined that the European application presented a *prima facie* case of anticipation, and required Upsher-Smith to present rebuttal evidence in order to raise a genuine issue of material fact.<sup>597</sup>

Upsher-Smith attempted to rebut PamLab’s evidence by arguing that the European application taught away from the claimed invention in the patents in suit.<sup>598</sup> The Federal Circuit explained that whether a reference teaches away from the claimed invention is irrelevant and does not raise an issue of material fact: “a reference is no less anticipatory if, after disclosing the invention, the reference then disparages it.”<sup>599</sup> Upsher-Smith also argued that the European application taught a genus of compositions that could not anticipate

589. *Id.*, 75 U.S.P.Q.2d (BNA) at 1224.

590. 412 F.3d 1319, 75 U.S.P.Q.2d (BNA) 1213 (Fed. Cir. 2005).

591. *Id.* at 1320-21, 75 U.S.P.Q.2d (BNA) at 1214.

592. *Id.* at 1321, 75 U.S.P.Q.2d (BNA) at 1214.

593. *Id.* at 1320, 75 U.S.P.Q.2d (BNA) at 1214.

594. *Id.* at 1322, 75 U.S.P.Q.2d (BNA) at 1215.

595. *Id.*, 75 U.S.P.Q.2d (BNA) at 1215 (quoting *Schering Corp. v. Geneva Pharms., Inc.*, 339 F.3d 1373, 1379, 67 U.S.P.Q.2d (BNA) 1664, 1669 (Fed. Cir. 2003)).

596. *Id.*, 75 U.S.P.Q.2d (BNA) at 1215.

597. *Id.* at 1322-23, 75 U.S.P.Q.2d (BNA) at 1215.

598. *Id.* at 1323, 75 U.S.P.Q.2d (BNA) at 1215.

599. *Id.*, 75 U.S.P.Q.2d (BNA) at 1215 (internal citation omitted).

the species claimed in the patents in suit.<sup>600</sup> The Federal Circuit dismissed this argument, finding that “[t]he compositions claimed in the ‘624 and ‘646 patents are as equally broad as the compositions taught by the European Application without antioxidants,” and that “[c]onsequently, the claims of the ‘624 and ‘646 patents are not ‘species’ of the compositions taught by the European Application.”<sup>601</sup>

The Federal Circuit noted that the inventor of the patents was the first to recognize that antioxidants destroy vitamin B12 and folate, and that consequently vitamin compositions are more effective without antioxidants.<sup>602</sup> However, since the claimed composition was already disclosed to the public, “the public remains free to make, use or sell prior art compositions or processes, regardless of whether or not they understand their complete makeup or the underlying scientific principles which allow them to operate.”<sup>603</sup> Consequently, the court reasoned that Dr. Herbert was not entitled to remove prior art from the public domain by patenting those compositions.<sup>604</sup>

In *SmithKline Beecham Corp. v. Apotex Corp.*,<sup>605</sup> SmithKline had taken a license in 1980 from Ferrosan, a British company, for a patent covering a class of compounds that included a compound later known as paroxetine hydrochloride (“PHC”) (“‘196 patent”).<sup>606</sup> SmithKline then manufactured PHC as a drug for the treatment of depression.<sup>607</sup> The form of PHC that was originally made by Ferrosan and SmithKline was anhydrous, a crystalline form that comprised crystals of PHC without bound water molecules.<sup>608</sup> In 1985, one of SmithKline’s chemists discovered a new crystalline form of paroxetine, PHC hemihydrate.<sup>609</sup> PHC hemihydrate, which had one bound water molecule for every two PHC molecules, was found to be more stable, and thus more easily packaged and preserved than PHC anhydrate.<sup>610</sup> SmithKline was granted a U.S. Patent on PHC hemihydrate in 1988 (“‘723 patent”) and was later granted approval

---

600. *Id.*, 75 U.S.P.Q.2d (BNA) at 1215.

601. *Id.*, 75 U.S.P.Q.2d (BNA) at 1215-16.

602. *Id.*, 75 U.S.P.Q.2d (BNA) at 1216.

603. *Id.*, 75 U.S.P.Q.2d (BNA) at 1216 (internal citations omitted) (quoting *Atlas Powder Co. v. Ireco Inc.*, 190 F.3d 1342, 1348, 51 U.S.P.Q.2d (BNA) 1943, 1947 (Fed. Cir. 1999)).

604. *Id.*, 75 U.S.P.Q.2d (BNA) at 1216.

605. 403 F.3d 1331, 74 U.S.P.Q.2d (BNA) 1398 (Fed. Cir. 2005).

606. *Id.* at 1334, 74 U.S.P.Q.2d (BNA) at 1399-1400.

607. *Id.*, 74 U.S.P.Q.2d (BNA) at 1399-1400.

608. *Id.*, 74 U.S.P.Q.2d (BNA) at 1400.

609. *Id.*, 74 U.S.P.Q.2d (BNA) at 1400.

610. *Id.*, 74 U.S.P.Q.2d (BNA) at 1400.



by the FDA to commercially market it as an antidepressant drug under the name Paxil®.<sup>611</sup>

SmithKline accused Apotex of infringing its '723 patent directed to paroxetine hydrochloride hemihydrate (PHC hemihydrate) by filing an Abbreviated New Drug Application (ANDA) with the FDA under 21 U.S.C. § 355(j) seeking approval to market its own generic version of PHC anhydrate.<sup>612</sup> The only claim at issue, claim 1, read: "Crystalline paroxetine hydrochloride hemihydrate."<sup>613</sup> Although Apotex listed the anhydrous form of PHC as the active ingredient in its proposed drug product, SmithKline asserted that Apotex's product would nevertheless infringe because it would inevitably contain trace amounts of PHC hemihydrate as a result of a chemical conversion process.<sup>614</sup>

The evidence of record indicated that SmithKline had discovered PHC hemihydrate when it was producing PHC anhydrate according to the prior art '196 patent.<sup>615</sup> It also showed that production of PHC anhydrate according to the teachings of the prior art patent inevitably resulted in the production of at least a trace amount of PHC hemihydrate.<sup>616</sup> Finally, it showed that neither Apotex nor SmithKline could presently produce PHC anhydrate that does not contain at least trace amounts of PHC hemihydrate.<sup>617</sup>

Based on this evidence, the Federal Circuit concluded that the '723 patent was inherently anticipated by the '193 patent. It relied on *Schering Corp. v. Geneva Pharmaceuticals, Inc.*,<sup>618</sup> which held that the doctrine of inherent anticipation applies to the entire claimed subject matter just as it does to a single claimed feature, and that inherent anticipation does not require a person of ordinary skill in the art to recognize the inherent disclosure in the prior art at the time the prior art is created.<sup>619</sup> Thus, although PHC hemihydrate was not expressly described in the '193 patent and although PHC hemihydrate was not discovered until 1985, the '193 patent still anticipated the '723 patent because the evidence showed that PHC hemihydrate was necessarily produced as a result of the production of PHC anhydrate according to the teachings of the '196 patent. It

---

611. *Id.*, 74 U.S.P.Q.2d (BNA) at 1400.

612. *Id.* at 1334-35, 74 U.S.P.Q.2d (BNA) at 1400.

613. *Id.* at 1340, 74 U.S.P.Q.2d (BNA) at 1404.

614. *Id.* at 1341, 74 U.S.P.Q.2d (BNA) at 1404.

615. *Id.* at 1334, 74 U.S.P.Q.2d (BNA) at 1400.

616. *Id.* at 1336, 74 U.S.P.Q.2d (BNA) at 1400.

617. *Id.* at 1344, 74 U.S.P.Q.2d (BNA) at 1407.

618. 339 F.3d 1373, 67 U.S.P.Q.2d (BNA) 1664 (Fed. Cir. 2003).

619. *Id.* at 1377, 67 U.S.P.Q.2d (BNA) at 1667.

found that the district court, in coming to an opposite conclusion, had committed legal error by requiring Apotex to present clear and convincing evidence that PHC hemihydrate existed before the critical date of the '723 patent.<sup>620</sup> It found that Apotex did not need to prove that it was impossible to make PHC anhydrate in the United States that contained no PHC hemihydrate, but "merely that 'the disclosure [of the prior art] is sufficient to show that the natural result flowing from the operation as taught [in the prior art] would result in' the claimed product."<sup>621</sup>

In 1993, Apotex filed an Abbreviated New Drug Application ("ANDA") with the FDA under 21 U.S.C. § 355 (j) seeking approval to market its own generic version of PHC anhydrate.<sup>622</sup> Apotex's ANDA included a Paragraph IV certification that its drug would not infringe the '723 patent.<sup>623</sup> SmithKline sued Apotex for infringement of its '723 patent under 35 U.S.C. § 271(e)(2) as a result of Apotex's ANDA filing. SmithKline asserted claim 1 which read in its entirety: "Crystalline paroxetine hydrochloride hemihydrate."<sup>624</sup>

SmithKline alleged that although Apotex listed the active ingredient in its PHC product as PHC anhydrate, its product would nevertheless infringe the '723 patent claim directed to hemihydrate forms because Apotex's PHC anhydrate would necessarily contain at least trace amounts of PHC hemihydrate as a result of a conversion process it described as "seeding."<sup>625</sup> According to SmithKline and its experts, once PHC hemihydrate was formed in SmithKline's facilities, the general environment became "seeded" with crystals of PHC hemihydrate. When exposed to this environment, PHC anhydrate inevitably converts to PHC hemihydrate.<sup>626</sup>

---

620. *Apotex*, 403 F.3d at 1345, 74 U.S.P.Q.2d (BNA) at 1407-08.

621. *Id.* at 1343, 74 U.S.P.Q.2d (BNA) at 1406 (quoting *In re Oelrich*, 666 F.2d 578, 581, 212 U.S.P.Q. (BNA) 323, 326 (C.C.P.A. 1981)).

622. *Id.* at 1334, 74 U.S.P.Q.2d (BNA) at 1400.

623. *Id.*, 74 U.S.P.Q.2d (BNA) at 1400; see 21 U.S.C. § 355(j)(2)(A)(iv) (2000).

624. *Id.* at 1340, 74 U.S.P.Q.2d (BNA) at 1404.

625. *Id.* at 1355-56, 74 U.S.P.Q.2d (BNA) at 1414-15 (Gajarsa, J., concurring).

626. SmithKline also argued that PHC anhydrous would convert to PHC hemihydrate in the stomach of patients. The Federal Circuit found that the district court did not clearly err in excluding this evidence, however, finding that SmithKline would likely not meet its burden of showing "gastrointestinal infringement." *Id.* at 1336, 74 U.S.P.Q.2d (BNA) at 1401. SmithKline also presented evidence that tests of Apotex's tablets showed detectable quantities of PHC hemihydrate, but the district court excluded this evidence because it found that SmithKline had excluded certain tablets that represented the product Apotex would manufacture from the testing without reasonable explanation. *Id.*, 74 U.S.P.Q.2d (BNA) at 1401. The Federal Circuit again found that the district court did not err in its conclusion.

In *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*,<sup>627</sup> the Federal Circuit affirmed the lower court's grant of summary judgment to Amazon.com on the basis that four of the plaintiff's claims were anticipated, as the claims' limitations were disclosed by U.S. Patent No. 5,389,773 ("Coutts patent").<sup>628</sup>

The plaintiff argued that Amazon.com's "1-click system" infringed five claims of its patent entitled "Electronic Fund Transfer or Transaction System."<sup>629</sup> In finding that four of the plaintiff's claims were anticipated, the court declined to rule on the issue of whether Amazon.com infringed these claims.<sup>630</sup>

The plaintiff's patent covered a system commonly used in conducting electronic financial transactions with automated teller machines ("ATMs") or point of sale ("POS") terminals.<sup>631</sup> This system allowed the user to view transaction information on a single screen.<sup>632</sup> The Coutts patent involved "predictive technology to increase the speed of operation of the system," and was also used with ATM machines.<sup>633</sup> The plaintiff argued that its claims were not anticipated by the Coutts patent, as that patent did "not disclose the 'single screen' limitation" of the plaintiff's patent.<sup>634</sup> Instead, the transaction parameters of the Coutts patent "are selected over multiple screens."<sup>635</sup> The plaintiff further argued that the Coutts patent does not allow the screen to display "stored transaction information," and the input mechanism disallows the user from using "the displayed information 'to specify one or more transaction parameters.'"<sup>636</sup>

The Federal Circuit rejected all of the plaintiff's arguments. It stated that while patents are presumed valid under 35 U.S.C. § 282, "a patent may be found to be anticipated on the basis of a reference that had properly been before the patent examiner in the PTO at the time of issuance."<sup>637</sup> As to the plaintiff's first argument, the court reviewed the district court's claim construction and found that regardless of how the claim is constructed, the Coutts patent anticipates four of the plaintiff's claims.<sup>638</sup> Additionally, the court

---

627. 430 F.3d 1377, 77 U.S.P.Q.2d (BNA) 1140 (Fed. Cir. 2005).

628. *Id.* at 1379-80, 77 U.S.P.Q.2d (BNA) at 1141.

629. *Id.* at 1379, 77 U.S.P.Q.2d (BNA) at 1141.

630. *Id.* at 1380, 77 U.S.P.Q.2d (BNA) at 1142.

631. *Id.* at 1378-79, 77 U.S.P.Q.2d (BNA) at 1141.

632. *Id.* at 1379, 77 U.S.P.Q.2d (BNA) at 1141.

633. *Id.* at 1381, 77 U.S.P.Q.2d (BNA) at 1143.

634. *Id.*, 77 U.S.P.Q.2d (BNA) at 1143.

635. *Id.*, 77 U.S.P.Q.2d (BNA) at 1143.

636. *Id.*, 77 U.S.P.Q.2d (BNA) at 1143.

637. *Id.*, 77 U.S.P.Q.2d (BNA) at 1143.

638. *Id.* at 1382, 77 U.S.P.Q.2d (BNA) at 1144.

found that the Coutts patent's description contemplated a single screen display.<sup>639</sup> The Federal Circuit quickly rejected the plaintiff's second and third arguments by stating that "the Coutts patent clearly discloses the display of multiple transaction types and multiple transaction parameters[,] "<sup>640</sup> and that the Coutts patent "allows a user to select one of a variety of transaction options."<sup>641</sup>

In *Invitrogen Corp. v. Clontech Laboratories, Inc.*,<sup>642</sup> the Federal Circuit vacated the lower court's grant of partial summary judgment to the defendant, Clontech Laboratories, Inc. ("Clontech").<sup>643</sup> Both parties appealed to the Federal Circuit.<sup>644</sup> The plaintiff, Invitrogen, argued that the lower court erred in its calculation of the conception and reduction to practice dates.<sup>645</sup> The defendant argued that the plaintiff's claims were invalid because they were anticipated by two scientists at Columbia University.<sup>646</sup>

The plaintiff owned a patent which dealt with reverse transcriptase ("RT"), a genetically modified enzyme which is involved in the replication of DNA.<sup>647</sup> During both first and second strand DNA replication, messenger RNA ("mRNA") assists in transcribing the DNA's information.<sup>648</sup> During RT activity, the mRNA are destroyed (a process referred to as "RNase H activity") and therefore, are not available for further DNA replication.<sup>649</sup> If RNase H activity is repressed, then the mRNA are not destroyed and additional DNA can be formed, which may prove useful for DNA cloning.<sup>650</sup> The plaintiff's patent created a form of RT that had no RNase H activity ("RNase H minus") and it reduced this invention to practice on January 27, 1987.<sup>651</sup> The plaintiff filed a corresponding patent application on January 13, 1988.<sup>652</sup>

During the early 1980s, Doctors Goff and Tanese at Columbia University also experimented with RT.<sup>653</sup> Tanese studied the effects of mutations of the Maloney-Murine Leukemia Virus ("MMLV") gene

---

639. *Id.*, 77 U.S.P.Q.2d (BNA) at 1144.

640. *Id.* at 1383, 77 U.S.P.Q.2d (BNA) at 1144.

641. *Id.*, 77 U.S.P.Q.2d (BNA) at 1144.

642. 429 F.3d 1052, 77 U.S.P.Q.2d (BNA) 1161 (Fed. Cir. 2005).

643. *Id.* at 1057, 77 U.S.P.Q.2d (BNA) at 1163.

644. *Id.* at 1061, 77 U.S.P.Q.2d (BNA) at 1166.

645. *Id.* at 1062, 77 U.S.P.Q.2d (BNA) at 1167.

646. *Id.*, 77 U.S.P.Q.2d (BNA) at 1167.

647. *Id.* at 1058, 77 U.S.P.Q.2d (BNA) at 1164.

648. *Id.*, 77 U.S.P.Q.2d (BNA) at 1164.

649. *Id.*, 77 U.S.P.Q.2d (BNA) at 1164.

650. *Id.*, 77 U.S.P.Q.2d (BNA) at 1164.

651. *Id.*, 77 U.S.P.Q.2d (BNA) at 1164.

652. *Id.* at 1057, 77 U.S.P.Q.2d (BNA) at 1164.

653. *Id.* at 1058, 77 U.S.P.Q.2d (BNA) at 1164.

for RT.<sup>654</sup> In 1984, Tanese prepared 100 mutants, but did not sequence them, and therefore did not realize that two of the mutants lacked RNase H activity.<sup>655</sup> Later that year, Tanese tested the results to determine if there was RNase H activity, but the results were inconclusive.<sup>656</sup> Goff and Tanese conducted further tests in March 1987, and it was at this time that they realized that two of the one hundred mutants created in 1984 contained no RNase H activity.<sup>657</sup> On January 29, 1988, Goff filed a patent application relating to the research performed in 1984 and 1987.<sup>658</sup> Although the PTO declared an interference with this application as well as Invitrogen's application, Columbia University, Goff's assignee, defaulted.<sup>659</sup> Because of this default, the PTO ruled in Invitrogen's favor; however, it never made a determination of whether Goff or Invitrogen had priority of invention.<sup>660</sup> The defendant argued that Goff and Tanese had priority, and therefore anticipated and invalidated the plaintiff's patent claims.<sup>661</sup>

At the lower court, the plaintiff and the defendant both filed summary judgment motions under 35 U.S.C. § 102(g)(2), which states that:

A person shall be entitled to a patent unless . . . before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.<sup>662</sup>

The lower court denied the motions, but made four findings.<sup>663</sup> First, Invitrogen reduced to practice its RT with no RNase H activity on January 27, 1987.<sup>664</sup> Second, in December 1984 Goff conceived of RT with no RNase H activity.<sup>665</sup> Third, Goff finally reduced the above invention in March 1987.<sup>666</sup> Lastly, Goff "did not abandon, conceal or

---

654. *Id.*, 77 U.S.P.Q.2d (BNA) at 1164.

655. *Id.*, at 1058-59, 77 U.S.P.Q.2d (BNA) at 1164.

656. *Id.* at 1059, 77 U.S.P.Q.2d (BNA) at 1165.

657. *Id.*, 77 U.S.P.Q.2d (BNA) at 1165.

658. *Id.*, 77 U.S.P.Q.2d (BNA) at 1165.

659. *Id.*, 77 U.S.P.Q.2d (BNA) at 1165.

660. *Id.*, 77 U.S.P.Q.2d (BNA) at 1165.

661. *Id.* at 1061, 77 U.S.P.Q.2d (BNA) at 1166.

662. *Id.*, 77 U.S.P.Q.2d (BNA) at 1166 (citing 35 U.S.C. § 102(g)(2) (2000)).

663. *Id.*, 77 U.S.P.Q.2d (BNA) at 1166-67.

664. *Id.*, 77 U.S.P.Q.2d (BNA) at 1166.

665. *Id.*, 77 U.S.P.Q.2d (BNA) at 1166.

666. *Id.*, 77 U.S.P.Q.2d (BNA) at 1166.

suppress” his invention and he was diligent in reducing it to practice.<sup>667</sup> On appeal, Invitrogen only challenged the lower court’s first finding—that Goff conceived of the RT with no RNase H activity before the critical date.<sup>668</sup> In evaluating Goff’s conception under 35 U.S.C. § 102(g)(2), the Federal Circuit looked to two things: (1) the invention at issue and (2) the date of Invitrogen’s conception of the RT with no RNase H activity.<sup>669</sup> Because Invitrogen only appealed the issue concerning the date of Goff’s conception, the court resolved itself to determining the date which Goff conceived of the RT with no RNase H activity.<sup>670</sup>

In beginning its assessment of when Goff conceived of his invention, the Federal Circuit noted that conception requires “more than unrecognized accidental creation[,]” and “that the inventor appreciate[s] that which he has invented.”<sup>671</sup> Moreover, “under some conditions conception is delayed until a reduction to practice.”<sup>672</sup> Consequently, the court focused on when Goff realized that two of the mutants had no RNase H activity, but retained DNA polymerase activity.<sup>673</sup> The court stated it would look for “objective corroboration of the inventor’s subjective beliefs.”<sup>674</sup> However, objective test results, plus testimony of the inventor’s state of mind, would not be sufficient to establish a conception date.<sup>675</sup> Instead, the court would need objective evidence that the party “interpreted or evaluated the results, and understood them to show the existence [of] the invention.”<sup>676</sup>

The Federal Circuit found that the lower court not only failed to find adequate objective and subjective evidence to warrant its conception ruling, but the record contained evidence that was inconsistent with the lower court’s ruling.<sup>677</sup> Evidence suggested that Goff did not intend to create RT with no RNase H activity, and that he did not recognize this creation in 1984, as the lower court found.<sup>678</sup> Specifically, the court found Goff’s research to be “general in nature,” which involved a random experiment involving 100

---

667. *Id.*, 77 U.S.P.Q.2d (BNA) at 1167.

668. *Id.* at 1062, 77 U.S.P.Q.2d (BNA) at 1167.

669. *Id.*, 77 U.S.P.Q.2d (BNA) at 1167.

670. *Id.*, 77 U.S.P.Q.2d (BNA) at 1167.

671. *Id.* at 1063, 77 U.S.P.Q.2d (BNA) at 1168.

672. *Id.* at 1064, 77 U.S.P.Q.2d (BNA) at 1168.

673. *Id.* at 1063-64, 77 U.S.P.Q.2d (BNA) at 1168.

674. *Id.* at 1064, 77 U.S.P.Q.2d (BNA) at 1169.

675. *Id.* at 1065, 77 U.S.P.Q.2d (BNA) at 1169.

676. *Id.*, 77 U.S.P.Q.2d (BNA) at 1169 (citing *Langer v. Kaufman*, 465 F.2d 915, 919, 175 U.S.P.Q. (BNA) 172, 174 (C.C.P.A. 1972)).

677. *Id.* at 1066, 77 U.S.P.Q.2d (BNA) at 1170.

678. *Id.*, 77 U.S.P.Q.2d (BNA) at 1170.

mutants.<sup>679</sup> Moreover, the ability to create RT with DNA polymerase activity, but without RNase H activity was unknown.<sup>680</sup> Goff testified that “it wasn’t that we wanted one [RT without RNase activity]. There was no reason to have one in our minds.”<sup>681</sup> Given this, the Federal circuit found that the lower court had no objective basis for granting partial summary judgment to the defendant on the conception issue.<sup>682</sup>

After finding that the lower court failed to find an objective basis for its grant of partial summary judgment and that it therefore misapplied the law, the Federal Circuit determined whether the grant of the partial summary judgment would have been valid if the lower court had correctly applied the law.<sup>683</sup> Goff testified that by late 1986 he suspected that two of the mutants were RNase H minus.<sup>684</sup> The defendant urged the Federal Circuit to find a set of laboratory notebooks as objective evidence that Goff appreciated the creation of RNase H minus.<sup>685</sup> The court declined to do so, reasoning that the notebook entries did not just focus on the mutants showing RNase H minus behavior, but also several other mutants.<sup>686</sup> Moreover, the court found the defendant’s expert’s testimony (that these notebook entries “demonstrate[d] Goff’s conception, diligence and reduction to practice”) to be conclusory and insufficient to carry the defendant’s summary judgment burden.<sup>687</sup> Considering the lack of objective evidence, the Federal Circuit vacated the lower court’s grant of partial summary judgment, finding it erred in holding that Goff’s conception occurred prior to January 27, 1987.<sup>688</sup>

## 2. On-sale bar and public use

In *Sparton Corp. v. United States*,<sup>689</sup> the Federal Circuit reversed a finding that the inventions claimed in the patents-in-suit were the subject of an invalidating commercial offer for sale under 35 U.S.C. § 102(b). The government asserted that the plaintiff’s “dual depth” sonobouys, claimed in the patents-in-suit, were invalid under the on-

---

679. *Id.*, 77 U.S.P.Q.2d (BNA) at 1170.

680. *Id.*, 77 U.S.P.Q.2d (BNA) at 1170.

681. *Id.* at 1067, 77 U.S.P.Q.2d (BNA) at 1171 (emphasis omitted).

682. *Id.*, 77 U.S.P.Q.2d (BNA) at 1171.

683. *Id.*, 77 U.S.P.Q.2d (BNA) at 1171.

684. *Id.*, 77 U.S.P.Q.2d (BNA) at 1171.

685. *Id.* at 1068, 77 U.S.P.Q.2d (BNA) at 1171.

686. *Id.*, 77 U.S.P.Q.2d (BNA) at 1171-72.

687. *Id.*, 77 U.S.P.Q.2d (BNA) at 1172.

688. *Id.* at 1069, 77 U.S.P.Q.2d (BNA) at 1172.

689. 399 F.3d 1321, 73 U.S.P.Q.2d (BNA) 1919 (Fed. Cir. 2005).

sale bar and moved for summary judgment.<sup>690</sup> The Court of Federal Claims found that the subject matter of the patents-in-suit were offered for sale prior to the critical date and that the plaintiff's sale of the device at issue was primarily for commercial purposes.<sup>691</sup> Accordingly, the Court of Federal Claims granted the government's motion for summary judgment of invalidity under the on-sale bar.<sup>692</sup>

The Federal Circuit considered the two prong test the Supreme Court articulated in *Pfaff v. Wells Electronics, Inc.*,<sup>693</sup> which held that in order for a patent to be invalid under the on-sale bar, the product must have been the subject of a commercial offer for sale and must have been ready for patenting prior to the critical date.<sup>694</sup> The Federal Circuit held that the invention claimed in the patents-in-suit was not the subject of a commercial offer for sale prior to the critical date and reversed the Court of Federal Claims' grant of summary judgment without reaching the question of whether the invention was ready for patenting prior to the critical date.<sup>695</sup>

The government's argument supporting invalidity focused on an Engineering Change Proposal ("ECP") that the plaintiff had submitted to the Navy under an existing contract to supply sonobouys.<sup>696</sup> The government alleged that the ECP, which proposed to incorporate dual-depth capability into an existing sonobouy design, was a commercial offer for sale for the claimed inventions.<sup>697</sup> The Federal Circuit rejected this allegation, noting that the parties conceded in the Court of Federal Claims that the ECP did not describe the "release plate mechanism" as claimed in the patents-in-suit.<sup>698</sup> Thus, the Federal Circuit reasoned that prior to the critical date, the plaintiff had not offered anything for sale "other than dual-depth sonobouys having the release plate mechanism described in the ECP."<sup>699</sup>

The government also argued, and the Court of Claims agreed, that the ECP did not preclude a different release plate design, and the plaintiff was therefore permitted to substitute any release plate mechanism capable of performing the function described in the ECP

---

690. *Id.* at 1322, 73 U.S.P.Q.2d (BNA) at 1921.

691. *Id.*, 73 U.S.P.Q.2d (BNA) at 1921.

692. *Id.*, 73 U.S.P.Q.2d (BNA) at 1921.

693. 525 U.S. 55 (1998).

694. *Id.* at 67-68.

695. *Sparton Corp.*, 399 F.3d at 1323, 73 U.S.P.Q.2d (BNA) at 1921.

696. *Id.* at 1322, 73 U.S.P.Q.2d (BNA) at 1920.

697. *Id.* at 1323, 73 U.S.P.Q.2d (BNA) at 1921.

698. *Id.*, 73 U.S.P.Q.2d (BNA) at 1921.

699. *Id.*, 73 U.S.P.Q.2d (BNA) at 1921.



under the Uniform Commercial Code (“UCC”).<sup>700</sup> The government therefore argued, and the Court of Claims concluded, that delivery of a sonobouy with the patented release plate mechanism was the delivery of a conforming good under the ECP and the UCC, and the patents were therefore invalid under the on-sale bar.<sup>701</sup> The Federal Circuit disagreed, noting that to follow the Court of Claims’ analysis would require the Federal Circuit to find that the claimed release plate mechanism “was the subject of an offer for sale before it was even conceived.”<sup>702</sup> The Federal Circuit noted that such a result would be illogical and reversed the Court of Claims grant of summary judgment.<sup>703</sup> The Federal Circuit also held that the *Sparton* case was distinguishable from the *Robotic Vision Systems* cases,<sup>704</sup> in which the invention had been conceived prior to the offer for sale.

*Lisle Corp. v. A.J. Manufacturing Co.*<sup>705</sup> also involved an appeal from the denial of the defendant’s JMOL motion of invalidity, made after the jury found that the patent-in-suit was not shown to be invalid for public use.<sup>706</sup> The plaintiff had developed an early prototype tool similar to the product found to infringe the patent-in-suit.<sup>707</sup> The plaintiff did not dispute that the prototype tool fell within the scope of the claims of the patent, nor did it dispute that it had delivered the prototype to four automobile repair shops over thirty months before it filed the application leading to the patent.<sup>708</sup> The jury determined that the patent was not invalid for public use.<sup>709</sup> The defendant argued that the plaintiff’s lack of a formal confidentiality agreement, the lack of restrictions placed on the use of the prototype tool, and the lack of any documentary evidence showing the actual testing of the prototype were grounds to reverse the jury’s verdict.<sup>710</sup>

The Federal Circuit affirmed the jury’s verdict that the patent was not invalid for public use.<sup>711</sup> The court held that “substantial evidence supports the jury’s findings of fact in favor of [the plaintiff]

---

700. *Id.* at 1324, 73 U.S.P.Q.2d (BNA) at 1922.

701. *Id.*, 73 U.S.P.Q.2d (BNA) at 1922.

702. *Id.*, 73 U.S.P.Q.2d (BNA) at 1922.

703. *Id.* at 1325, 73 U.S.P.Q.2d (BNA) at 1923.

704. *E.g.*, *Robotic Vision Sys., Inc. v. View Eng’g, Inc.*, 249 F.3d 1307, 58 U.S.P.Q.2d (BNA) 1723 (Fed. Cir. 2001); *Robotic Vision Sys., Inc. v. View Eng’g, Inc.*, 112 F.3d 1163, 42 U.S.P.Q.2d (BNA) 1619 (Fed. Cir. 1997).

705. 398 F.3d 1306, 73 U.S.P.Q.2d (BNA) 1891 (Fed. Cir. 2005).

706. *Id.* at 1309, 73 U.S.P.Q.2d (BNA) at 1892.

707. *Id.* at 1315, 73 U.S.P.Q.2d (BNA) at 1896.

708. *Id.*, 73 U.S.P.Q.2d (BNA) at 1896.

709. *Id.* at 1311, 73 U.S.P.Q.2d (BNA) at 1894.

710. *Id.* at 1315, 73 U.S.P.Q.2d (BNA) at 1896.

711. *See id.* at 1317, 73 U.S.P.Q.2d (BNA) at 1898 (“We further affirm the court’s denial of A.J.’s motion for JMOL to reverse the jury’s verdict that A.J. failed to prove the [] patent was invalid.”).

on the question of experimental use, and those findings support the conclusion of lack of public use.”<sup>712</sup> The Federal Circuit noted that the plaintiff had presented testimony that its engineers would have contacted the mechanics who were given the prototype tool to receive testing feedback, that the design of the tool had been modified based on comments from the mechanics, and that the plaintiff believed that the mechanics knew the tool was given to them for experimental purposes.<sup>713</sup>

The Federal Circuit also noted that the plaintiff had provided the jury with “General Meeting Reports” giving updates on the status of the prototype project, plans for future testing, and suggestions from mechanics on how to improve the design for the tool.<sup>714</sup> Without commenting as to whether the panel found the evidence to be sufficient to rebut a *prima facie* case of public use, the Federal Circuit found that such evidence was substantial evidence from which a reasonable jury could find that the plaintiff rebutted the *prima facie* case of public use.<sup>715</sup> The Federal Circuit also rejected the defendant’s argument that the district court improperly instructed the jury that the plaintiff was required to come forward with “evidence” of experimental use, rather than the “convincing evidence” instruction that the defendant suggested.<sup>716</sup>

While acknowledging that Federal Circuit case law has suggested that a patentee must come forward with “convincing evidence” of experimental use to counter a *prima facie* showing of public use,<sup>717</sup> the court found that such suggestions “did not set forth a new legal standard regarding the burden of production for patentees to rebut a *prima facie* case of public use, nor did it impose a burden of production comparable to the clear and convincing evidence required to invalidate a patent.”<sup>718</sup> The court held that “although the district court might have specified in the jury instruction that the patentee needed to provide sufficient evidence to rebut the *prima facie* case for public use, its failure to do so was harmless.”<sup>719</sup>

In *Electromotive Division of General Motors Corp. v. Transportation Systems Division of General Electric Co.*,<sup>720</sup> the Federal Circuit affirmed

712. *Id.* at 1315, 73 U.S.P.Q.2d (BNA) at 1896.

713. *Id.*, 73 U.S.P.Q.2d (BNA) at 1896-97.

714. *Id.* at 1316, 73 U.S.P.Q.2d (BNA) at 1897.

715. *Id.*, 73 U.S.P.Q.2d (BNA) at 1897.

716. *Id.*, 73 U.S.P.Q.2d (BNA) at 1897.

717. *See id.*, 73 U.S.P.Q.2d (BNA) at 1897 (citing *TP Labs., Inc. v. Prof'l Positioners, Inc.*, 724 F.2d 965, 971, 220 U.S.P.Q. (BNA) 577, 582 (Fed. Cir. 1984)).

718. *Id.*, 73 U.S.P.Q.2d (BNA) at 1897 (emphasis in original).

719. *Id.*, 73 U.S.P.Q.2d (BNA) at 1897 (emphasis in original).

720. 417 F.3d 1203, 75 U.S.P.Q.2d (BNA) 1650 (Fed. Cir. 2005).

the district court's grant of summary judgment on non-infringement grounds.<sup>721</sup> The district court found that the defendants, Transportation Systems Division of General Electric Company ("GE") and Daido Industrial Bearings, LTD. ("Daido"), did not infringe the plaintiff's two patents, as they were invalid under 35 U.S.C. § 102(b)'s on-sale bar.<sup>722</sup>

The plaintiff, Electromotive Division of General Motors Corporation ("EMD"), had two patents at issue.<sup>723</sup> Both patents related to turbocharger bearings used in locomotives<sup>724</sup> the first being a compressor bearing, and the second being a planetary bearing.<sup>725</sup> EMD tested these bearings during a two-phase program, which included an in-house testing period followed by a "field program."<sup>726</sup> During the field program phase, EMD actually integrated the bearings into locomotives it sold to customers, testing them under actual use conditions.<sup>727</sup> The purpose of this field program test phase was to ensure durability of EMD's products.<sup>728</sup>

In July 1989, EMD determined that its compressor bearing was ready for field testing.<sup>729</sup> EMD subsequently contacted several of its customers who had outstanding locomotive orders with EMD, and obtained permission to replace previously installed bearings with the new compressor bearings.<sup>730</sup> In August 1989, one of these customers, Norfolk Southern, modified its order with EMD to purchase spare locomotive parts, which included the new compressor bearings.<sup>731</sup> EMD did not file a patent application for its compressor bearing until November 1990.<sup>732</sup>

With its planetary bearings, EMD initiated its field testing in March 1993.<sup>733</sup> It contacted Union Pacific, a customer who had an outstanding order with EMD, and allegedly obtained Union Pacific's permission to substitute the planetary bearings for the previously installed bearings.<sup>734</sup> On July 6, 1993, to fill this order, EMD ordered

---

721. *Id.* at 1206, 75 U.S.P.Q.2d (BNA) at 1651.

722. *Id.* at 1205-06, 75 U.S.P.Q.2d (BNA) at 1651.

723. *Id.* at 1205, 75 U.S.P.Q.2d (BNA) at 1651.

724. *Id.*, 75 U.S.P.Q.2d (BNA) at 1651.

725. *Id.*, 75 U.S.P.Q.2d (BNA) at 1651.

726. *Id.* at 1206, 75 U.S.P.Q.2d (BNA) at 1651.

727. *Id.*, 75 U.S.P.Q.2d (BNA) at 1651.

728. *Id.*, 75 U.S.P.Q.2d (BNA) at 1651.

729. *Id.*, 75 U.S.P.Q.2d (BNA) at 1652.

730. *Id.*, 75 U.S.P.Q.2d (BNA) at 1652.

731. *Id.* at 1207, 75 U.S.P.Q.2d (BNA) at 1652.

732. *Id.*, 75 U.S.P.Q.2d (BNA) at 1652.

733. *Id.* at 1208, 75 U.S.P.Q.2d (BNA) at 1653.

734. *Id.*, 75 U.S.P.Q.2d (BNA) at 1653.

105 planetary bearings from its supplier, the defendant Daido.<sup>735</sup> On September 29, 1994, EMD filed a patent application for its planetary bearing.<sup>736</sup>

In both the compressor and planetary bearing customer transactions, EMD did not require its customers to sign a confidentiality agreement, or a contract agreeing to partake in the field testing program, nor did EMD incorporate any further restrictions or monitoring regarding these bearings.<sup>737</sup>

Applying 35 U.S.C. § 102(b), the district court granted the defendant's motion for summary judgment after concluding that the plaintiff's patents were invalid.<sup>738</sup> This section states that one "is entitled to a patent, unless, *inter alia*, 'the invention was . . . on sale in this country, more than one year prior to the date of the application for patent in the United States.'"<sup>739</sup> Under this section, evidence must show that two elements existed prior to the critical date: (1) "the claimed invention must be the subject of a commercial sale;" and (2) "the claimed invention must be ready for patenting."<sup>740</sup> Given that the second element was not a factor in either the district court, or on appeal, the Federal Circuit focused on the first element.<sup>741</sup>

The Federal Circuit first set out to determine whether the plaintiff's sales transpired before the critical date.<sup>742</sup> Looking first to EMD's sale of spare compressor bearings to Norfolk Southern, the court determined that this patent's critical date was November 27, 1989, the date EMD filed its patent application.<sup>743</sup> Determining that EMD's agreement to sell spare compressor bearings occurred on August 28, 1989, the court concluded that EMD's sale occurred prior to the critical date.<sup>744</sup> The court then looked to see if EMD's sale of planetary bearings occurred before the critical date.<sup>745</sup> The court established that the critical date for the planetary bearings was September 29, 1993, the date EMD filed its patent application.<sup>746</sup> The

---

735. *Id.*, 75 U.S.P.Q.2d (BNA) at 1653.

736. *Id.*, 75 U.S.P.Q.2d (BNA) at 1653.

737. *Id.* at 1206-07, 1208, 75 U.S.P.Q.2d (BNA) at 1652-53.

738. *Id.* at 1208, 75 U.S.P.Q.2d (BNA) at 1653.

739. *Id.* at 1209, 75 U.S.P.Q.2d (BNA) at 1654 (quoting 35 U.S.C. § 102(b) (2000)).

740. *Id.*, 75 U.S.P.Q.2d (BNA) at 1654 (quoting 35 U.S.C. § 102(b) (2000)).

741. *Id.*, 75 U.S.P.Q.2d (BNA) at 1654.

742. *Id.* at 1210, 75 U.S.P.Q.2d (BNA) at 1654-55.

743. *Id.* at 1207, 75 U.S.P.Q.2d (BNA) at 1652.

744. *Id.* at 1210, 75 U.S.P.Q.2d (BNA) at 1655.

745. *Id.*, 75 U.S.P.Q.2d (BNA) at 1655.

746. *Id.* at 1208, 75 U.S.P.Q.2d (BNA) at 1653.

court determined that Daido's July 6, 1993 sale of these bearings to EMD for Union Pacific's order was prior to the critical date.<sup>747</sup>

EMD argued its actions did not satisfy the first element because the sales had the primary purpose of experimentation.<sup>748</sup> Under the experimental use doctrine, the court addressed the question of "whether the transaction constituting the sale was not incidental to the primary purpose of experimentation."<sup>749</sup> The court rejected the plaintiff's argument in regards to both the compressor and planetary bearings.<sup>750</sup> Addressing compressor bearings, the court agreed with defendant that EMD's sale of spare compressor bearings to Norfolk Southern could not constitute experimentation.<sup>751</sup> The court reasoned that the record failed to indicate how Norfolk Southern anticipated using these spare bearings or that Norfolk Southern even used one of these spare bearings.<sup>752</sup>

The Federal Circuit gave EMD's experimentation argument considerably more attention as it related to its planetary bearings.<sup>753</sup> First, the court stated that while it ruled that Daido's sale of planetary bearings to EMD satisfied the prior-to-critical-date sale, this "upstream" sale was inextricably linked to EMD's "downstream" sale to Union Pacific—which is the transaction that would determine whether § 102(b) invalidated the sale.<sup>754</sup> Second, the court provided thirteen factors it would consider in determining whether a sale's primary purpose was commercial or experimental.<sup>755</sup> These factors include:

- (1) the necessity for public testing; (2) the amount of control over the experiment retained by the inventor; (3) the nature of the invention; (4) the length of the test period; (5) whether payment was made; (6) whether there was a secrecy obligation; (7) whether records of the experiment were kept; (8) who conducted the experiment; (9) the degree of commercial exploitation during testing; (10) whether the invention reasonably requires evaluation under actual conditions of use; (11) whether testing was systematically performed; (12) whether the inventor continually

---

747. *Id.* at 1210, 75 U.S.P.Q.2d (BNA) at 1655.

748. *Id.*, 75 U.S.P.Q.2d (BNA) at 1654.

749. *Id.*, 75 U.S.P.Q.2d (BNA) at 1654 (quoting *Allen Eng'g Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336, 1353, 63 U.S.P.Q.2d (BNA) 1769, 1779 (Fed. Cir. 2002)).

750. *Id.* at 1211, 75 U.S.P.Q.2d (BNA) at 1655.

751. *Id.* at 1210, 75 U.S.P.Q.2d (BNA) at 1655.

752. *Id.* at 1210-11, 75 U.S.P.Q.2d (BNA) at 1655.

753. *See id.* at 1211-18, 75 U.S.P.Q.2d (BNA) at 1655-61 (deliberating the merits of EMD's argument regarding the planetary bearings).

754. *Id.* at 1211, 75 U.S.P.Q.2d (BNA) at 1655-56.

755. *Id.* at 1213, 75 U.S.P.Q.2d (BNA) at 1657.

monitored the invention during testing; and (13) the nature of the contacts made with potential customers.<sup>756</sup>

After reviewing its use of these factors in its previous cases, the Federal Circuit concluded that at least two of these factors are critical in determining whether a sale had the primary purpose of experimentation—the amount of control the inventor retains over the experimentation, and whether the customer is aware of the purported experimentation.<sup>757</sup> In fact, the court stated that “ordinarily” these factors must be present in order for the court to find experimentation.<sup>758</sup> Applying these two factors to the case, the court found that EMD failed to control any aspect of the experimentation, and that there was insufficient evidence that Union Pacific had knowledge of the experimentation.<sup>759</sup>

As to the control factor, the court noted that the plaintiff failed to provide Union Pacific with any protocols for using the bearings, nor did EMD supervise or restrict Union Pacific’s use of the bearings.<sup>760</sup> In response, the plaintiff argued that its failure to oversee Union Pacific’s use was due to its method of experimentation—determining the success of its bearings by measuring the number of failed turbochargers containing the new planetary bearings returned to it by Union Pacific.<sup>761</sup> The court rejected the plaintiff’s argument, reasoning that the plaintiff neither required nor received any data or observations from Union Pacific regarding its bearings.<sup>762</sup> The court also noted that Union Pacific returned failed turbochargers on a purely voluntary basis, as permitted under a warranty provided to every EMD customer, regardless of whether the turbocharger contained a planetary bearing or not.<sup>763</sup> Accordingly, the court found that EMD failed to maintain sufficient control over the use of its bearings to constitute experimentation.<sup>764</sup>

The Federal Circuit then analyzed whether Union Pacific had sufficient awareness of the experimentation. It determined that even on a motion for summary judgment, EMD lacked enough evidence of such awareness.<sup>765</sup> The court reviewed the deposition and internal

---

756. *Id.*, 75 U.S.P.Q.2d (BNA) at 1657.

757. *See id.* at 1214, 75 U.S.P.Q.2d (BNA) at 1658 (stating “this court has effectively made control and customer awareness dispositive.”).

758. *Id.* at 1214-15, 75 U.S.P.Q.2d (BNA) at 1658.

759. *Id.* at 1215, 75 U.S.P.Q.2d (BNA) at 1659.

760. *Id.* at 1215, 75 U.S.P.Q.2d (BNA) at 1658.

761. *Id.*, 75 U.S.P.Q.2d (BNA) at 1658.

762. *Id.*, 75 U.S.P.Q.2d (BNA) at 1658.

763. *Id.*, 75 U.S.P.Q.2d (BNA) at 1658.

764. *Id.*, 75 U.S.P.Q.2d (BNA) at 1659.

765. *Id.*, 75 U.S.P.Q.2d (BNA) at 1650.

2006]

2005 PATENT SUMMARY

1077

memo of Mr. Blase, an EMD employee and a planetary bearing inventor.<sup>766</sup> In Mr. Blase's deposition, he stated that the customer would understand that EMD was conducting a durability test on the products they were receiving and which components were involved with that testing.<sup>767</sup> However, Mr. Blase was unaware whether these customers had signed a secrecy or confidentiality agreement, and was unaware of who at EMD would have such information.<sup>768</sup> In Mr. Blase's memo, he stated that "the customer is made aware that there is an experimental part in the turbochargers they are receiving, yet details of the part are not fully disclosed."<sup>769</sup> The court found Mr. Blase's statements in his deposition and memo insufficient to show that Union Pacific was aware that EMD inserted a new experimental planetary bearing into its order for the purpose of experimentation, "rather than as part of a commercial sale."<sup>770</sup> The court further noted that EMD failed to produce any evidence of a written agreement with Union Pacific regarding the experimentation, provide any testimony from a Union Pacific representative indicating awareness, or provide any other corroborating evidence.<sup>771</sup> Accordingly, the Federal Circuit found no evidence that EMD's sale actually had the primary purpose of experimentation, and therefore, it affirmed the district court's ruling that 35 U.S.C. § 102(b) raised the on-sale bar and invalidated the plaintiff's patents.<sup>772</sup>

In *Broadcast Innovation, L.L.C. v. Charter Communications, Inc.*,<sup>773</sup> the Federal Circuit reversed the district court's grant of summary judgment to the defendant, after the district court found the plaintiff's patent invalid as anticipated under 35 U.S.C. § 102(b).<sup>774</sup> On November 26, 1993, the plaintiff filed a consolidated international patent application ("the PCT application").<sup>775</sup> In July 1995, this application became a national stage application.<sup>776</sup> During the pendency of the national stage application, the plaintiff filed a continuation application, which was approved as U.S. Patent No. 5,999,934 ("934 patent").<sup>777</sup> The plaintiff also filed a divisional

---

766. *Id.*, 75 U.S.P.Q.2d (BNA) at 1650.

767. *Id.*, 75 U.S.P.Q.2d (BNA) at 1650.

768. *Id.* at 1215-16, 75 U.S.P.Q.2d (BNA) at 1659.

769. *Id.* at 1216, 75 U.S.P.Q.2d (BNA) at 1659.

770. *Id.*, 75 U.S.P.Q.2d (BNA) at 1659.

771. *Id.*, 75 U.S.P.Q.2d (BNA) at 1659.

772. *Id.* at 1218, 75 U.S.P.Q.2d (BNA) at 1661.

773. 420 F.3d 1364, 76 U.S.P.Q.2d (BNA) 1220 (Fed. Cir. 2005).

774. *Id.* at 1365, 76 U.S.P.Q.2d (BNA) at 1220.

775. *Id.* at 1366, 76 U.S.P.Q.2d (BNA) at 1221.

776. *Id.*, 76 U.S.P.Q.2d (BNA) at 1221.

777. *Id.*, 76 U.S.P.Q.2d (BNA) at 1221.

application, U.S. Patent No. 6,076,094 (“‘094 patent”), which was the patent at issue.<sup>778</sup> The national stage application was approved and became U.S. Patent No. 5,737,595 (“‘595 patent”).<sup>779</sup> The ‘094 patent did not specifically reference the PCT application or the three Australian separate patent applications that existed prior to their consolidation on November 26, 1993.<sup>780</sup> During the prosecution of the ‘094 patent, the plaintiff filed a transmittal letter and an “oath & declaration”<sup>781</sup> asserting priority to the PCT application and the three Australian applications that existed prior to the consolidation.<sup>782</sup>

In determining the validity of the ‘094 patent, the district court looked to 35 U.S.C. § 120 and 37 C.F.R. § 1.78(a)(2)(i).<sup>783</sup> Section 120 allows a patentee to claim priority based on an earlier filed application if the newer application “contains or is amended to contain a specific reference to the earlier filed application.”<sup>784</sup> Additionally, § 1.78 insists that the “specific reference” requirement of § 120 must appear in the first sentence of the specification, as well as the patent’s cover page.<sup>785</sup> Because the ‘094 patent stated its filing date as July 18, 1995, the district court found the June 9, 1994 publication of the PCT application anticipated the ‘094 patent, and therefore rendered the ‘094 patent invalid.<sup>786</sup>

The Federal Circuit disagreed with the district court’s determination that the ‘094 patent’s filing date was July 18, 1995, and it reversed that court’s ruling.<sup>787</sup> The Federal Circuit stated, “[w]here proper reference to a national stage application exists, no reference to the corresponding PCT application is required because the national stage application effectively has the same U.S. filing date as the PCT application.”<sup>788</sup> The court determined that the ‘094 patent’s reference to the ‘595 and ‘934 patents in the first sentence of the specification and the patent’s cover page satisfied the requirements

---

778. *Id.*, 76 U.S.P.Q.2d (BNA) at 1221.

779. *Id.*, 76 U.S.P.Q.2d (BNA) at 1221.

780. *Id.*, 76 U.S.P.Q.2d (BNA) at 1221. The ‘094 patent states: “This application is a divisional of U.S. patent application Ser. No. 09/054,896, filed Apr. 3, 1998, now patented as U.S. Pat. No. 5,999,934, which is a continuation of U.S. patent application Ser. No. 08/436,336, filed Jul. 18, 1995, now patented as U.S. Pat. No. 5,737,595.” *Id.*, 76 U.S.P.Q.2d (BNA) at 1221.

781. *Id.*, 76 U.S.P.Q.2d (BNA) at 1221.

782. *Id.*, 76 U.S.P.Q.2d (BNA) at 1221.

783. *Id.* at 1367, 76 U.S.P.Q.2d (BNA) at 1222.

784. *Id.*, 76 U.S.P.Q.2d (BNA) at 1222. (quoting 35 U.S.C. § 120 (2000)) (emphasis omitted).

785. *Id.*, 76 U.S.P.Q.2d (BNA) at 1222. (citing 37 C.F.R. § 1.78(a)(2)(i) (1997)).

786. *Id.* at 1368, 76 U.S.P.Q.2d (BNA) at 1222-23.

787. *Id.*, 76 U.S.P.Q.2d (BNA) at 1223.

788. *Id.* at 1367, 76 U.S.P.Q.2d (BNA) at 1222.



of 35 U.S.C. § 120 and 37 C.F.R. § 1.78(a).<sup>789</sup> Accordingly, the Federal Circuit determined that the '094 patent could adopt the filing date of the '595 patent, which was the earliest filed application and had a filing date of November 26, 1993.<sup>790</sup> Accordingly, the Federal Circuit found the '094 was not anticipated, and therefore, was not invalid.<sup>791</sup>

In *Enzo Biochem, Inc. v. Gen-Probe, Inc.*,<sup>792</sup> plaintiff Enzo Biochem appealed from the district court's decision granting summary judgment of invalidity under 35 U.S.C. § 102(b) in favor of defendant based on a prior offer for sale. The patent covered a probe to detect gonorrhea and related bacteria.<sup>793</sup> In 1982, Enzo and Ortho Diagnostic Systems had entered into an agreement involving research and development for gonorrhea.<sup>794</sup> In 1984, as part of the agreement, Enzo transferred to Ortho a probe essentially identical to a probe upon which its January 1996 patent application was based.<sup>795</sup>

Enzo argued the agreement with Ortho had been purely for research purposes.<sup>796</sup> It did so relying on *In re Kollar*,<sup>797</sup> holding a broad research and development program experimental rather than commercial. Enzo also asserted that the agreement contained no enforceable offer for sale.<sup>798</sup> However, the court noted that § 2.14 of the Agreement stated that "ENZO shall supply to ORTHO and ORTHO shall purchase from ENZO . . . no less than ninety percent (90%) of ORTHO's United States requirements . . . ."<sup>799</sup> The Court found this language to create "the necessary contractual obligations on the parties to constitute a commercial offer for sale."<sup>800</sup> The Court distinguished this case from *Kollar* by virtue of the fact that the Enzo device was a tangible item or product, not simply an experimental process that had "not been carried out or performed as a result of the transaction."<sup>801</sup> The Court concluded that there was no issue of material fact as to whether what was sold in 1984 anticipated the asserted patent, and therefore affirmed summary judgment.<sup>802</sup>

---

789. *Id.*, 76 U.S.P.Q.2d (BNA) at 1222.

790. *Id.* at 1368, 76 U.S.P.Q.2d (BNA) at 1223.

791. *Id.*, 76 U.S.P.Q.2d (BNA) at 1223.

792. 424 F.3d 1276, 76 U.S.P.Q.2d (BNA) 1616 (Fed. Cir. 2005).

793. *Id.* at 1278, 76 U.S.P.Q.2d (BNA) at 1618.

794. *Id.* at 1279, 76 U.S.P.Q.2d (BNA) at 1618.

795. *Id.*, 76 U.S.P.Q.2d (BNA) at 1619.

796. *Id.* at 1281, 76 U.S.P.Q.2d (BNA) at 1620.

797. 286 F.3d 1326, 62 U.S.P.Q.2d (BNA) 1425 (Fed. Cir. 2002).

798. *Enzo Biochem*, 424 F.3d at 1281, 76 U.S.P.Q.2d (BNA) at 1620.

799. *Id.* at 1279, 76 U.S.P.Q.2d (BNA) at 1619.

800. *Id.* at 1281, 76 U.S.P.Q.2d (BNA) at 1620.

801. *Id.* at 1282, 76 U.S.P.Q.2d (BNA) at 1621.

802. *Id.* at 1282-85, 76 U.S.P.Q.2d (BNA) at 1621-23.

*C. 35 U.S.C. § 103—Obviousness*

In *Merck & Co., Inc. v. Teva Pharmaceuticals USA, Inc.*,<sup>803</sup> plaintiff sued the defendant for constructive patent infringement after defendant had submitted an Abbreviated New Drug Application (“ANDA”) seeking FDA approval to market generic versions of plaintiff’s once-weekly method of treating osteoporosis through the oral administration of alendronate monosodium trihydrate.<sup>804</sup> The district court found that defendant had constructively infringed the patent by submitting the ANDA, and also found the patent was not invalid for anticipation or obviousness.<sup>805</sup> After the Federal Circuit reversed the district court’s claim construction,<sup>806</sup> it considered whether the patent-in-suit was invalid for obviousness.

The defendant’s obviousness defense relied on two *Lunar News*<sup>807</sup> articles that the district court had held were prior art under 35 U.S.C. § 102(a).<sup>808</sup> The court found that the district court committed reversible error in finding the claims were not invalid under 35 U.S.C. § 103.<sup>809</sup> The court then considered the four factual determinations to decide the issue of obviousness: “(1) the scope and content of the prior art, (2) the level of ordinary skill in the art, (3) the differences between the claimed invention and the prior art, and (4) objective indicia of non-obviousness.”<sup>810</sup>

In addressing these determinations, the court found that there were “more similarities than differences between [the claims at issue] and the teachings of the *Lunar News* articles.”<sup>811</sup> The court also stated that the claims and the articles both indicated “and it has been conceded as known in the art at the time—that for treating or preventing osteoporosis a once-weekly dosage at seven times the daily dose would be as effective as seven daily doses.”<sup>812</sup> The court also

---

803. 395 F.3d 1364, 73 U.S.P.Q.2d (BNA) 1641 (Fed. Cir. 2005).

804. *Id.* at 1366-67, 73 U.S.P.Q.2d (BNA) at 1643.

805. *Id.* at 1365-66, 73 U.S.P.Q.2d (BNA) at 1642-43.

806. *Id.* at 1369-72, 73 U.S.P.Q.2d (BNA) at 1645-48.

807. “*Lunar News* is a quarterly newsletter distributed to . . . physicians and others in the medical art by Lunar Corporation, a manufacturer of bone densitometry equipment used to diagnose osteoporosis.” *Id.* at 1367 n.5, 73 U.S.P.Q.2d (BNA) at 1644.

808. *Id.* at 1367, 73 U.S.P.Q.2d (BNA) at 1644 (citing *Merck & Co., Inc. v. Teva Pharms. USA, Inc.*, 288 F. Supp. 2d 601, 618-19 (D. Del. 2003)).

809. *Id.* at 1372, 73 U.S.P.Q.2d (BNA) at 1648. 35 U.S.C. § 103 provides that a patent claim is invalid “if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” 35 U.S.C. § 103 (2000).

810. *Id.* at 1372-73, 73 U.S.P.Q.2d (BNA) at 1648.

811. *Id.* at 1373, 73 U.S.P.Q.2d (BNA) at 1648.

812. *Id.*, 73 U.S.P.Q.2d (BNA) at 1648.

concluded that in light of the prior art, “there was no great leap required of those skilled in the art to go from 40 or 80 mg once a week, the pills available at the time to treat patients with Paget’s disease, to a 35 or 70 mg pill once a week.”<sup>813</sup> The court also rejected the district court’s distinguishing the prior art on the ground that the article failed to explain how the once-weekly dosing overcame concerns in the art with adverse GI side effects, because the patent, both articles, and the prevailing knowledge of those skilled in the art

Recognized that to the extent ‘dosing problems’ were related to repetitive irritation of the esophagus (from patients getting pills stuck in their throats), taking fewer pills each week could reduce the attending GI problems. Thus, the district court clearly erred in finding any significant difference between the claimed invention and the two articles as to this type of GI problem.<sup>814</sup>

The court also reasoned that the neither the patent nor the articles explained how the once-weekly dosing regimen avoided adverse GI side effects, as the patent did not provide any human clinical or laboratory data showing the safety and tolerability of the treatment methods claimed in the patent.<sup>815</sup> Thus, while the article “may have invited skepticism based on concerns for dose-related GI problems, the claimed invention adds nothing beyond the teachings of those articles.”<sup>816</sup> The Federal Circuit also held that the district court erred in relying on the indicia of reliability—whether the articles were peer reviewed and the credentials of the author—to distinguish the articles from the claimed invention.<sup>817</sup> Finally, the court held that the only difference between the articles and the claims were minor differences in the dosage.<sup>818</sup> Because plaintiff’s own inventors admitted the difference in dosage was obvious, the court held the district court “clearly erred to the extent it found lacking any motivation to combine existing knowledge with the . . . articles to reach the claimed invention.”<sup>819</sup> The court also found error in the district court’s weighing of secondary considerations of non-obviousness. The court held that the district court’s correct finding that plaintiff’s treatment was commercially successful had minimal

---

813. *Id.*, 73 U.S.P.Q.2d (BNA) at 1648.

814. *Id.* at 1373-74, 73 U.S.P.Q.2d (BNA) at 1649 (footnote omitted).

815. *Id.* at 1374, 73 U.S.P.Q.2d (BNA) at 1649.

816. *Id.*, 73 U.S.P.Q.2d (BNA) at 1649.

817. *Id.*, 73 U.S.P.Q.2d (BNA) at 1649.

818. *Id.* at 1375, 73 U.S.P.Q.2d (BNA) at 1650.

819. *Id.*, 73 U.S.P.Q.2d (BNA) at 1650.

probative value in the context of this case.<sup>820</sup> The Federal Circuit reasoned that

Commercial success is relevant because the law presumes an idea would successfully have been brought to market sooner, in response to market forces, had the idea been obvious to persons skilled in the art. Thus, the law deems evidence of (1) commercial success, and (2) some causal relation or “nexus” between an invention and commercial success of a product embodying that invention, probative of whether an invention was non-obvious.

That rationale has no force in this case. In *Graham* the Supreme Court relied on the reasoning from a law review note discussing commercial success. The article suggested “[t]he possibility of market success attendant upon the solution of an existing problem may induce innovators to attempt a solution. If in fact a product attains a high degree of commercial success, there is a basis for inferring that such attempts have been made and have failed.” . . . [T]hat chain of inferences fails on these facts. Although commercial success might generally support a conclusion that Merck’s claimed invention was non-obvious in relation to what came before in the marketplace, the question at bar is narrower. It is whether the claimed invention is non-obvious in relation to the ideas set forth in the *Lunar News* articles. Financial success is not significantly probative of that question in this case because others were legally barred from commercially testing the *Lunar News* ideas.<sup>821</sup>

The court further stated that “[b]ecause market entry by others was precluded on those bases, the inference of non-obviousness of weekly-dosing, from evidence of commercial success, is weak. . . . Thus, we conclude the district court misjudged this factor as confirming its conclusion of non-obviousness.”<sup>822</sup> The Federal Circuit vacated the district court’s determination that the patent-in-suit was not invalid as obvious.<sup>823</sup>

In *In re Harris*,<sup>824</sup> the Federal Circuit affirmed the Board’s decision that the claims of the Harris application were obvious.<sup>825</sup> The Harris application claimed a nickel-based superalloy that comprised several elements defined by ranges of weight percentages.<sup>826</sup> The prior art patent on which the patent examiner’s rejection was based described

820. *Id.*, 73 U.S.P.Q.2d (BNA) at 1651.

821. *Id.* at 1376-77, 73 U.S.P.Q.2d (BNA) at 1651 (citing *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966)).

822. *Id.* at 1377, 73 U.S.P.Q.2d (BNA) at 1651.

823. *Id.*, 73 U.S.P.Q.2d (BNA) at 1652.

824. 409 F.3d 1339, 74 U.S.P.Q.2d (BNA) 1951 (Fed. Cir. 2005).

825. *Id.* at 1340, 74 U.S.P.Q.2d (BNA) at 1952.

826. *Id.*, 74 U.S.P.Q.2d (BNA) at 1952.

superalloys with ranges that overlapped those of the Harris application's claims.<sup>827</sup> The PTO can establish a prima facie case of obviousness by showing that the ranges of a claimed composition overlap the ranges disclosed in the prior art.<sup>828</sup> If the ranges do not completely overlap, the PTO can still establish a prima facie case if there is only a "minor difference."<sup>829</sup>

The Federal Circuit concluded that the Board established a prima facie case of obviousness by comparing the differences between the Harris claims and the prior art to the differences present in the Federal Circuit's decision in *In re Peterson*.<sup>830</sup> As compared to the *Peterson* case, the prior art cited against Harris claimed narrower ranges than that cited against Peterson, and the Harris application claimed wider ranges than that claimed by Peterson.<sup>831</sup>

Once the PTO established a prima facie case of obviousness, the burden shifted to Harris to show that his claimed invention produced unexpected results.<sup>832</sup> Harris first argued that the prior art did not teach the weight ranges for two of the elements.<sup>833</sup> The Federal Circuit disagreed, concluding that the prior art taught a portion of the claimed ranges, and that Harris's "use of the term 'about' shows that [Harris] did not intend to limit the claimed ranges to their exact end-points."<sup>834</sup> Harris next compared a compound in the center of the claimed ranges with prior art commercial alloys and argued that a thirty-two to forty-three percent increase in stress-rupture life was an unexpected result.<sup>835</sup> The Federal Circuit determined that such a result was not a "difference in kind," and hence not an unexpected result.<sup>836</sup> Moreover, even assuming that such results were unexpected, Harris did not show that these results covered the entire claimed range.<sup>837</sup> The court also noted that both the commercial compound to which Harris compared the claimed compound and the claimed compound itself were equally representative of the prior art relied upon by the PTO, and hence a comparison of those two compounds could not be used to establish unexpected results.<sup>838</sup>

---

827. *Id.* at 1341, 74 U.S.P.Q.2d (BNA) at 1953.

828. *Id.* at 1340, 74 U.S.P.Q.2d (BNA) at 1952.

829. *Id.* at 1341, 74 U.S.P.Q.2d (BNA) at 1953.

830. 315 F.3d 1325, 65 U.S.P.Q.2d (BNA) 1379 (Fed. Cir. 2003).

831. *Harris*, 409 F.3d at 1343, 74 U.S.P.Q.2d (BNA) at 1954.

832. *Id.*, 74 U.S.P.Q.2d (BNA) at 1954.

833. *Id.*, 74 U.S.P.Q.2d (BNA) at 1954.

834. *Id.*, 74 U.S.P.Q.2d (BNA) at 1954.

835. *Id.* at 1344, 74 U.S.P.Q.2d (BNA) at 1955.

836. *Id.*, 74 U.S.P.Q.2d (BNA) at 1955.

837. *Id.*, 74 U.S.P.Q.2d (BNA) at 1955.

838. *Id.*, 74 U.S.P.Q.2d (BNA) at 1955.

In *Syntex (U.S.A.) LLC v. Apotex, Inc.*,<sup>839</sup> the Federal Circuit vacated the district court's final judgment of non-obviousness after a bench trial, citing several instances of clear error in the district court's fact finding.<sup>840</sup> The patent at issue claimed the use of octoxynol 40 as a surfactant in eye drops that treat eye inflammation.<sup>841</sup> Syntex, the plaintiff, sued the defendant pursuant to 35 U.S.C. § 271(e)(2).<sup>842</sup> The defendant argued at trial that the claims of the patent in suit were obvious in light of prior art cited by the patent office.<sup>843</sup>

The Federal Circuit first found error in the district court's finding that octoxynol 40 was not used in pharmaceuticals prior to its use in the patented invention.<sup>844</sup> It determined that the district court's finding was contradicted by statements of the inventors, published five days after the priority date of the invention, which asserted that octoxynol 40 was a well-known ingredient in pharmaceutical products.<sup>845</sup> The Federal Circuit found it "incredulous that octoxynol 40 could progress from no use, to 'well known' . . . in a matter of five days," and accordingly found the publication "an important fact to consider in assessing the obviousness of the claims in suit."<sup>846</sup>

The Federal Circuit next found error in the district court's finding that the prior art references taught away from the claimed invention.<sup>847</sup> The Federal Circuit set out the framework for determining when a reference teaches away from a claimed invention, explaining:

What a reference teaches a person of ordinary skill is not, as Syntex's expert appears to believe, limited to what a reference specifically "talks about" or what is specifically "mentioned" or "written" in the reference. Under the proper legal standard, a reference will teach away when it suggests that the developments flowing from its disclosures are unlikely to produce the objective of the applicant's invention.<sup>848</sup>

The court continued, "[a] statement that a particular combination is not a preferred embodiment does not teach away absent clear discouragement of that combination."<sup>849</sup> The trial court committed

---

839. 407 F.3d 1371, 74 U.S.P.Q.2d (BNA) 1823 (Fed. Cir. 2005).

840. *Id.* at 1373, 74 U.S.P.Q.2d (BNA) at 1825.

841. *Id.* at 1373-74, 74 U.S.P.Q.2d (BNA) at 1825.

842. *Id.* at 1376, 74 U.S.P.Q.2d (BNA) at 1827.

843. *Id.* at 1376-77, 74 U.S.P.Q.2d (BNA) at 1827.

844. *Id.* at 1379, 74 U.S.P.Q.2d (BNA) at 1829.

845. *Id.*, 74 U.S.P.Q.2d (BNA) at 1829.

846. *Id.*, 74 U.S.P.Q.2d (BNA) at 1829.

847. *Id.* at 1380, 74 U.S.P.Q.2d (BNA) at 1829.

848. *Id.*, 74 U.S.P.Q.2d (BNA) at 1829-30.

849. *Id.*, 74 U.S.P.Q.2d (BNA) at 1830.

error by finding that a prior art reference taught away from the use of octoxynol 40 because the only surfactant mentioned in that reference was polysorbate 80.<sup>850</sup> According to the court:

This is error because a prior art reference that does not specifically refer to one element of a combination does not, per se, teach away. If it did, only references that anticipate could be used to support an obviousness analysis. However, prior art references that are capable of rendering an invention obvious under a section 103 analysis are not limited to reference that also anticipate the patent at issue.<sup>851</sup>

The Federal Circuit also found error in the district court's finding that another prior art reference taught away from the claimed invention because it stated that a surfactant was not preferred.<sup>852</sup> "This is error because although the preferred embodiment of [the prior art reference] does not use a stabilizer [surfactant], [the prior art reference] discloses . . . ophthalmic formulations that 'optionally . . . contain a stabilizer.'"<sup>853</sup>

The Federal Circuit also advised the district court to reconsider the testimony of the defendant's expert.<sup>854</sup> In particular:

[The defendant's] expert testimony [] cannot be lightly disregarded on the theory that [the expert] only sought to show the obviousness of substituting octoxynol 40 for another surfactant. [The expert's] testimony may be relevant on another level, which is the very point on which the examiner concluded that the otherwise suspect invention was non-obvious. [The expert's] testimony has to be considered as well on the point of whether the results produced by use of octoxynol 40 are sufficiently unexpected as to secure the validity of the claims in suit."<sup>855</sup>

The Federal Circuit acknowledged it does "not require that the district court credit all (or any) of this testimony" but "the district court should consider [the defendant's] claim of obviousness in light of the applicable legal principles and unencumbered by the factual errors identified above."<sup>856</sup>

The Federal Circuit also examined the prosecution history of the patent in suit.<sup>857</sup> The patent issued from a continuation of a parent application, although the two applications had been examined by

---

850. *Id.*, 74 U.S.P.Q.2d (BNA) at 1830.

851. *Id.*, 74 U.S.P.Q.2d (BNA) at 1830.

852. *Id.*, 74 U.S.P.Q.2d (BNA) at 1830.

853. *Id.*, 74 U.S.P.Q.2d (BNA) at 1830.

854. *Id.* at 1381, 74 U.S.P.Q.2d (BNA) at 1830.

855. *Id.*, 74 U.S.P.Q.2d (BNA) at 1830.

856. *Id.* at 1382, 74 U.S.P.Q.2d (BNA) at 1831.

857. *Id.*, 74 U.S.P.Q.2d (BNA) at 1831.

different patent examiners.<sup>858</sup> During the prosecution of the continuation, the plaintiff represented that it had shown that the prior art surfactants were not satisfactory, when in fact the examiner who handled the parent application expressly found that the plaintiff failed to show unexpected results.<sup>859</sup> The Federal Circuit stated that “[w]hether the second examiner was aware of the earlier rejection of [the plaintiff’s] claims is unknown. But the relevance of the inconsistency between the views of two examiners is not insignificant.”<sup>860</sup>

Also during prosecution, the applicant submitted a declaration stating that octoxynol 40 is satisfactory for use in the claimed formulation while octoxynols 3 and 5 were not.<sup>861</sup> The plaintiff, however, knew that octoxynol 40 did not outperform octoxynol 12.5, but did not include this information in the applicant’s declaration.<sup>862</sup> While this did not rise to the level of inequitable conduct, “the unvarnished view of the prosecution history shows some weakness in the conclusion that the patentee established unexpected results for the claimed surfactant.”<sup>863</sup> The court acknowledged the heightened burden placed on a challenger to a patent’s validity when the prior art references have been considered by the patent examiner, but determined that the facts of this case cast this added burden in doubt:

While we recognize that an issued patent is entitled to the presumption of validity and that a challenger’s burden to show invalidity is more difficult to

---

858. *Id.*, 74 U.S.P.Q.2d (BNA) at 1831.

859. *Id.*, 74 U.S.P.Q.2d (BNA) at 1832.

860. *Id.*, 74 U.S.P.Q.2d (BNA) at 1832. In her concurrence, Judge Prost challenged the majority’s views on the inconsistencies between the prosecutions of the two applications. *Id.* at 1385, 74 U.S.P.Q.2d (BNA) at 1834 (Prost, J., concurring). Judge Prost pointed out that Apotex had never asserted that there was any inconsistency between Syntex’s statements to the two patent examiners. *Id.*, 74 U.S.P.Q.2d (BNA) at 1834 (Prost, J., concurring).

In general [Judge Prost explained], I fail to see how the conduct of a patent applicant is relevant to an obviousness determination. Alleged misconduct at the PTO . . . goes to the heart of an inequitable conduct inquiry but is simply irrelevant to an obviousness inquiry. That is not to say that if evidence showing that a claimed invention does not produce unexpected results was not disclosed to the PTO then that evidence should not be considered by the district court in its obviousness analysis. On the contrary, a district court should consider evidence relevant to an obviousness analysis even if that evidence is not disclosed to the PTO.”

*Id.* at 1386, 74 U.S.P.Q.2d (BNA) at 1834 (Prost, J., concurring). Moreover, she found it “hard to believe that the second examiner was somehow duped into thinking that the first examiner agreed that the previous data showed unexpected results even if the statement could be understood to be misleading.” *Id.* at 1385-86, 74 U.S.P.Q.2d (BNA) at 1834.

861. *Id.* at 1382-83, 74 U.S.P.Q.2d (BNA) at 1832.

862. *Id.* at 1383, 74 U.S.P.Q.2d (BNA) at 1832.

863. *Id.*, 74 U.S.P.Q.2d (BNA) at 1832.



satisfy when prior art references have been presented to the PTO, we think this case is unusual because certain key facts existed that give rise to some doubt as to the strength of the factual proposition that octoxynol 40 indeed produced unexpected results. With full respect for the general propositions that the issued patent is entitled to a presumption of validity, and that the examiners are expected to perform reasonably, on remand the district court should review the file history as part of its assessment of whether the invention claimed by the claims in suit are nonobvious.<sup>864</sup>

Finally, the Federal Circuit addressed the district court's heavy reliance on the commercial success of Syntex's product in its finding of nonobviousness.<sup>865</sup> The court explained:

The secondary consideration of commercial success exists largely to provide a means for patentees to show in close cases that subject matter that appears obvious is in law unobvious because a high degree of commercial success permits the inference that others have tried and failed to reach a solution . . . [and] evidence of commercial success result[s] in a particularly weak inference [when] prior art patents prevented others from competing to reach the solution embodied in the claims at issue.<sup>866</sup>

The Federal Circuit recommended in a case such as this, where "the active ingredient in the formulation was previously patented," that the district court consider this analysis in determining whether the commercial success of the plaintiff's products was in fact due to the patentable distinctiveness of the plaintiff's claims.<sup>867</sup>

In *Group One Ltd v. Hallmark Cards, Inc.*,<sup>868</sup> the Federal Circuit reversed the district court's JMOL of obviousness as to claims from two patents claiming a device and method for curling ribbon, and reinstated the jury verdict of non-obviousness.<sup>869</sup> The Federal Circuit explained that "[o]bviousness is a question of law based on underlying facts," and that when the underlying factual disputes are submitted to a jury, "[t]he question thus becomes whether the jury verdict of non-obviousness was supported by substantial evidence."<sup>870</sup> In this case, the prior art disclosed three of the four elements of the independent claims of the asserted patents, and that the fourth element appeared in several other prior art references, but that none of the references showing the fourth element related to ribbon

---

864. *Id.*, 74 U.S.P.Q.2d (BNA) at 1832 (internal citations and explanatory parentheticals omitted).

865. *Id.*, 74 U.S.P.Q.2d (BNA) at 1832.

866. *Id.*, 74 U.S.P.Q.2d (BNA) at 1832.

867. *Id.*, 74 U.S.P.Q.2d (BNA) at 1832.

868. 407 F.3d 1297, 74 U.S.P.Q.2d (BNA) 1759 (Fed. Cir. 2005).

869. *Id.* at 1309, 74 U.S.P.Q.2d (BNA) at 1768.

870. *Id.* at 1303-04, 74 U.S.P.Q.2d (BNA) at 1764.

curling.<sup>871</sup> The Federal Circuit framed the issue as whether there was a motivation to combine these references.<sup>872</sup>

Motivation to combine is a question of fact. Expert testimony of a lack of motivation to combine and the use of hindsight by [opposing experts] constitutes substantial evidence of nonobviousness. A showing that the motivation to combine stems from the nature of the problem to be solved must be clear and particular, and it must be supported by actual evidence.<sup>873</sup>

The defendant argued that Group One's expert failed to address why the nature of the problem to be solved did not provide the motivation to combine.<sup>874</sup> The Federal Circuit rejected the argument, concluding that:

Although [Group One's expert] did not address the problem-to-be-solved issue in so many words, he did provide testimony that the problem to be solved had been appreciated in the prior art and noted that this had not led to the air blower solution. This testimony is sufficient to rebut [Hallmark's expert's] testimony and to sustain the jury verdict of nonobviousness.<sup>875</sup>

The court also rejected the significance of the patent examiner's failure to consider various stripping means references during prosecution. The court noted that, "[w]hile this may affect the ease with which Hallmark may carry its burden of proof, we do not see how this can provide a basis for overturning the jury's factfinding."<sup>876</sup>

In *Princeton Biochemicals, Inc. v. Beckman Coulter, Inc.*,<sup>877</sup> the Federal Circuit affirmed the district court's grant of JMOL that substantial evidence did not support the jury's verdict of non-obviousness.<sup>878</sup> The parties did not dispute that the prior art references taught each element of the claim at issue.<sup>879</sup> In particular, an article written prior to the date the plaintiff filed its patent application disclosed six of eight elements; the seventh was disclosed in a thesis also published prior to the application, and it was undisputed that the eighth element was known in the prior art.<sup>880</sup> The issue was whether there was motivation to combine the elements in the prior art references.<sup>881</sup>

871. *Id.* at 1304, 74 U.S.P.Q.2d (BNA) at 1764.

872. *Id.*, 74 U.S.P.Q.2d (BNA) at 1764 (internal quotation marks and citations omitted).

873. *Id.*, 74 U.S.P.Q.2d (BNA) at 1764 (internal citations omitted).

874. *Id.* at 1304, 74 U.S.P.Q.2d (BNA) at 1765.

875. *Id.* at 1305-06, 74 U.S.P.Q.2d (BNA) at 1765-66.

876. *Id.* at 1306, 74 U.S.P.Q.2d (BNA) at 1766.

877. 411 F.3d 1332, 75 U.S.P.Q.2d (BNA) 1051 (Fed. Cir. 2005).

878. *Id.* at 1339, 75 U.S.P.Q.2d (BNA) at 1056.

879. *Id.* at 1337, 75 U.S.P.Q.2d (BNA) at 1054.

880. *Id.* at 1335, 1337-38, 75 U.S.P.Q.2d (BNA) at 1053.

881. *Id.* at 1337, 75 U.S.P.Q.2d (BNA) at 1054.

The Federal Circuit explained that making an obviousness determination requires consideration of the claimed invention “as a whole.”<sup>882</sup> The court elaborated on this requirement:

The “as a whole” instruction in title 35 prevents evaluation of the invention part by part. Without this important requirement, an obviousness assessment might successfully break an invention into its component parts, then find a prior art reference corresponding to each component. This line of reasoning would import hindsight into the obviousness determination by using the invention as a roadmap to find its prior art components. Further, this improper method would discount the value of combining various existing features or principles in a new way to achieve a new result—often the essence of invention.<sup>883</sup>

According to the Federal Circuit, “[a] suggestion or motivation [to combine] prior art references may appear in the content of the public prior art, in the nature of the problem addressed by the invention, or even in the knowledge of one of ordinary skill in the art.”<sup>884</sup>

The Federal Circuit agreed with the district court that the motivation to combine the prior art references was found in the knowledge of one skilled in the art at the time of the invention.<sup>885</sup> The defendant’s expert testified and provided un rebutted testimony to this effect.<sup>886</sup> The court acknowledged its prior “skepticism about invoking the knowledge of a skilled artisan to supply the motivation to combine on a scanty record,” but explained that in this case, the defendant’s expert “supplied detailed analysis of the prior art and the reasons that one of ordinary skill would possess knowledge and motivation to combine these simple elements.”<sup>887</sup>

The Federal Circuit also agreed with the district court that the nature of the problem addressed by the invention supplied a motivation to combine the prior art references.<sup>888</sup> This was supported by testimony from another Beckman witness, in addition to testimony from Beckman’s expert.<sup>889</sup>

Finally, the Federal Circuit agreed with the district court that the references relied upon by the district court were proper prior art

---

882. *Id.*, 75 U.S.P.Q.2d (BNA) at 1054.

883. *Id.*, 75 U.S.P.Q.2d (BNA) at 1054 (internal citations omitted).

884. *Id.* at 1338, 75 U.S.P.Q.2d (BNA) at 1055.

885. *Id.*, 75 U.S.P.Q.2d (BNA) at 1055.

886. *Id.*, 75 U.S.P.Q.2d (BNA) at 1055.

887. *Id.* at 1338, 75 U.S.P.Q.2d (BNA) at 1055.

888. *Id.*, 75 U.S.P.Q.2d (BNA) at 1055.

889. *Id.* at 1338-39, 75 U.S.P.Q.2d (BNA) at 1055-56.

references.<sup>890</sup> The court explained that “[a] reference is appropriate prior art if within the field of the inventor’s endeavor” or if it is “reasonably pertinent to the particular problem with which the invention of claim 32 was involved.”<sup>891</sup> In this case, the Federal Circuit determined that “all of the references . . . constitute analogous art,” including some references from related fields of endeavor.<sup>892</sup> The Federal Circuit relied on the district court’s determination that the other fields of endeavor were “closely related” to that of the invention, as well as testimony from Beckman’s expert that one of ordinary skill would look to the related fields to solve problems in the field of the invention.<sup>893</sup> Evaluating the evidence as a whole, the Federal Circuit agreed with the district court that substantial evidence did not support the jury’s verdict, and the Federal Circuit held that claim 32 was “invalid for obviousness.”<sup>894</sup>

#### D. 35 U.S.C. § 112

##### 1. Written description

In *Invitrogen Corp. v. Clontech Laboratories, Inc.*, the Federal Circuit affirmed the district court’s interlocutory ruling that the plaintiff’s claims were not invalid for failing the written description requirements of 35 U.S.C. § 112.<sup>895</sup> The Federal Circuit first noted that findings regarding written descriptions are questions of fact, and therefore, a court needs clear and convincing evidence that the claim fails the written description requirement in order to invalidate a claim.<sup>896</sup> The defendant argued that *University of California v. Eli Lilly & Co.*<sup>897</sup> controlled and requested that the court find that the plaintiff’s claims failed the written description requirement.<sup>898</sup>

In *Eli Lilly*, the Federal Circuit invalidated a claim that “recit[ed] only the nucleotide sequence of rat cDNA for insulin.”<sup>899</sup> The defendant argued that the court should likewise invalidate the plaintiff’s claims in this case, as they “do not recite the DNA or protein sequences as required” by the holding in *Eli Lilly*.<sup>900</sup>

890. *Id.* at 1339, 75 U.S.P.Q.2d (BNA) at 1056.

891. *Id.*, 75 U.S.P.Q.2d (BNA) at 1056 (internal citations omitted).

892. *Id.*, 75 U.S.P.Q.2d (BNA) at 1056.

893. *Id.*, 75 U.S.P.Q.2d (BNA) at 1056.

894. *Id.*, 75 U.S.P.Q.2d (BNA) at 1056.

895. 429 F.3d 1052, 1081, 77 U.S.P.Q.2d (BNA) 1161, 1182 (Fed. Cir. 2005).

896. *Id.* at 1072, 77 U.S.P.Q.2d (BNA) at 1175.

897. 119 F.3d 1559, 43 U.S.P.Q.2d (BNA) 1398 (Fed. Cir. 1997).

898. *Invitrogen Corp.*, 429 F.3d at 1073, 77 U.S.P.Q.2d (BNA) at 1175.

899. *Id.*, 77 U.S.P.Q.2d (BNA) at 1175.

900. *Id.*, 77 U.S.P.Q.2d (BNA) at 1175 (citing *Eli Lilly*, 119 F.3d at 1566-69, 43 U.S.P.Q.2d (BNA) at 1403-08).

The Federal Circuit rejected the defendant's argument, finding that: (1) in addition to the sequence cited in the plaintiff's specification, "the sequences of RT genes were known and members of the RT gene family shared significant homologies from one species of RT to another";<sup>901</sup> (2) the plaintiff's specification cites to references which provide "the known nucleotide sequences of these RT genes";<sup>902</sup> (3) by January 1988, these RT gene sequences were known in the art;<sup>903</sup> and (4) *Eli Lilly* and other cases cited by the defendant involved specifications that did not identify any DNA sequence of claim, whereas the patents-in-issue cite both a DNA and amino acid sequence of the claimed RT.<sup>904</sup> Accordingly, the Federal Circuit held that the lower court did not err in finding that the plaintiff's claims satisfied the written description requirements of § 112.<sup>905</sup>

The Federal Circuit in *Capon v. Eshhar*<sup>906</sup> vacated a ruling by the Board.<sup>907</sup> The parties to the original interference proceedings, Daniel Capon and Zelig Eshhar,<sup>908</sup> appealed to the Federal Circuit after the Board dissolved the interference and invalidated all claims involved in the interference proceedings, including all claims of Capon's patents and Eshhar's patent application.<sup>909</sup> The Board held that the specifications in Capon's patents and in Eshhar's application failed to satisfy the requirements of 35 U.S.C. § 112.<sup>910</sup> The Federal Circuit disagreed with the Board's assessment, and it vacated and remanded for further proceedings.<sup>911</sup>

Capon's and Eshhar's inventions involved a chimeric gene which artificially sequences "DNA in a way that does not occur in nature."<sup>912</sup> Both inventions have the potential to treat cancer tumors.<sup>913</sup> The Board ruled that Capon's and Eshhar's specifications provided the "functional characteristics" of the inventions but failed to provide a sufficient description of the "structure, formula, chemical name, or physical properties" of the DNA or proteins.<sup>914</sup> Specifically, the Board commented that the specifications failed because "persons

---

901. *Id.*, 77 U.S.P.Q.2d (BNA) at 1175 (quoting the district court opinion).

902. *Id.*, 77 U.S.P.Q.2d (BNA) at 1175 (internal citation omitted).

903. *Id.*, 77 U.S.P.Q.2d (BNA) at 1175.

904. *Id.*, 77 U.S.P.Q.2d (BNA) at 1176.

905. *Id.* at 1073-74, 77 U.S.P.Q.2d (BNA) at 1176.

906. 418 F.3d 1349, 76 U.S.P.Q.2d (BNA) 1078 (Fed. Cir. 2005).

907. *Id.* at 1350, 76 U.S.P.Q.2d (BNA) at 1079.

908. *Id.* at 1350-51, 76 U.S.P.Q.2d (BNA) at 1079.

909. *Id.* at 1351, 76 U.S.P.Q.2d (BNA) at 1079.

910. *Id.* at 1354-55, 76 U.S.P.Q.2d (BNA) at 1082.

911. *Id.* at 1350, 76 U.S.P.Q.2d (BNA) at 1079.

912. *Id.* at 1351, 76 U.S.P.Q.2d (BNA) at 1079.

913. *Id.* at 1351-52, 76 U.S.P.Q.2d (BNA) at 1079-80.

914. *Id.* at 1354, 76 U.S.P.Q.2d (BNA) at 1082 (quoting the Board decision).

having ordinary skill in the art would not have been able to visualize and recognize the identity of the claimed genetic material without considering additional knowledge in the art, performing additional experimentation, and testing to confirm results.”<sup>915</sup>

Focusing on the reasoning behind § 112’s written description requirement, the Federal Circuit noted that written descriptions serve to “satisfy the inventor’s obligation to disclose the technologic knowledge upon which the patent is based, and to demonstrate that the patentee was in possession of the invention that is claimed.”<sup>916</sup> Section 112, however, does not require that each patentee describe its invention in the same manner.<sup>917</sup> Instead, the requirements for satisfaction of § 112 will vary depending on the invention’s “nature and scope,” as well as the “scientific and technologic knowledge” existing.<sup>918</sup> Capon and Eshhar argued that the Board erred when it ruled that § 112 required their specifications to contain a complete nucleotide sequence for at least one of their chimeric genes.<sup>919</sup> Specifically, Capon and Eshhar asserted that persons experienced in this field would readily know the nucleotide sequences of the chimeric genes’ DNA, and that “where the structure and properties of the DNA components were known, reanalysis was not required.”<sup>920</sup>

The Federal Circuit agreed with Capon and Eshhar’s argument, stating that the “Board’s rule that the nucleotide sequences of the chimeric genes must be fully presented, although the nucleotide sequences of the component DNA are known, is an inappropriate generalization.”<sup>921</sup> Because the court found that Capon’s and Eshhar’s inventions involved DNA sequences of known function, requiring this information in their specifications would not “add descriptive substance.”<sup>922</sup> Accordingly, the Federal Circuit ruled that the Board’s requirement of a nucleotide sequencing of its chimeric gene was in error.<sup>923</sup>

The Federal Circuit then discussed the Board’s argument that Capon’s and Eshhar’s specifications did not sufficiently encompass and support the full scope of their claims.<sup>924</sup> The Board asserted that Capon’s and Eshhar’s claims were unacceptably broad considering

---

915. *Id.* at 1355, 76 U.S.P.Q.2d (BNA) at 1082 (quoting the Board decision).

916. *Id.* at 1357, 76 U.S.P.Q.2d (BNA) at 1084.

917. *Id.* at 1358, 76 U.S.P.Q.2d (BNA) at 1085.

918. *Id.* at 1357, 76 U.S.P.Q.2d (BNA) at 1084.

919. *Id.* at 1358, 76 U.S.P.Q.2d (BNA) at 1085.

920. *Id.* at 1356, 76 U.S.P.Q.2d (BNA) at 1083.

921. *Id.* at 1358, 76 U.S.P.Q.2d (BNA) at 1084.

922. *Id.*, 76 U.S.P.Q.2d (BNA) at 1085.

923. *Id.*, 76 U.S.P.Q.2d (BNA) at 1085.

924. *Id.*, 76 U.S.P.Q.2d (BNA) at 1085.

the fact that some of the gene combinations included in their claims might be inoperable to accomplish their purpose.<sup>925</sup> The Federal Circuit responded that “[i]t is well recognized that in the ‘unpredictable’ fields of science, it is appropriate to recognize the variability in the science in determining the scope of the coverage to which the inventor is entitled.”<sup>926</sup>

The Federal Circuit presented five factors to assist courts in assessing whether these “generic” claims to biological subject matter had sufficient support.<sup>927</sup> These factors are: “(1) the existing knowledge in the particular field; (2) the extent and content of the prior art; (3) the maturity of the science or technology; (4) the predictability of the aspect at issue; and (5) other considerations appropriate to the subject matter.”<sup>928</sup> Additionally, the court stated “every permutation within a generally operable invention” need not prove effective, as long as sufficient support is provided.<sup>929</sup>

The Federal Circuit found that both Capon and Eshhar provided sufficient support, considering that the claims presented general teachings of selecting and combining DNA, as well as specific examples of how to produce named chimeric genes.<sup>930</sup> The court contrasted Capon’s and Eshhar’s generic claims from “wish” or “plan” claims, where a patentee only presents a desire or a plan to invent what their claims promise.<sup>931</sup> Therefore, the court rejected the Board’s argument that Capon’s and Eshhar’s claims were overly broad, and accordingly vacated and remanded for further proceedings.<sup>932</sup>

In *Pandrol USA v. Airboss Railway Products, Inc.*,<sup>933</sup> the Federal Circuit affirmed judgment of the district court that the patent-in-suit, for a railroad track fastening system, was not invalid for failure to satisfy the written description requirement.<sup>934</sup> The patent specification, describing the preferred embodiment, read as follows:

The improvement of this invention is to provide an abrasion plate 10 between the pad 4 and the tie 1. The plate 10 is smooth edged and incorporates recesses 11 to fit around the clamp supports or shoulder 5.

---

925. *Id.*, 76 U.S.P.Q.2d (BNA) at 1085.

926. *Id.*, 76 U.S.P.Q.2d (BNA) at 1085.

927. *Id.* at 1359, 76 U.S.P.Q.2d (BNA) at 1085.

928. *Id.*, 76 U.S.P.Q.2d (BNA) at 1085 (numbering added).

929. *Id.*, 76 U.S.P.Q.2d (BNA) at 1085.

930. *Id.*, 76 U.S.P.Q.2d (BNA) at 1086.

931. *Id.* at 1360, 76 U.S.P.Q.2d (BNA) at 1086.

932. *Id.* at 1360-61, 76 U.S.P.Q.2d (BNA) at 1086-87.

933. 424 F.3d 1161, 76 U.S.P.Q.2d (BNA) 1524 (Fed. Cir. 2005).

934. *Id.* at 1163, 76 U.S.P.Q.2d (BNA) at 1525.

The plate 10 may be bonded by layer 12 of adhesive (epoxy resin adhesives are preferred) to the tie 1 or an HDPE closed cell foam of 1.5 mm thickness of the same size and shape as plate 10 fitted between plate 10 and tie 1.<sup>935</sup>

The defendant had argued that the written description requirement of 35 U.S.C. § 112 was not satisfied sufficiently to support claim terms “adhering material” and “sole means for adhering,” in claim 1.<sup>936</sup>

In an opinion by Judge Rader, the court affirmed summary judgment that the written description requirement was satisfied.

The purpose of the written description requirement is to prevent an applicant from later asserting that he invented that which he did not; the applicant for a patent is therefore required “to recount his invention in such detail that his future claims can be determined to be encompassed within his original creation.”<sup>937</sup>

The Court applied the “possession test” of *Vas-Cath Inc. v. Mahurkar*.<sup>938</sup>

With respect to the “adhering material” term, the Court noted the original, unamended description for purposes of § 112.<sup>939</sup> The original specification stated:

Preferably the abrasion plate may be adhered to the surface of the concrete tie to ensure that ingress of abrasive particles and water onto the surface of the rail tie is avoided.

...

The plate may be bonded to the rail tie or a resilient gasket can be interposed between the rail tie and the plate.

...

The plate 10 may be bonded by adhesive (epoxy resin adhesives are preferred) to the tie 1 or an HDPE closed cell foam of 1.5 mm thickness of the same size and shape as plate 10 is fitted between plate 10 and tie 1.<sup>940</sup>

Thus, the original specification demonstrated that an effective “adhering material” as was ultimately claimed could be formed using a closed cell foam pad.<sup>941</sup>

---

935. *Id.* at 1163-64, 76 U.S.P.Q.2d (BNA) at 1525.

936. *Id.* at 1164, 76 U.S.P.Q.2d (BNA) at 1525.

937. *Id.*, 76 U.S.P.Q.2d (BNA) at 1526 (citing *Amgen Inc. v. Hoechst Marion Roussel Inc.*, 314 F.3d 1313, 1330, 65 U.S.P.Q.2d (BNA) 1385 (Fed. Cir. 2003)).

938. 935 F.2d 1555, 1561, 19 U.S.P.Q.2d (BNA) 1111, 1114 (Fed. Cir. 1991).

939. *Pandrol*, 424 F.3d at 1165, 76 U.S.P.Q.2d (BNA) at 1526.

940. *Id.* at 1166, 76 U.S.P.Q.2d (BNA) at 1527.

941. *Id.*, 76 U.S.P.Q.2d (BNA) at 1527.



Regarding the “sole means for adhering” limitation, the defendant had also argued that although the claim required the adhering material to be the sole means, the specification instead disclosed mechanical clamps which also exerted force on the rail to hold it in place.<sup>942</sup> However, the Court noted that the patent showed that the clamps secure the rail at some place, but the clamps still do not “adhere” in the sense of an adhesive.<sup>943</sup> The specification, it said, provided adequate distinction between “clamping,” and “adhesion,” the latter’s purpose being to prevent erosion of the concrete rail tie using a watertight seal.<sup>944</sup>

## 2. Enablement

*Warner-Lambert Co. v. Teva Pharmaceuticals USA, Inc.*<sup>945</sup> involved an appeal from a district court’s grant of summary judgment holding that the asserted claims were not invalid under the enablement requirement of 35 U.S.C. § 112, ¶ 1. On appeal, the defendant, Teva Pharmaceuticals, argued that the claims were invalid because a person of ordinary skill in the pharmaceutical field would need to undertake undue experimentation to create the plaintiff’s claimed invention.<sup>946</sup> In order to support this contention, the defendant pointed to expert declarations that had been submitted to the district court.<sup>947</sup> In addition, the defendant argued that there were many remaining issues of fact regarding enablement that would have to be resolved before the court could grant summary judgment on the description’s validity.<sup>948</sup> In particular, the defendant claimed that the

Patent’s written description does not teach a person of skill in the art how to make and use the full scope of the invention without undue experimentation . . . because, while the patent claims numerous combinations of ACE inhibitors, alkali or alkaline earth metal carbonates, and saccharides, the specification only discloses two working examples, both of which are based on the same general combination of quinapril hydrochloride, magnesium carbonate, and lactose.<sup>949</sup>

The defendant further argued that the written description lacked meaningful guidance to enable a person of skill in the art to create

---

942. *Id.* at 1166, 76 U.S.P.Q.2d (BNA) at 1527.

943. *Id.*, 76 U.S.P.Q.2d (BNA) at 1527.

944. *Id.*, 76 U.S.P.Q.2d (BNA) at 1527.

945. 418 F.3d 1326, 75 U.S.P.Q.2d (BNA) 1865 (Fed. Cir. 2005).

946. *Id.* at 1336, 75 U.S.P.Q.2d (BNA) at 1871.

947. *Id.*, 75 U.S.P.Q.2d (BNA) at 1871.

948. *Id.*, 75 U.S.P.Q.2d (BNA) at 1871.

949. *Id.*, 75 U.S.P.Q.2d (BNA) at 1871.

appellee's claimed invention without first performing extensive experimentation.<sup>950</sup>

The Federal Circuit began its analysis by stating that to comply with the enablement provision of the Patent Act, a written description of the invention must be described "in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same."<sup>951</sup>

The Federal Circuit explained that

[t]he purpose of this requirement is to ensure that

"the public knowledge is enriched by the patent specification to a degree at least commensurate with the scope of the claims." . . . Accordingly, we have held that the specification must provide sufficient teaching such that one skilled in the art could make and use the full scope of the invention without undue experimentation.<sup>952</sup>

The Federal Circuit then observed that the defendant was asking it to review an incomplete record because the district court had not addressed the issue of enablement in its decision granting the plaintiff's summary judgment motion.<sup>953</sup> Thus, in reviewing the limited record, the Federal Circuit reversed the district court's grant of summary judgment because the defendant had introduced fact-based arguments to support its enablement defense that the trial court should have addressed.<sup>954</sup>

In *Northpoint Technology, Ltd. v. MDS America, Inc.*,<sup>955</sup> the Federal Circuit affirmed the district court's denial of JMOL, agreeing that substantial evidence supported the jury's finding that the asserted claims were not enabled. The claims at issue involved an invention that permitted users to receive a satellite broadcast signal and a terrestrial broadcast signal on the same frequency without the signals interfering with each other.<sup>956</sup> The reception of both signals was accomplished through the use of two antennas which receive the two signals "outside the 'directional reception range' of the other antenna."<sup>957</sup>

---

950. *Id.*, 75 U.S.P.Q.2d (BNA) at 1871.

951. *Id.*, 75 U.S.P.Q.2d (BNA) at 1872 (quoting 35 U.S.C. § 112 (2000)).

952. *Id.* at 1336-37, 75 U.S.P.Q.2d (BNA) at 1872 (quoting *Nat'l Recovery Techs., Inc. v. Magnetic Separation Sys., Inc.*, 166 F.3d 1190, 1195-96, 49 U.S.P.Q.2d 1671, 1675 (Fed. Cir. 1999)).

953. *Id.* at 1337, 75 U.S.P.Q.2d (BNA) at 1872.

954. *Id.*, 75 U.S.P.Q.2d (BNA) at 1872.

955. 413 F.3d 1301, 75 U.S.P.Q.2d (BNA) 1244 (Fed. Cir. 2005).

956. *Id.* at 1304, 75 U.S.P.Q.2d (BNA) at 1246.

957. *Id.* at 1304, 75 U.S.P.Q.2d (BNA) at 1246.

One of the inventors of the asserted patents admitted at trial that in order to avoid interference between the satellite and the terrestrial signals, numerous techniques had been used during the first test of Northpoint's technology.<sup>958</sup> Specifically, he claimed that such parameters had been submitted to the FCC, but that the techniques had not been disclosed in the patents.<sup>959</sup>

Testimony from the defendant's expert contradicted the inventor's testimony claiming that a person of skill in the art would have known how to use the techniques without undue experimentation.<sup>960</sup> Moreover, a report by the Mitre Corporation, a not-for-profit engineering company hired by the Federal Communications Commission ("FCC") to determine whether Northpoint's technology was feasible without causing interference,<sup>961</sup> concluded that techniques in addition to those in Northpoint's tests were necessary to avoid interference.<sup>962</sup> Thus, the court held that the jury's conclusion that Northpoint's "techniques for avoiding interference were not so plain to a person of skill in the art so as to obviate the need for any enabling disclosure in the patent" was a rational conclusion based on all the evidence that had been presented.<sup>963</sup>

Judge Dyk, however, argued in his dissent, that

The testimony on which the majority relies to sustain the verdict does no more than establish that experimentation was required to determine the required power level . . . [and that] MDS presented no evidence showing that the experimentation conducted on the Northpoint system was anything but routine, or would be considered undue by one of skill in the art.<sup>964</sup>

The Federal Circuit addressed the dissent's concerns, explaining that "[w]hile determining whether the required amount of experimentation is undue is an inherently imprecise undertaking, the jury was properly instructed as to its task, and it reached a reasonable conclusion."<sup>965</sup> The Federal Circuit also recognized that the evidence "was sufficient to show that elaborate measures, not described or even adumbrated by the patent, were required to make the claimed invention effective."<sup>966</sup> According to the Federal Circuit, although no witness testified *in haec verba* that the experimentation was "undue,"

---

958. *Id.* at 1309, 75 U.S.P.Q.2d (BNA) at 1250.

959. *Id.*, 75 U.S.P.Q.2d (BNA) at 1250.

960. *Id.*, 75 U.S.P.Q.2d (BNA) at 1250.

961. *Id.* at 1305, 75 U.S.P.Q.2d (BNA) at 1247.

962. *Id.* at 1309, 75 U.S.P.Q.2d (BNA) at 1250-51.

963. *Id.* at 1310, 75 U.S.P.Q.2d (BNA) at 1251.

964. *Id.* at 1316-17, 75 U.S.P.Q.2d (BNA) at 1256-57.

965. *Id.* at 1310, 75 U.S.P.Q.2d (BNA) at 1251.

966. *Id.*, 75 U.S.P.Q.2d (BNA) at 1251.

there is “no principle that requires that a witness testify as to that legal conclusion, as long as the factual showing is sufficient to justify the jury’s conclusion on the highly factual issue of whether, under all the circumstances, more than routine experimentation was needed to make the invention work.”<sup>967</sup> Accordingly, the Federal Circuit held that, because the factual showing was sufficient to justify the jury’s conclusion, “the district court properly denied Northpoint’s motion for judgment as a matter of law on the enablement issue.”<sup>968</sup>

In *Rasmusson v. SmithKline Beecham Corp.*,<sup>969</sup> the Federal Circuit addressed the issue of enablement in the context of an interference. The Board held that, for Rasmusson’s patent application at issue, Rasmusson could not claim priority back to earlier filed applications.<sup>970</sup> Thus, Rasmusson’s application could not defeat the priority date accorded to SmithKline’s patents and reissue applications.<sup>971</sup> The Federal Circuit affirmed, finding that the Board’s decision was supported by substantial evidence and not contrary to law.<sup>972</sup>

The rationale for the Board’s determination that Rasmusson could not claim priority back to the earlier applications rested on the fact that the earlier applications had failed to satisfy the enablement and written description requirements.<sup>973</sup> The Board found that without undue experimentation, a person of ordinary skill in the art would not have believed that finasteride, a chemical compound that Rasmusen claimed could be used to treat prostate cancer, would be an effective treatment in light of the state of the art and Rasmusson’s failure to provide data demonstrating such effects.<sup>974</sup> Rasmusson argued, however, that because the Board did not make its determination based on 35 U.S.C. § 101, its finding regarding efficacy did not support the finding that its application failed to meet the enablement requirement.<sup>975</sup> The Federal Circuit disagreed, explaining that “the how to use prong of section 112 incorporates as a matter of law the requirement of 35 U.S.C. § 101 that the

967. *Id.*, 75 U.S.P.Q.2d (BNA) at 1251.

968. *Id.*, 75 U.S.P.Q.2d (BNA) at 1251. Judge Dyk “agree[d] that expert testimony need not use the word ‘undue’ but it must do more than talk about the absolute quantity of experimentation. It must suggest that the amount of experimentation would be considered excessive or not routine by one of ordinary skill in the art.” *Id.* at 1318, 75 U.S.P.Q.2d (BNA) at 1257.

969. 413 F.3d 1318, 75 U.S.P.Q.2d (BNA) 1297 (Fed. Cir. 2005).

970. *Id.* at 1320, 75 U.S.P.Q.2d (BNA) at 1298.

971. *Id.*, 75 U.S.P.Q.2d (BNA) at 1298.

972. *Id.*, 75 U.S.P.Q.2d (BNA) at 1298.

973. *Id.* at 1322, 75 U.S.P.Q.2d (BNA) at 1299.

974. *Id.*, 75 U.S.P.Q.2d (BNA) at 1299.

975. *Id.*, 75 U.S.P.Q.2d (BNA) at 1300.

specification disclose as a matter of fact a practical utility for the invention.”<sup>976</sup> Moreover, the court observed that prior decisions reflect the proposition that “an applicant’s failure to disclose how to use an invention may support a rejection under either section 112, paragraph 1 for lack of enablement, or section 101 for lack of utility when there is a complete absence of data supporting the statements which set forth the desired results of the claimed invention.”<sup>977</sup>

With regard to the Board’s finding that Rasmusson’s prior applications lacked data, the Federal Circuit explained that in order to determine whether sufficient utility has been alleged, substantiating evidence must be presented unless a person of ordinary skill in the art could determine that the claim was obviously correct.<sup>978</sup> Elaborating on the relationship between utility and enablement, the Federal Circuit explained that where no such showing is made, the applicant fails to prove sufficient utility and thus, enablement.<sup>979</sup>

The evidence relied upon by the Board, which the Federal Circuit determined to be substantial evidence to support the Board’s conclusion, included “articles and [expert] testimony to show that a person of ordinary skill in the art as of the filing date of the eighth application would not know that 5<<alpha>>R inhibition contributed to any anti-tumor effects, because it was not clear whether DHT or testosterone caused prostate cancer.”<sup>980</sup> Moreover, the Board looked at the evidence that was relevant to each applicant’s filing dates to further support the fact that causation had not yet been established.<sup>981</sup> Commenting on the evidence relied upon by Rasmusson, the Federal Circuit stated that

The evidence cited by Rasmusson on appeal does not contravene the Board’s finding, because that evidence is either dated too late with respect to the respective filing dates of the applications or pertains only to the use of multi-active inhibitors to treat prostate cancer. In order to obtain a priority date earlier than June 27, 1990, Rasmusson needed to provide experimental proof that his invention could be effective in treating cancer. Because Rasmusson failed to do so and obtained a priority date only as of the filing date of his ‘296 application, the Board was correct to find that all applications prior to that application were not enabled, and

---

976. *Id.* at 1323, 75 U.S.P.Q.2d (BNA) at 1300.

977. *Id.*, 75 U.S.P.Q.2d (BNA) at 1300 (internal quotations omitted).

978. *Id.*, 75 U.S.P.Q.2d (BNA) at 1300 (internal quotations omitted).

979. *Id.*, 75 U.S.P.Q.2d (BNA) at 1300 (internal quotations omitted).

980. *Id.* at 1324, 75 U.S.P.Q.2d (BNA) at 1301.

981. *Id.*, 75 U.S.P.Q.2d (BNA) at 1301.

that Rasmusson is not entitled to a priority date earlier than the priority date of SmithKline's '310 and '553 patents and the corresponding reissue applications.<sup>982</sup>

Regarding the level of proof for showing utility, the Federal Circuit stated that "[i]f mere plausibility were the test for enablement under section 112, applicants could obtain patent rights to 'inventions' consisting of little more than respectable guesses as to the likelihood of their success."<sup>983</sup> "When one of the guesses later proved true," the Federal Circuit observed, "the 'inventor' would be rewarded the spoils instead of the party who demonstrated that the method actually worked."<sup>984</sup> Such a situation "is not consistent with the statutory requirement that the inventor enable an invention rather than merely proposing an unproved hypothesis."<sup>985</sup>

The Board also had determined that SmithKline's patents and reissue applications were not anticipated by Rasmusson's European patent application because the European application did not meet the enabling requirements.<sup>986</sup> In particular, "[t]he Board found [] that EP '383 does not anticipate those claims because EP '383 lacks an enabling disclosure inasmuch as it fails to demonstrate that finasteride is effective in treating prostate cancer," and "provides no reasonable expectation of success for treating prostate cancer with a 5<<ALPHA>>R inhibitor."<sup>987</sup>

Reversing the Board's determination that the European application was not enabling, the Federal Circuit explained that the standard for proper enablement under § 102 is different than that of § 112.<sup>988</sup> In particular, a disclosure not specifying in detail how to use a compound for a specific use or how to use the compound when the process of producing it is disclosed is, "under the present state of the law, entirely adequate to anticipate a claim to either the product or the process and, at the same time, entirely inadequate to support the allowance of such a claim."<sup>989</sup> The court's rationale rested on the fact that unlike § 102 that contained no such requirement, § 112 requires that the specification enable one skilled in the art to use the invention.<sup>990</sup> As to the disclosure of a prior art reference, it "need not

---

982. *Id.*, 75 U.S.P.Q.2d (BNA) at 1301.

983. *Id.* at 1325, 75 U.S.P.Q.2d (BNA) at 1301.

984. *Id.*, 75 U.S.P.Q.2d (BNA) at 1301.

985. *Id.*, 75 U.S.P.Q.2d (BNA) at 1301.

986. *Id.* at 1320, 75 U.S.P.Q.2d (BNA) at 1298.

987. *Id.* at 1325, 75 U.S.P.Q.2d (BNA) at 1302.

988. *Id.*, 75 U.S.P.Q.2d (BNA) at 1302.

989. *Id.*, 75 U.S.P.Q.2d (BNA) at 1302 (citation omitted).

990. *Id.*, 75 U.S.P.Q.2d (BNA) at 1302 (citation omitted).

demonstrate utility in order to serve as an anticipating reference under section 102.”<sup>991</sup>

Regarding the disclosure of the European application, the Board found that no evidence had been produced to prove that an ordinary person skilled in the art could conclude that the method described in EP ‘383 would have been an effective treatment for prostate cancer.<sup>992</sup> Nevertheless, “those findings are insufficient to support the Board’s conclusion that EP ‘383 is not an enabling reference for purposes of anticipation.”<sup>993</sup> Accordingly, the Federal Circuit reversed the Board’s finding on enablement and remanded the case for the Board to address the issue of anticipation.<sup>994</sup> However, the Federal Circuit noted that, in addition to the SmithKline patents and reissue applications, determining that EP ‘383 constituted an enabling reference would affect Rasmusson’s ‘296 application given that the European application had been published more than one year prior to Rasmusson’s patent application.<sup>995</sup>

In *Invitrogen Corp. v. Clontech Laboratories, Inc.*,<sup>996</sup> the Federal Circuit affirmed the district court’s interlocutory ruling that the plaintiff’s claims-in-suit were not invalid for failing the enablement requirements of 35 U.S.C. § 112.<sup>997</sup> The Court focused on whether the plaintiff’s claims were enabled even though the plaintiff’s written description only included instructions on how to create RNase H minus RT using deletion mutation, and it did not include instructions regarding point mutation, a method used by the defendant in the production of at least one of its accused products.<sup>998</sup>

In resolving this issue, the Federal Circuit emphasized the purpose of the enablement requirement and explained that section 112 requires that the “patent specification enable ‘those skilled in the art to make and use the full scope of the claimed invention without undue experimentation’ in order to extract meaningful disclosure of the invention and, by this disclosure, advance the technical arts.”<sup>999</sup> The defendant argued that the plaintiff failed to meet § 112’s requirements as to the creation of RNase H minus RT using point

---

991. *Id.* at 1326, 75 U.S.P.Q.2d (BNA) at 1302.

992. *Id.*, 75 U.S.P.Q.2d (BNA) at 1303.

993. *Id.*, 75 U.S.P.Q.2d (BNA) at 1303.

994. *Id.*, 75 U.S.P.Q.2d (BNA) at 1303.

995. *Id.* at 1327, 75 U.S.P.Q.2d (BNA) at 1303.

996. 429 F.3d 1052, 77 U.S.P.Q.2d (BNA) 1161 (Fed. Cir. 2005).

997. *Id.* at 1071, 77 U.S.P.Q.2d (BNA) at 1174.

998. *Id.* at 1070, 77 U.S.P.Q.2d (BNA) at 1173.

999. *Id.*, 77 U.S.P.Q.2d (BNA) at 1173 (internal quotation marks omitted) (quoting *Genentech, Inc. v. Noro Nordisk*, 108 F.3d 1361, 1365, 42 U.S.P.Q.2d (BNA) 1001, 1004 (Fed. Cir. 1997)).

mutation, and therefore, claims involving the creation of RNase H minus RT using this method were not enabled.<sup>1000</sup> The Federal Circuit rejected the defendant's argument, explaining that the enablement requirement is satisfied if the description enables "any mode of making and using the invention."<sup>1001</sup> Accordingly, the plaintiff's instruction on deletion mutation was sufficient to satisfy § 112's enablement requirements.<sup>1002</sup>

### 3. Indefiniteness

*Marley Mouldings Ltd. v. Mikron Industries, Inc.*<sup>1003</sup> involved claims that "require the volume of wood flour to be measured in connection with starting ingredients instead of the finished product."<sup>1004</sup> The district court construed the term "in parts (volume)" to mean the "proportional volumetric quantity of one material component to all other components [within a given formulation.]"<sup>1005</sup> The district court then held the claims invalid for indefiniteness "because the means to calculate the percent volume of wood flour, a critical determination to discerning whether the final product has been produced by the claimed process and necessary to the practice of the invention, was not specified in the patent and could not be discerned by the specification."<sup>1006</sup>

On appeal, the Federal Circuit first noted that the definiteness requirement of 35 U.S.C. § 112, ¶ 2 is satisfied "if a person skilled in the field of the invention would reasonably understand the claim when read in the context of the specification."<sup>1007</sup> The court observed that:

The parties and the district court agree that in accordance with claim 1, the minimum amount of wood flour in the first stage of the claimed process is 11.1% by volume (15 parts of 135 total parts). They agree that the minimum amount of wood flour for the second stage is 10.7% by volume (15 parts of 140 total parts).<sup>1008</sup>

The Federal Circuit concluded that the district court erred, as a matter of law, "in requiring that the specification describe the

1000. *Id.*, 77 U.S.P.Q.2d (BNA) at 1173.

1001. *Id.* at 1071, 77 U.S.P.Q.2d (BNA) at 1174 (quoting *Johns Hopkins Univ. v. CellPro, Inc.*, 152 F.3d 1342, 1361, 47 U.S.P.Q.2d (BNA) 1705, 1719 (Fed. Cir. 1998)).

1002. *Id.*, 77 U.S.P.Q.2d (BNA) at 1174.

1003. 417 F.3d 1356, 75 U.S.P.Q.2d (BNA) 1954 (Fed. Cir. 2005).

1004. *Id.* at 1358, 75 U.S.P.Q.2d (BNA) at 1955.

1005. *Id.*, 75 U.S.P.Q.2d (BNA) at 1955 (quoting *Marley Mouldings Ltd. v. Mikron Indus., Inc.*, No. 02-C-2855, 2004 WL 416359, at \*4 (N.D. Ill. Feb. 20, 2004)).

1006. *Id.*, 75 U.S.P.Q.2d (BNA) at 1955 (citation omitted).

1007. *Id.* at 1359, 75 U.S.P.Q.2d (BNA) at 1956.

1008. *Id.* at 1360, 75 U.S.P.Q.2d (BNA) at 1957 (footnote omitted).



relationship between volume and weight of the wood filler used or usable in the process,”<sup>1009</sup> explaining that “[w]hen a claim is not insolubly ambiguous, it is not invalid for indefiniteness.”<sup>1010</sup>

In *Datamize, LLC v. Plumtree Software, Inc.*,<sup>1011</sup> the issue was whether the term “aesthetically pleasing” was indefinite under 35 U.S.C. § 112, ¶ 2.<sup>1012</sup> In affirming the district court’s holding of invalidity, the Federal Circuit began by observing that the definiteness requirement ensures that the claims define the scope of the invention using language that sufficiently notifies the public of the patentee’s “right to exclude.”<sup>1013</sup> The Federal Circuit agreed with the district court that the “ordinary meaning of ‘aesthetically pleasing’ includes . . . beautiful.”<sup>1014</sup> Addressing the plaintiff’s arguments, the Federal Circuit reasoned that the plaintiff was correct in “point[ing] out that the phrase ‘aesthetically pleasing’ should be considered in the context of claim 1. Claim construction involves reviewing the intrinsic evidence of record, including the claim language itself.”<sup>1015</sup>

After reviewing the claim language, the Federal Circuit explained that:

This context, while helpful in terms of identifying the components of the claimed invention that must be “aesthetically pleasing,” does not suggest or provide any meaningful definition for the phrase “aesthetically pleasing” itself. Merely understanding that “aesthetically pleasing” relates to the look and feel of interface screens, or more specifically to the aggregate layout of elements on interface screens, fails to provide one of ordinary skill in the art with any way to determine whether an interface screen is “aesthetically pleasing.”<sup>1016</sup>

The Federal Circuit then rejected the plaintiff’s invitation to “adopt a construction of ‘aesthetically pleasing’ that only depends on the subjective opinion of a person selecting features to be included on an interface screen.”<sup>1017</sup>

The Federal Circuit further explained that the plaintiff failed to provide an objective standard for identifying when an interface screen is “aesthetically pleasing,” and that without such a standard

1009. *Id.* at 1361, 75 U.S.P.Q.2d (BNA) at 1957.

1010. *Id.*, 75 U.S.P.Q.2d (BNA) at 1957 (internal quotation marks omitted) (quoting *Bancorp Servs., LLC v. Hartford Life Ins. Co.*, 359 F.3d 1367, 1371, 69 U.S.P.Q.2d (BNA) 1996, 1999 (Fed. Cir. 2004)).

1011. 417 F.3d 1342, 75 U.S.P.Q.2d (BNA) 1801 (Fed. Cir. 2005).

1012. *Id.* at 1347, 75 U.S.P.Q.2d (BNA) at 1804.

1013. *Id.*, 75 U.S.P.Q.2d (BNA) at 1804 (citation omitted).

1014. *Id.* at 1348, 75 U.S.P.Q.2d (BNA) at 1805.

1015. *Id.*, 75 U.S.P.Q.2d (BNA) at 1805.

1016. *Id.* at 1349, 75 U.S.P.Q.2d (BNA) at 1806.

1017. *Id.*, 75 U.S.P.Q.2d (BNA) at 1806.

“aesthetically pleasing” is dependent upon an individual’s subjective opinion.<sup>1018</sup> The Federal Circuit emphasized that an objective standard is essential to permit “the public to determine the scope of the claimed invention.”<sup>1019</sup> The Federal Circuit then noted that:

A purely subjective construction of “aesthetically pleasing” would not notify the public of the patentee’s right to exclude since the meaning of the claim language would depend on the unpredictable vagaries of any one person’s opinion of the aesthetics of interface screens. While beauty is in the eye of the beholder, a claim term, to be definite, requires an objective anchor. Thus, even if we adopted a completely subjective construction of “aesthetically pleasing,” this would still render [the asserted patent] invalid.<sup>1020</sup>

The Federal Circuit, addressing the specification, determined that the written description only indicated that there are “good standards of aesthetics” and thus failed to provide an objective standard to determine whether an interface screen is “aesthetically pleasing.”<sup>1021</sup> The Federal Circuit explained that without referring to “the considered opinions of aesthetic design specialists, database specialists, and academic studies on public access kiosk systems and user preferences and problems,” [there is no indication as to] how to determine, for example, what button styles, sizes, and placements are ‘aesthetically pleasing.’”<sup>1022</sup>

The Federal Circuit thus concluded that:

Reference to undefined standards, regardless of whose views might influence the formation of those standards, fails to provide any direction to one skilled in the art attempting to determine the scope of the claimed invention. In short, the definition of “aesthetically pleasing” cannot depend on the undefined views of unnamed persons, even if they are experts, specialists, or academics. Thus, the written description does not provide any reasonable, definite construction of “aesthetically pleasing.”<sup>1023</sup>

The Federal Circuit, addressing the extrinsic evidence, reasoned that “even the expert could not determine whether the look and feel of particular interface screens are ‘aesthetically pleasing’ using the parameters he specified, instead testifying that whether an interface screen is ‘aesthetically pleasing’ is a ‘multidimensional question’ that

---

1018. *Id.* at 1350, 75 U.S.P.Q.2d (BNA) at 1807.

1019. *Id.*, 75 U.S.P.Q.2d (BNA) at 1807.

1020. *Id.* at 1350-51, 75 U.S.P.Q.2d (BNA) at 1807.

1021. *Id.* at 1352, 75 U.S.P.Q.2d (BNA) at 1808.

1022. *Id.*, 75 U.S.P.Q.2d (BNA) at 1808.

1023. *Id.* at 1352-53, 75 U.S.P.Q.2d (BNA) at 1808.

is ‘not amenable to a single-word answer.’”<sup>1024</sup> The Federal Circuit thus concluded that the expert’s own inability to use the parameters he established to determine whether an interface screen is “aesthetically pleasing” weighs against using those parameters to delineate the scope of the invention.<sup>1025</sup>

In *Group One Ltd. v. Hallmark Cards, Inc.*,<sup>1026</sup> the Federal Circuit affirmed the trial court’s decision that one of the patents in suit was indefinite.<sup>1027</sup> During prosecution of the patent claiming a device for curling ribbon, the applicant amended the claims to add language to one of the claim limitations.<sup>1028</sup> However, due to a printing error at the PTO, this language was omitted from the patent.<sup>1029</sup> The district court had determined that it lacked authority to correct this error.<sup>1030</sup>

In affirming the district court, the Federal Circuit determined that the PTO had authority to correct the error under 35 U.S.C. § 254,<sup>1031</sup> and that Group One “failed to seek correction from the PTO.”<sup>1032</sup> The Federal Circuit acknowledged that the district court can correct an error retroactively, but only where “the error is evident from the face of the patent.”<sup>1033</sup> The Federal Circuit found that the error here was not evident from the face of the patent because even though the missing language was required to be added by the examiner as a condition for issuance, one could not determine what language was omitted by simply reading the patent.<sup>1034</sup> The district court found that the missing language was essential to the patent’s validity, and Group

1024. *Id.* at 1354, 75 U.S.P.Q.2d (BNA) at 1809.

1025. *Id.*, 75 U.S.P.Q.2d (BNA) at 1809. The Federal Circuit also rejected plaintiff’s attempt to rely on the understanding of “aesthetically pleasing” derived from design patent law:

Use of the phrase “aesthetically pleasing” in design patent law relates to the threshold question of patentability. A design patent protects a particular ornamental, or “aesthetically pleasing” as opposed to functional, design. In contrast, a utility patent protects “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof,” . . . the scope of which is defined by the patent’s written claims . . . . In light of this basic difference between design patent law and utility patent law, it is clear that the understanding of “aesthetically pleasing” used in design patent law bears no reasonable relationship to utility patent law generally.

*Id.* at 1354-55, 75 U.S.P.Q.2d (BNA) at 1810 (citations omitted).

1026. 407 F.3d 1297, 74 U.S.P.Q.2d (BNA) 1759 (Fed. Cir. 2005).

1027. *Id.* at 1302, 74 U.S.P.Q.2d (BNA) at 1763.

1028. *Id.*, 74 U.S.P.Q.2d (BNA) at 1763.

1029. *Id.*, 74 U.S.P.Q.2d (BNA) at 1763.

1030. *Id.*, 74 U.S.P.Q.2d (BNA) at 1763.

1031. *Id.*, 74 U.S.P.Q.2d (BNA) at 1763.

1032. *Id.*, 74 U.S.P.Q.2d (BNA) at 1763.

1033. *Id.* at 1302-03, 74 U.S.P.Q.2d (BNA) at 1763.

1034. *Id.* at 1303, 74 U.S.P.Q.2d (BNA) at 1764.

One did not challenge that finding.<sup>1035</sup> Accordingly, the Federal Circuit affirmed the district court's determination of invalidity.<sup>1036</sup>

In *Default Proof Credit Card Sys., Inc. v. Home Depot U.S.A., Inc.*,<sup>1037</sup> the Federal Circuit addressed the issue of indefiniteness in the context of 35 U.S.C. § 112, ¶ 6 means-plus-function limitations. Default Proof Credit's patent claimed a point-of-sale machine that allows a user to obtain prepaid debit cards.<sup>1038</sup> The claim at issue included "the 'means for dispensing at least one debit card' limitation."<sup>1039</sup> The district court granted summary judgment of invalidity for indefiniteness on the ground that the patent specification failed to disclose any structure corresponding to this limitation.<sup>1040</sup>

The Federal Circuit first explained the relationship between means-plus-function claiming and indefiniteness:

If one employs means-plus-function language in a claim, one must set forth in the specification an adequate disclosure showing what is meant by that language. If an applicant fails to set forth an adequate disclosure, the applicant has in effect failed to particularly point out and distinctly claim the invention as required by the second paragraph of section 112.<sup>1041</sup>

The court then put forth the standard for determining whether the specification adequately discloses corresponding structure:

A structure disclosed in the specification qualifies as "corresponding" structure only if the specification or prosecution history clearly links or associates that structure to the function recited in the claim. This duty to link or associate structure to function is the *quid pro quo* for the convenience of employing § 112, ¶ 6. "Fulfillment of the § 112, ¶ 6 trade-off cannot be satisfied when there is a total omission of structure." While corresponding structure need not include all things necessary to enable the claimed invention to work, it must include all structure that actually performs the recited function.<sup>1042</sup>

The Federal Circuit explained that "[t]o meet the definiteness requirement, structure disclosed in the specification must be clearly linked to and capable of performing the function claimed by the

1035. *Id.*, 74 U.S.P.Q.2d (BNA) at 1764.

1036. *Id.*, 74 U.S.P.Q.2d (BNA) at 1764.

1037. 412 F.3d 1291, 75 U.S.P.Q.2d (BNA) 1116 (Fed. Cir. 2005).

1038. *Id.* at 1293, 75 U.S.P.Q.2d (BNA) at 1118.

1039. *Id.* at 1292-93, 75 U.S.P.Q.2d (BNA) at 1117.

1040. *Id.* at 1296, 75 U.S.P.Q.2d (BNA) at 1120.

1041. *Id.* at 1298, 75 U.S.P.Q.2d (BNA) at 1121 (quoting *In re Donaldson Co.*, 16 F.3d 1189, 1995, 29 U.S.P.Q.2d (BNA) 1845, 1850 (Fed. Cir. 1994) (en banc)).

1042. *Id.*, 75 U.S.P.Q.2d (BNA) at 1121 (quoting *Atmel Corp. v. Info. Storage Devices, Inc.*, 198 F.3d 1374, 1382, 53 U.S.P.Q.2d (BNA) 1225, 1230 (Fed. Cir. 1999)).

means-plus-function limitation.”<sup>1043</sup> The only structure the Federal Circuit could find in the specification that performed the function of distributing debit cards was a “dispenser.”<sup>1044</sup> The plaintiff did not argue that the dispenser constituted the corresponding structure for the limitation, but instead argued that it was certain parts of the point-of-sale terminal (“POS terminal”).<sup>1045</sup> The Federal Circuit disagreed, finding that “[t]he intrinsic evidence demonstrates that the POS terminal and any structure for distributing debit cards exists separately,” and that “[b]oth the structure and the language of claim 1 indicate that the point-of-sale assembly and dispensing means constitute separate components.”<sup>1046</sup> Moreover, the court stated that none of the components of the POS terminal were described in the specification.<sup>1047</sup>

The plaintiff offered expert testimony to the effect that the POS terminal includes several alternative structures corresponding to the “means for dispensing.”<sup>1048</sup> The Federal Circuit was not persuaded, however, because those alternative structures were not detailed in the specification.<sup>1049</sup> The court explained “[t]he district court committed no error in refusing to rely on statements unsupported, and, in fact, contradicted by the intrinsic record. As this court has repeatedly cautioned, extrinsic evidence cannot be used to vary the plain language of the patent document.”<sup>1050</sup> Furthermore, it determined that “the specification of the ‘182 patent discloses no structure capable of dispensing cards” and that plaintiff’s expert’s “conclusory testimony cannot compensate for such lack of disclosure . . . .”<sup>1051</sup>

The plaintiff also argued (through its expert) that the corresponding structure was disclosed in a patent incorporated into the specification by reference.<sup>1052</sup> The Federal Circuit, however, held that “material incorporated by reference cannot provide the corresponding structure necessary to satisfy the definiteness requirement for a means-plus-function clause.”<sup>1053</sup> Rather,

The inquiry under § 112, ¶ 2, does not turn on whether a patentee has “incorporated by reference” material into the specification

---

1043. *Id.* at 1299, 75 U.S.P.Q.2d (BNA) at 1122.

1044. *Id.*, 75 U.S.P.Q.2d (BNA) at 1122.

1045. *Id.*, 75 U.S.P.Q.2d (BNA) at 1122.

1046. *Id.* at 1299-1300, 75 U.S.P.Q.2d (BNA) at 1122.

1047. *Id.* at 1300, 75 U.S.P.Q.2d (BNA) at 1123.

1048. *Id.* at 1300-01, 75 U.S.P.Q.2d (BNA) at 1123.

1049. *Id.* at 1301, 75 U.S.P.Q.2d (BNA) at 1123.

1050. *Id.* at 1302, 75 U.S.P.Q.2d (BNA) at 1124.

1051. *Id.*, 75 U.S.P.Q.2d (BNA) at 1124.

1052. *Id.* at 1301, 75 U.S.P.Q.2d (BNA) at 1123.

1053. *Id.*, 75 U.S.P.Q.2d (BNA) at 1123.

relating to structure, but instead asks first “whether structure is described in specification, and, if so, whether one skilled in the art would identify the structure from that description.”<sup>1054</sup>

The Federal Circuit concluded:

In sum, while it is true that the patentee need not disclose details of structures well known in the art, the specification must nonetheless disclose some structure. Stated differently, the testimony of one of ordinary skill in the art cannot supplant the total absence of structure from the specification. Because the specification of the ‘182 patent discloses no structure corresponding to the claimed function of the “means for dispensing,” Default Proof cannot use the declaration of its expert to rewrite the patent’s specification. We thus hold claim 1 invalid as indefinite.<sup>1055</sup>

In *Hoffer v. Microsoft Corp.*,<sup>1056</sup> the Federal Circuit considered the issue of whether a claim, written in independent form but erroneously referring to the wrong claim number upon which it depends, is rendered indefinite. The claim at issue, claim 22, read, “[a] method in accordance with claim 38 . . .” when it should have stated “[a] method in accordance with claim 21. . .”<sup>1057</sup> The district court found that the error arose from the failure of the PTO to correct the claim number in the text of the claim when it renumbered the claims in preparation for printing.<sup>1058</sup> The parties did not dispute that the PTO was responsible for the error. Subsequently, the patentee obtained a certificate of correction in accordance with 35 U.S.C. § 254 (2000) to change the claim language after the action was filed.

Although the district court held that it was “powerless” to correct the error in claim 22,<sup>1059</sup> the Federal Circuit disagreed. It concluded that

Absent evidence of culpability or intent to deceive by delaying formal correction, a patent should not be invalidated based on an obvious administrative error . . . . When a harmless error in a patent is not subject to reasonable debate, it can be corrected by the court, as for other legal documents.<sup>1060</sup>

The Federal Circuit thus reversed the district court’s holding that claim 22 was indefinite.<sup>1061</sup>

1054. *Id.*, 75 U.S.P.Q.2d (BNA) at 1123 (citation omitted).

1055. *Id.* at 1302, 75 U.S.P.Q.2d (BNA) at 1124 (internal references omitted).

1056. 405 F.3d 1326, 74 U.S.P.Q.2d (BNA) 1481 (Fed. Cir. 2005).

1057. *Id.* at 1331, 74 U.S.P.Q.2d (BNA) at 1484.

1058. *Id.*, 74 U.S.P.Q.2d (BNA) at 1484.

1059. *Id.*, 74 U.S.P.Q.2d (BNA) at 1484.

1060. *Id.*, 74 U.S.P.Q.2d (BNA) at 1484.

1061. *Id.*, 74 U.S.P.Q.2d (BNA) at 1485.

In *Howmedica Osteonics Corp. v. Tranquil Prospects, Ltd.*,<sup>1062</sup> the plaintiff sought a declaratory judgment that it did not infringe two of the defendant's patents directed to intramedullary prosthesis apparatuses, which were used for replacement of the ball of the hip joint and methods for surgical orthopedic implantation of an intramedullary prosthesis.<sup>1063</sup> Both patents at issue shared the same specification and the claims in both patents required that the "transverse sectional dimensions" of the prosthesis constitute certain percentages of the "transverse sectional dimensions" of the medullary canal, defined by the cortical bone.<sup>1064</sup> The district court held that the use of the term "transverse sectional dimensions" rendered the claims of both patents indefinite.<sup>1065</sup> Although it was understood that a "transverse section" is a slice taken perpendicular to the vertical axis of the bone, the district court concluded that it was unclear whether the "dimensions" of the transverse section referred to in the claims were the diameter or the cross-section of such slice.<sup>1066</sup>

The Federal Circuit reversed, finding that "one of ordinary skill in the art would readily ascertain from the written description of the patents that the 'transverse sectional dimension' calls for a two-dimensional [cross-sectional] measurement."<sup>1067</sup> It based this conclusion on its findings that the specifications made it "abundantly clear" that the invention required a very tight fit for the prosthesis in the medullary canal.<sup>1068</sup> The court reasoned that "[g]iven the choice between a construction of 'transverse sectional dimensions' that would require a relatively loose fit and a construction that would require a much tighter fit, the record shows that one of skill in the art would readily understand and adopt the latter construction."<sup>1069</sup> Because a two-dimensional measurement "provides the snug fit that is the centerpiece of this invention" the court found that the "proper and evident" construction of "transverse sectional dimensions" would refer to the cross-sectional area of the transverse sections.<sup>1070</sup> It found additional support for its conclusion that the claims were not indefinite in the fact that there were numerous references in the prosecution history of both patents to "cross-sectional area."<sup>1071</sup>

---

1062. 401 F.3d 1367, 74 U.S.P.Q.2d (BNA) 1680 (Fed. Cir. 2005).

1063. *Id.* at 1368, 74 U.S.P.Q.2d (BNA) at 1681.

1064. *Id.* at 1368-70, 74 U.S.P.Q.2d (BNA) at 1682-83.

1065. *Id.* at 1371, 74 U.S.P.Q.2d (BNA) at 1684.

1066. *Id.*, 74 U.S.P.Q.2d (BNA) at 1684.

1067. *Id.*, 74 U.S.P.Q.2d (BNA) at 1684.

1068. *Id.* at 1372, 74 U.S.P.Q.2d (BNA) at 1684.

1069. *Id.*, 74 U.S.P.Q.2d (BNA) at 1684.

1070. *Id.*, 74 U.S.P.Q.2d (BNA) at 1685.

1071. *Id.*, 74 U.S.P.Q.2d (BNA) at 1685.

Although these references occurred during reexamination proceedings and therefore did not “directly address the definiteness requirement—an assessment relevant to the time of filing,” they were still relevant to the meaning, which one of skill of the art would attribute to the claims at the time of filing.<sup>1072</sup>

In *SmithKline Beecham Corp. v. Apotex Corp.*,<sup>1073</sup> SmithKline accused Apotex of infringing its patent directed to “paroxetine hydrochloride hemihydrate” (“PHC”) by filing an Abbreviated New Drug Application (“ANDA”) with the FDA under 21 U.S.C. § 355(j) (2000) seeking approval to market its own generic version of PHC anhydrate.<sup>1074</sup> The only claim at issue, claim 1, read: “Crystalline paroxetine hydrochloride hemihydrate.”<sup>1075</sup> Although Apotex listed the anhydrous form of PHC as the active ingredient in its proposed drug product, SmithKline asserted that Apotex’s product would nevertheless infringe because it would inevitably contain trace amounts of PHC hemihydrate as a result of a chemical conversion process.<sup>1076</sup>

The district court rejected SmithKline’s proposed construction of claim 1 to include even trace, undetectable amounts of PHC hemihydrate. Among other reasons, the district court found that such a construction would render claim 1 indefinite because a potential infringer would not know how to determine whether it infringed or avoid infringement.<sup>1077</sup> The Federal Circuit rejected this analysis, finding the district court’s concerns regarding the definiteness of claim 1 to miss the mark. The Federal Circuit found that claim 1 covers a definite chemical structure, and that to a chemist in this field, “this claim is plain on its face” and thus meets the definiteness requirement.<sup>1078</sup> It explained that the “test for indefiniteness does not depend on a potential infringer’s ability to ascertain the nature of its own accused product to determine infringement, but instead on whether the claim delineates to a skilled artisan the bounds of the invention.”<sup>1079</sup> Thus, even if a claim’s scope is so broad that it covers undetectable amounts of a claimed invention, “[b]readth is not indefiniteness.”<sup>1080</sup>

1072. *Id.*, 74 U.S.P.Q.2d (BNA) at 1685.

1073. 403 F.3d 1331, 74 U.S.P.Q.2d (BNA) 1398 (Fed. Cir. 2005).

1074. *Id.*, 74 U.S.P.Q.2d (BNA) at 1399-1400; *see supra* Part II.B.1 (summarizing *SmithKline*’s factual history).

1075. *Id.* at 1334, 74 U.S.P.Q.2d (BNA) at 1400.

1076. *Id.* at 1335, 74 U.S.P.Q.2d (BNA) at 1400.

1077. *Id.*, 74 U.S.P.Q.2d (BNA) at 1400.

1078. *Id.* at 1340, 74 U.S.P.Q.2d (BNA) at 1404.

1079. *Id.* at 1340-41, 74 U.S.P.Q.2d (BNA) at 1404.

1080. *Id.* at 1341, 74 U.S.P.Q.2d (BNA) at 1404 (quoting *In re Gardner*, 427 F.2d



The court in *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, dealt with an issue of first impression and affirmed the lower court's finding that one of the plaintiff's, IPXL Holdings, claims was indefinite under 35 U.S.C. § 112.<sup>1081</sup> One of these claims included a claimed system, as well as a method for using that system.<sup>1082</sup> The Federal Circuit noted that "[w]hether a single claim covering both an apparatus and a method of use of that apparatus is invalid is an issue of first impression in this court."<sup>1083</sup> It looked to the Board, which held that under § 112 a claim containing an apparatus and a method of use rendered the claim indefinite.<sup>1084</sup> The Board reasoned, and the court accepted, that

as a result of the combination of two separate statutory classes of invention, a manufacturer or seller of the claimed apparatus would not know from the claim whether it might also be liable for contributory infringement because a buyer or user of the apparatus later performs the claimed method of using the apparatus.<sup>1085</sup>

Looking to the plaintiff's actual claim, the court found that it did include both an apparatus and a method of use.<sup>1086</sup> The plaintiff's claim read:

The *system of claim 2* [including an input means] wherein the predicted transaction information comprises both a transaction type and transaction parameters associated with that transaction type, and *the user uses the input means* to either change the predicted transaction information or accept the displayed transaction type and transaction parameters.<sup>1087</sup>

Because it is unclear whether infringement occurs when one creates a system similar to that described in the claim, or whether it occurs when one uses the input means, the Federal Circuit found that the claim was invalid for indefiniteness.<sup>1088</sup>

#### *E. Reissue*

At issue in *North American Container, Inc. v. Plastipak Packaging, Inc.*,<sup>1089</sup> was whether the lower court correctly granted summary

---

786, 788, 166 U.S.P.Q. (BNA) 138, 140 (C.C.P.A. 1970)).

1081. 430 F.3d 1377, 1378, 77 U.S.P.Q.2d (BNA) 1140, 1141 (Fed. Cir. 2005).

1082. *Id.* at 1379, 77 U.S.P.Q.2d (BNA) at 1141.

1083. *Id.* at 1384, 77 U.S.P.Q.2d (BNA) at 1145.

1084. *Id.*, 77 U.S.P.Q.2d (BNA) at 1145.

1085. *Id.*, 77 U.S.P.Q.2d (BNA) at 1145.

1086. *Id.*, 77 U.S.P.Q.2d (BNA) at 1145.

1087. *Id.*, 77 U.S.P.Q.2d (BNA) at 1145 (citing U.S. Patent No. 6,149,055 col.22 ll.8-13 (filed June 26, 1996)) (emphasis in original).

1088. *Id.*, 77 U.S.P.Q.2d (BNA) at 1145.

1089. 415 F.3d 1335, 75 U.S.P.Q.2d (BNA) 1545 (Fed. Cir. 2005).

judgment to the defendants on finding that the plaintiff's reissue claims were invalid for violating the recapture rule.<sup>1090</sup> The plaintiff, North American Container, Inc., brought suit alleging infringement of its patent involving one-piece plastic bottles.<sup>1091</sup> The defendants manufactured and distributed plastic blow-molded bottles, both "footed" and "non-footed."<sup>1092</sup> Footed bottles "have appendages extending from the base portion" of the bottle, while non-footed bottles do not have this appendage, but instead rest on their base portion.<sup>1093</sup> The plaintiff alleged that the defendants' bottles infringed on the technology covered by the plaintiff's patent.<sup>1094</sup> The plaintiff's patent improved upon prior art by making it less likely that a carbonated beverage would distort or fracture the blow-molded bottle holding it, and also reduced production costs by lowering the amount of manufacturing materials needed for production.<sup>1095</sup>

The PTO rejected the plaintiff's original patent application affiliated with the patent-at-issue, as obvious in view of two other patents (the "Dechenne patent" and the "Jakobsen patent").<sup>1096</sup> The plaintiff amended its claims in response to include that the inner walls of its plastic bottles were "generally convex."<sup>1097</sup> The plaintiff further argued that the shape of its bottle differed from the Dechenne and Jakobsen patents because the Dechenne patent had walls that were "slightly concave," and the Jakobsen patent had a re-entrant portion which was "concave in its entirety."<sup>1098</sup> Based on these distinguishing factors, the examiner granted the plaintiff's patent application.<sup>1099</sup> Within the two-year allowance of 35 U.S.C. § 251,<sup>1100</sup> the plaintiff filed a reissue application, keeping the original claims, and adding fourteen new claims.<sup>1101</sup> In these new claims, the plaintiff eliminated the "generally convex" limitation.<sup>1102</sup> Manufacturers and distributors filed protests and argued that these new claims violated the recapture rule by allowing the plaintiff to eliminate subject matter from the reissue claims that it added to its claims during the

---

1090. *Id.* at 1338, 75 U.S.P.Q.2d (BNA) at 1547.

1091. *Id.* at 1340-41, 75 U.S.P.Q.2d (BNA) at 1549.

1092. *Id.* at 1341, 75 U.S.P.Q.2d (BNA) at 1549.

1093. *Id.*, 75 U.S.P.Q.2d (BNA) at 1549.

1094. *Id.*, 75 U.S.P.Q.2d (BNA) at 1549.

1095. *Id.* at 1338, 75 U.S.P.Q.2d (BNA) at 1547.

1096. *Id.* at 1340, 75 U.S.P.Q.2d (BNA) at 1548.

1097. *Id.*, 75 U.S.P.Q.2d (BNA) at 1548.

1098. *Id.*, 75 U.S.P.Q.2d (BNA) at 1549.

1099. *Id.*, 75 U.S.P.Q.2d (BNA) at 1549.

1100. Reissue of Defective Patents, 35 U.S.C. § 215 (2000).

1101. *North American Container Inc.*, 1335 F.3d at 1340, 75 U.S.P.Q.2d (BNA) at 1549.

1102. *Id.*, 75 U.S.P.Q.2d (BNA) at 1549.

original prosecution in order to distinguish its invention from prior art.<sup>1103</sup> However, the examiner rejected the protests, finding that the term “generally convex” was not a “critical limitation.”<sup>1104</sup>

The district court ruled the plaintiff’s reissue claims invalid for violating the recapture rule.<sup>1105</sup> On appeal, the plaintiff argued that the lower court did not give the examiner’s determination sufficient deference.<sup>1106</sup> The Federal Circuit prefaced its review by providing the three factor rule to determine whether reissue claims violate the recapture rule.<sup>1107</sup> These factors are: (1) whether “the reissue claims are broader in scope than the originally-issued [patent] claims”; (2) whether “the broader aspect of the reissue claims relate[] to subject matter that was surrendered during prosecution of the original-filed claims”; and (3) whether “the reissue claims were not narrowed with respect to the “inner wall” limitation, thus avoiding the recapture rule.”<sup>1108</sup> Applying these factors, the Federal Circuit affirmed that the plaintiff’s reissue claims violated the recapture rule.<sup>1109</sup> First, the Federal Circuit found that the plaintiff broadened the reissue claims by deleting the limitation that required its bottle’s inner walls to be “generally convex.”<sup>1110</sup> Second, the Federal Circuit found that this broadness directly related to subject matter that the plaintiff surrendered during the prosecution of its original patent application.<sup>1111</sup> The plaintiff added the “generally convex” limitation to its original claims to distinguish it from prior art, and thus, have its application approved.<sup>1112</sup> Lastly, the Federal Circuit found no evidence that the plaintiff narrowed the “inner wall” limitation in any other way in order to avoid the recapture rule.<sup>1113</sup>

The Federal Circuit also rejected the plaintiff’s argument that the lower court erred by failing to give the patent examiner due deference.<sup>1114</sup> The Federal Circuit found the examiner’s reasoning to “demonstrate[] the examiner’s inattention to the rule against recapture,” as the “generally convex” limitation was the only factor that allowed the plaintiff to overcome an obviousness objection.<sup>1115</sup>

---

1103. *Id.*, 75 U.S.P.Q.2d (BNA) at 1549.

1104. *Id.*, 75 U.S.P.Q.2d (BNA) at 1549.

1105. *Id.* at 1349, 75 U.S.P.Q.2d (BNA) at 1556.

1106. *Id.*, 75 U.S.P.Q.2d (BNA) at 1556.

1107. *Id.* at 1350, 75 U.S.P.Q.2d (BNA) at 1557.

1108. *Id.*, 75 U.S.P.Q.2d (BNA) at 1557.

1109. *Id.*, 75 U.S.P.Q.2d (BNA) at 1556-57.

1110. *Id.*, 75 U.S.P.Q.2d (BNA) at 1557.

1111. *Id.*, 75 U.S.P.Q.2d (BNA) at 1557.

1112. *Id.*, 75 U.S.P.Q.2d (BNA) at 1557.

1113. *Id.*, 75 U.S.P.Q.2d (BNA) at 1557.

1114. *Id.*, 75 U.S.P.Q.2d (BNA) at 1557.

1115. *Id.*, 75 U.S.P.Q.2d (BNA) at 1557.

Accordingly, the Federal Circuit affirmed that the plaintiff's reissue claims were invalid for violating the recapture rule.<sup>1116</sup>

*F. Inventorship*

In *Checkpoint Sys., Inc. v. All-Tag Security S.A.*,<sup>1117</sup> the district court ruled that the patent in suit was invalid under 35 U.S.C. § 102(f) as incorrectly listing Paul R. Jorgenson as the sole inventor. All-Tag Security argued that Franz H. Pichl and Lukas A. Geiges were also inventors.<sup>1118</sup> Pichl and Geiges worked for Actron when the application for the patent in suit was filed.<sup>1119</sup> Jorgenson worked for Durago, a supplier to Actron, when the patent was filed.<sup>1120</sup> During prosecution of the application, Jorgenson filed a small entity declaration stating that he declared that he was an independent inventor.<sup>1121</sup> Pichl and Geiges filed small entity declarations with the patent office stating that they assigned all Actron rights to Durago.<sup>1122</sup> Actron later acquired Durago, and Checkpoint later acquired Actron, and thus Checkpoint, the plaintiff, became the owner of the patent.<sup>1123</sup> Pichl later left and formed All-Tag, a defendant in this case.<sup>1124</sup> Jorgenson, Pichl, and Geiges subsequently signed declarations stating that Jorgenson was not the sole inventor, that Pichl was also an inventor, and that Pichl was intentionally left off of the application because of the parties' competitive relationship.<sup>1125</sup> Based on these declarations, the district court determined there was no factual dispute that Pichl was intentionally omitted from the patent, and granted summary judgment of invalidity.<sup>1126</sup> Checkpoint argued that there was a material factual dispute, namely, Jorgenson's inconsistent declarations.<sup>1127</sup> In defense of the district court's ruling, All-Tag and Sensormatic, also a defendant, argued that because the declarations admitted that the original PTO declaration were false,

---

1116. *Id.*, 75 U.S.P.Q.2d (BNA) at 1557.

1117. 412 F.3d 1331, 75 U.S.P.Q.2d (BNA) 1200 (Fed. Cir. 2005).

1118. *See id.* at 1333-34, 75 U.S.P.Q.2d (BNA) at 1201-02 (noting that the district court relied on statements from Pichl and Geiges, asserting that Jorgenson was a "joint-inventor" with Pichl and not the "sole inventor").

1119. *Id.* at 1334, 75 U.S.P.Q.2d (BNA) at 1202.

1120. *Id.*, 75 U.S.P.Q.2d (BNA) at 1202.

1121. *Id.*, 75 U.S.P.Q.2d (BNA) at 1202.

1122. *Id.* at 1334-35, 75 U.S.P.Q.2d (BNA) at 1202.

1123. *Id.* at 1335, 75 U.S.P.Q.2d (BNA) at 1202.

1124. *Id.*, 75 U.S.P.Q.2d (BNA) at 1202.

1125. *Id.* at 1333, 75 U.S.P.Q.2d (BNA) at 1201.

1126. *Id.* at 1338, 75 U.S.P.Q.2d (BNA) at 1205.

1127. *Id.*, 75 U.S.P.Q.2d (BNA) at 1205.

2006]

2005 PATENT SUMMARY

1115

and Checkpoint offered no rebuttal, summary judgment was proper.<sup>1128</sup>

The Federal Circuit agreed with Checkpoint that there was a material factual dispute:

The matter can be put simply: defendants proffer the 2002 declarations which state that Jorgensen and Pichl are co-inventors. Checkpoint proffers the original PTO declarations which recite Jorgensen as the sole inventor. Thus, there is flatly contradictory evidence relating to the matter critical for determining whether the '555 patent is invalid under 35 U.S.C. § 102(f).<sup>1129</sup>

To accept as true the more recent declarations would be “to accept as true testimony proffered by the movant for summary judgment, when it is elementary that on summary judgment all evidence and inferences are to be drawn in the non-movant’s favor.”<sup>1130</sup> Accordingly, the Federal Circuit reversed the district court’s grant of summary judgment.<sup>1131</sup>

Checkpoint also argued that All-Tag should be barred from challenging the inventorship of the patent due to the doctrine of assignor estoppel.<sup>1132</sup> The Federal Circuit explained that: “[t]he doctrine of assignor estoppel prevents a party that assigns a patent to another from later challenging the validity of the assigned patent.”<sup>1133</sup> Additionally, under the doctrine of assignor estoppel, “[p]arties in privity with the assignor are also barred from challenging validity.”<sup>1134</sup> The Federal Circuit observed that “[p]rivity may be established where there is a close relationship among the relevant parties, such as where the ‘ultimate infringer availed itself of the inventor’s knowledge and assistance to conduct infringement.’”<sup>1135</sup> In recognizing the policy underlying the doctrine, the Federal Circuit stated that “[t]he doctrine ‘prevents the unfairness and injustice of permitting a party to sell something and later to assert that what was sold is worthless.’”<sup>1136</sup>

Checkpoint argued that Jorgenson’s relationship with Pichl and his work on behalf of All-Tag created the necessary privity and thus

---

1128. *Id.*, 75 U.S.P.Q.2d (BNA) at 1205.

1129. *Id.*, 75 U.S.P.Q.2d (BNA) at 1205.

1130. *Id.*, 75 U.S.P.Q.2d (BNA) at 1205.

1131. *Id.*, 75 U.S.P.Q.2d (BNA) at 1205.

1132. *Id.* at 1336, 75 U.S.P.Q.2d (BNA) at 1203.

1133. *Id.* at 1336-37, 75 U.S.P.Q.2d (BNA) at 1204.

1134. *Id.*, 75 U.S.P.Q.2d (BNA) at 1204.

1135. *Id.*, 75 U.S.P.Q.2d (BNA) at 1204 (citing *Intel Corp. v. United States Int’l Trade Comm’n*, 946 F.2d 821, 839, 20 U.S.P.Q.2d (BNA) 1161, 1176 (Fed. Cir. 1995)).

1136. *Id.*, 75 U.S.P.Q.2d (BNA) at 1204 (citing *Intel Corp.*, 946 F.2d at 839, 20 U.S.P.Q.2d (BNA) at 1176).

triggered the doctrine of assignor estoppel.<sup>1137</sup> The district court previously ruled that the other defendant, Sensormatic, was not in privity, that it had established invalidity, and that the patent was therefore invalid as to All-Tag as well.<sup>1138</sup> Since the Federal Circuit reversed the grant of summary judgment of invalidity, it remanded to the district court the issue of assignor estoppel.<sup>1139</sup>

The plaintiff also argued that Jorgenson, Pichl, and Geiges should not be allowed to testify as to the invalidity of the patent, and that no party should be able to rely upon their declarations or testimony to invalidate the patent.<sup>1140</sup> The Federal Circuit disagreed, concluding that it would be unwise to create a rule barring testimony of the kind provided by Jorgenson, Pichl, and Geiges in their 2002 declarations and that “[a] party, such as Sensormatic, that is not barred by assignor estoppel from challenging the validity of the patent, should be able to at least proffer all otherwise admissible evidence in support of its case.”<sup>1141</sup> The Federal Circuit noted that Checkpoint would have the opportunity to cross-examine each of the declarants.<sup>1142</sup>

### G. Double Patenting

*Perricone v. Medicis Pharmaceutical Corp.*<sup>1143</sup> involved an appeal from a district court’s grant of summary judgment that claims for treating skin sunburn were invalid for double patenting. The Federal Circuit began its analysis by canvassing the background law of double patenting:

The double patenting doctrine generally prevents a patentee from receiving two patents for the same invention. Thus, this doctrine polices the proper application of the patent term for each invention. The proscription against double patenting takes two forms: statutory and non-statutory.<sup>1144</sup>

The Federal Circuit explained that statutory double patenting, also called “same invention” double patenting, is based on the language of the Patent Act requiring a patent for any new and useful invention.<sup>1145</sup> The Federal Circuit explained that non-statutory double patenting, also called “obviousness-type” double patenting, “is

---

1137. *Id.* at 1337, 75 U.S.P.Q.2d (BNA) at 1204.

1138. *Id.*, 75 U.S.P.Q.2d (BNA) at 1204.

1139. *Id.*, 75 U.S.P.Q.2d (BNA) at 1204.

1140. *Id.*, 75 U.S.P.Q.2d (BNA) at 1204.

1141. *Id.*, 75 U.S.P.Q.2d (BNA) at 1204.

1142. *Id.*, 75 U.S.P.Q.2d (BNA) at 1204.

1143. 432 F.3d 1360, 1372-73, 77 U.S.P.Q.2d (BNA) 1321, 1322-23 (Fed. Cir. 2005).

1144. *Id.* at 1372, 77 U.S.P.Q.2d (BNA) at 1323.

1145. *Id.* at 1372-73, 77 U.S.P.Q.2d (BNA) at 1323.

a judicially created doctrine adopted to prevent claims in separate applications or patents that do not recite the ‘same’ invention, but nonetheless claim inventions so alike that granting both exclusive rights would effectively extend the life of patent protection.”<sup>1146</sup>

Noting that the appeal involved non-obviousness type double patenting, the Federal Circuit summarized the district court’s analysis of the differences between the plaintiff’s two sets of claims:

(1) claim 9 of the ‘063 patent teaches a method for treatment of certain skin disorders, while claim 1 of the ‘693 patent teaches a method for treatment of sunburn; (2) claim 9 of the ‘063 patent recites the use of “an effective amount of an ascorbyl fatty acid ester . . .,” while claim 1 of the ‘693 patent teaches applying an ascorbyl fatty acid ester “effective to solubilize in the lipid-rich layers of the skin an amount effective to scavenge free radicals present as a result of the transfer of energy to the skin from the ultraviolet radiation which produced [the] sunburn”; and (3) claim 9 of the ‘063 patent recites the use of “a dermatologically acceptable, fat-penetrating carrier such that the ester is percutaneously delivered to lipid-rich layers of the skin,” while the ‘693 patent does not explicitly recite the use of a carrier.”<sup>1147</sup>

With regard to the differences between the two sets of claims, the Federal Circuit affirmed the district court’s analysis, explaining that because sunburn is a kind of skin damage, there was no error in the district court’s determination that the earlier species rendered “the later genus claims invalid under non-statutory double patenting.”<sup>1148</sup> The Federal Circuit also explained that the district court properly analyzed the genus-species relationship between the claims:

The district court interpreted the language of claim 16 reciting various tocotrienols, and concluded that it “refers to certain forms of tocopherols, or Vitamin E.” Thus, the district court did not improperly conclude that a species was obvious in light of an earlier claim to a genus but correctly concluded that there was no patentable distinction between the language of claim 16 of the ‘063 patent and claim 7 of the ‘693 patent. This court finds no error in that analysis.”<sup>1149</sup>

Finally, in affirming the district court’s grant of summary judgment on double patenting, the Federal Circuit observed that “the pre-issuance timing requirement of a terminal disclaimer to overcome a double patenting rejection does not dictate a prohibition on post-

---

1146. *Id.* at 1373, 77 U.S.P.Q.2d (BNA) at 1323.

1147. *Id.*, 77 U.S.P.Q.2d (BNA) at 1324.

1148. *Id.* at 1374, 77 U.S.P.Q.2d (BNA) at 1325.

1149. *Id.* at 1374-75, 77 U.S.P.Q.2d (BNA) at 1325 (internal citations omitted).

issuance terminal disclaimers.”<sup>1150</sup> The Federal Circuit concluded that a terminal disclaimer can overcome an invalidity finding for double patenting.<sup>1151</sup>

However, the Federal Circuit reasoned that the appellate record did not contain evidence of a disclaimer despite the district court’s invalidation of the claims two years prior.<sup>1152</sup> Thus, while the court recognized that the plaintiff could still file a terminal disclaimer to overcome prospectively invalidity for double patenting, the court did not make a determination on the retrospective effect of such a disclaimer.<sup>1153</sup>

#### *H. Certificate of Correction*

In *ArthroCare Corp. v. Smith & Nephew, Inc.*,<sup>1154</sup> the defendant argued that a patent was invalid because it was impermissibly broadened by a certificate of correction. The claims of the patent, as originally issued, required an electrosurgical device with three electrodes, which was changed to two electrodes through the certificate of correction.<sup>1155</sup> Essentially, the term “active electrode” was amended to “electrode terminal” in some, but not all, instances in the claims.<sup>1156</sup> According to the Federal Circuit, “[t]he correction of a ministerial error in the claims, which also serves to broaden the claims, is allowable if it is ‘clearly evident from the specifications, drawings, and prosecution history how the error should appropriately be corrected’ to one of skill in the art.”<sup>1157</sup>

In this case, the Federal Circuit reasoned that the first claim of the patent at issue would not make sense if interpreted to have three electrodes instead of two. “The whole point of the patent is to use the electrode terminal and return electrode to apply a voltage across the tissue; a third type of electrode would serve no apparent purpose,” and that “the specification refers to ‘electrode terminal’ and ‘active electrode’ interchangeably.”<sup>1158</sup> It was clear to the court that the typographical error in the original claims could have been

---

1150. *Id.* at 1375, 77 U.S.P.Q.2d (BNA) at 1325.

1151. *Id.* at 1375, 77 U.S.P.Q.2d (BNA) at 1325.

1152. *Id.* at 1375, 77 U.S.P.Q.2d (BNA) at 1325.

1153. *Id.*, 77 U.S.P.Q.2d (BNA) at 1325.

1154. 406 F.3d 1365, 74 U.S.P.Q.2d (BNA) 1749 (Fed. Cir. 2005).

1155. *Id.* at 1374, 74 U.S.P.Q.2d (BNA) at 1757.

1156. *Id.*, 74 U.S.P.Q.2d (BNA) at 1757.

1157. *Id.* at 1374-75, 74 U.S.P.Q.2d (BNA) at 1757 (quoting *Superior Fireplace Co. v. Majestic Prods. Co.*, 270 F.3d 1358, 1373, 60 U.S.P.Q.2d 1668, 1678 (Fed. Cir. 2001)).

1158. *Id.* at 1375, 74 U.S.P.Q.2d (BNA) at 1757.



corrected.<sup>1159</sup> Moreover, “[t]he change of the term ‘active electrode’ to ‘electrode terminal’ was made before any examination on the merits, and the uncontroverted evidence establishes that it was meant to be a global renaming.”<sup>1160</sup> Accordingly, the Federal Circuit affirmed the district court’s denial of JMOL of invalidity as to this patent.<sup>1161</sup>

### III. INFRINGEMENT

#### A. Claim Construction

In *Merck & Co., Inc. v. Teva Pharmaceuticals USA, Inc.*,<sup>1162</sup> plaintiff sued the defendant for constructive patent infringement after defendant had submitted an Abbreviated New Drug Application (“ANDA”) seeking FDA approval to market generic versions of plaintiff’s once-weekly method of treating osteoporosis through the oral administration of alendronate monosodium trihydrate.<sup>1163</sup> Two claims of plaintiff’s patent were at issue, particularly the construction of the terms “about 70 mg of alendronate monosodium trihydrate” and “about 35 mg of alendronate monosodium trihydrate.”<sup>1164</sup> The district court held that plaintiff had “acted as its own lexicographer, and through the specification redefined the ordinary meaning of ‘about’ . . . which both parties agree has the ordinary meaning ‘approximately’—to something quite different. Thus, the district court concluded the terms ‘about 35 mg’ . . . and ‘about 70 mg’ . . . mean *exactly* 35 (or 70) mg of alendronic acid.”<sup>1165</sup> Relying on this construction, the district court dismissed the defendant’s claims of invalidity under anticipation and obviousness.<sup>1166</sup> The district court delayed the effective date of the FDA approval of defendant’s ANDA until expiration of the patent-in-suit, and enjoined commercial sale of defendant’s generic osteoporosis treatment.

The Federal Circuit disagreed with the district court’s construction of about, and held that the term should be given its ordinary meaning of “approximately.”<sup>1167</sup> At issue was whether plaintiff had acted as its own lexicographer in order to depart from the ordinary

---

1159. *Id.*, 74 U.S.P.Q.2d (BNA) at 1757.

1160. *Id.*, 74 U.S.P.Q.2d (BNA) at 1757.

1161. *Id.*, 74 U.S.P.Q.2d (BNA) at 1757.

1162. 395 F.3d 1364, 73 U.S.P.Q.2d (BNA) 1641 (Fed. Cir. 2005).

1163. *Id.* at 1366-67, 73 U.S.P.Q.2d (BNA) at 1643.

1164. *Id.* at 1367, 73 U.S.P.Q.2d (BNA) at 1643.

1165. *Id.*, 73 U.S.P.Q.2d (BNA) at 1644.

1166. *Id.*, 73 U.S.P.Q.2d (BNA) at 1644.

1167. *Id.* at 1369-70, 73 U.S.P.Q.2d (BNA) at 1646.

meaning of the disputed terms: “While in some cases there is a presumption that favors the ordinary meaning of a term, the court must first examine the specification to determine whether the patentee acted as his own lexicographer of a term that already has an ordinary meaning to a person of skill in the art.”<sup>1168</sup> The district court relied on the following portion of the specification in reaching its claim construction:

Because of the mixed nomenclature currently in use by those or [sic] ordinary skill in the art, reference to a specific weight or percentage of bisphosphonate compound in the present invention is on an active weight basis unless otherwise indicated herein. *For example the phrase “about 70 mg of bone resorption inhibiting bisphosphonate selected from the group consisting of alendronate, pharmaceutically acceptable salts thereof and mixtures thereof, on an alendronic acid weight basis” means that the amount of bisphosphonate compound selected is calculated based on 70 mg of alendronic acid.*<sup>1169</sup>

In holding that the term “about” should have its ordinary meaning, the court stated that “[w]hen a patentee acts as his own lexicographer in redefining the meaning of particular claim terms away from their ordinary meaning, he must *clearly express* that intent in the written description.”<sup>1170</sup> The court held that a in order for a patentee to make this clear expression, “the statement in the specification must have sufficient clarity to put one reasonably skilled in the art on notice that the inventor intended to redefine the claim term.”<sup>1171</sup> The Federal Circuit found that the passage relied upon by the district court was ambiguous, as it “fail[ed] to define ‘about’ to mean ‘exactly’ in clear enough terms to justify such a counterintuitive definition of ‘about.’”<sup>1172</sup>

The court reasoned that the district court had construed the “about” phrases to mean that one “should administer approximately 70 (or 35) mg of the *derivative compound*, such that the end result is that the patient is administered exactly 70 (or 35) mg of alendronic acid. In other words, the district court determined that the quantity specified in the claims . . . modifies the amount of the derivative compound rather than the active compound.”<sup>1173</sup> The court found this construction limiting, and reasoned that defendant’s interpretation would mean that the disputed terms

---

1168. *Id.* at 1370, 73 U.S.P.Q.2d (BNA) at 1646 (citation omitted).

1169. *Id.* at 1369, 73 U.S.P.Q.2d (BNA) at 1645.

1170. *Id.* at 1370, 73 U.S.P.Q.2d (BNA) at 1646.

1171. *Id.*, 73 U.S.P.Q.2d (BNA) at 1646.

1172. *Id.*, 73 U.S.P.Q.2d (BNA) at 1646.

1173. *Id.* at 1371, 73 U.S.P.Q.2d (BNA) at 1647.

refer[red] to the amount of the *active compound* to be administered rather than the amount of the derivative compound. The term ‘about’ in the claims would then serve to modify the quantity of the *active compound* in a way that consistent with its normal definition of ‘approximately.’ Under this construction, the modifying phrase . . . would refer to approximately 70 (or 35) mg of *alendronic acid*.<sup>1174</sup>

The court further reasoned that plaintiff’s construction reads a portion of the specification passage relied upon out of context, because the passage also informed “those of ordinary skill in the art that when the patent refers to a certain amount of a bisphosphonate compound, it is actually instructing them to administer a certain amount of the active component of the compound rather than the compound itself, i.e., that one should calculate the amount dispensed on an ‘active weight basis.’”<sup>1175</sup> The court held that “Given that the passage that Merck relies on is amenable to a second (and more reasonable) interpretation, we hold Merck did not clearly set out its own definition of ‘about’ with ‘reasonable clarity, deliberateness, and precision,’ and thus failed to act as its own lexicographer.”<sup>1176</sup> IN further support of its holding, the court also pointed to portions of the specification in which the patentee “repeatedly describe[d] a range of acceptable dosage amounts, with the patentee emphasizing that dosage amounts will vary.”<sup>1177</sup> The court also agreed with defendant’s argument that the district court’s construction of “about” rendered other parts of the claim superfluous, as if “about” meant “exactly,” “the oft repeated phrase ‘on an alendronic acid active basis’ would be unnecessary since such an understanding would be clear simply by using the term ‘about.’”<sup>1178</sup> The court held that construing “about” to mean “approximately” made the phrase “‘alendronic acid basis’ . . . necessary because it is the noun that ‘about 35 [or 70] mg’ modifies.”<sup>1179</sup> The Federal Circuit reversed the district court’s claim construction, and held that “about” should be construed consistent with its ordinary meaning of “approximately.”<sup>1180</sup>

Judge Rader dissented from the court’s reversal of the district court’s claim construction. Judge Rader noted that because the Federal Circuit’s claim constructions

---

1174. *Id.*, 73 U.S.P.Q.2d (BNA) at 1647.

1175. *Id.*, 73 U.S.P.Q.2d (BNA) at 1647.

1176. *Id.*, 73 U.S.P.Q.2d (BNA) at 1647.

1177. *Id.* at 1372, 73 U.S.P.Q.2d (BNA) at 1647.

1178. *Id.*, 73 U.S.P.Q.2d (BNA) at 1647.

1179. *Id.*, 73 U.S.P.Q.2d (BNA) at 1647.

1180. *Id.* at 1377, 73 U.S.P.Q.2d (BNA) at 1651-52.

waver[] between the plain meaning rule (often a subtle way for judges to impose their own semantic subjectivity on claim terms . . . ) and the “specification uber alles” rule (often a way for judges to import limitations not included in the claim . . . ) a patent applicant might suppose that the best option to define the scope of the claim language might be the lexicographer rule.<sup>1181</sup>

Judge Rader disagreed with the court’s reversal of the district court because he determined that “the patentee used the lexicographer rule to define a lengthy phrase. In its definition, the patentee defined the phrase with precise values.” Judge Rader noted that it was the word “about” that caused the majority to reverse the patentee’s and the district court’s construction.<sup>1182</sup> Judge Rader stated that the majority

seized on that word [about], gave it an ordinary meaning, and cast aside the lexicographer rule without a convincing explanation. Moreover, this court overturned the result of a lengthy district court trial for the sole reason that the trial court applied this court’s lexicographer rule. I find it hard to explain to the district court how it erred by following this court’s rules.<sup>1183</sup>

Judge Rader stated he would have affirmed the district court’s construction because the patentee “clearly, deliberately and precisely defined the phrase ‘about . . .’ [by stating] unambiguously that the ‘phrase . . . means that the amount of the bisphosphonate compound selected is calculated based on 70 mg of alendronic acid.’”<sup>1184</sup> Judge Rader reasoned that the patentee’s “choice of the words ‘phrase’ and ‘means,’ combined with the use of quotation marks to set the phrase off from the rest of the sentence, unmistakably notify a reader of the patent that the patentee exercised the option to define the entire phrase without respect to its ordinary meaning . . . .”<sup>1185</sup> Judge Rader also noted the closeness of the claim construction issue, and that the district court had more time and “superior tools” to evaluate the issue.<sup>1186</sup> Judge Rader acknowledged the criticism from district court judges that the Federal Circuit’s reversal rate on claim construction far exceeded the reversal rate of other circuit courts,<sup>1187</sup> and noted that the response of “nearly every judge” on the Federal Circuit was to “publicly profess” to “accord some level of deference to district

1181. *Id.* at 1377-78, 73 U.S.P.Q.2d (BNA) at 1652.

1182. *Id.*, 73 U.S.P.Q.2d (BNA) at 1652.

1183. *Id.*, 73 U.S.P.Q.2d (BNA) at 1652.

1184. *Id.* at 1379, 73 U.S.P.Q.2d (BNA) at 1653.

1185. *Id.*, 73 U.S.P.Q.2d (BNA) at 1653.

1186. *See id.* at 1380-81, 73 U.S.P.Q.2d (BNA) at 1654.

1187. *See id.* at 1381, 73 U.S.P.Q.2d (BNA) at 1654.

courts regardless of this court's *de novo* review of claim construction issues."<sup>1188</sup> Judge Rader noted that the actual practice of the court departed from its public protestations, and that the Federal Circuit had a "truth in advertising" problem."<sup>1189</sup> Judge Rader concluded that the district court's "diligent and intelligent process and resolution earned more respect than it received."<sup>1190</sup>

In *Free Motion Fitness, Inc. v. Cybex Int'l, Inc.*,<sup>1191</sup> the Federal Circuit addressed claim construction on two exercise machine patents covering a resistance assembly, two adjustable extension arms that pivot on an axis substantially parallel to the axis of rotation of a pulley at the end of each arm, and a cable linking the resistance assembly to the arms.<sup>1192</sup> Cybex and Nautilus, defendants, sold machines accused of infringement.<sup>1193</sup> However, the arms of the Cybex and Nautilus machines were attached to the resistance assembly such that they pivoted in two different planes, as opposed to solely the axis parallel to the rotation of the pulley.<sup>1194</sup> The district court granted summary judgment of non-infringement and also ruled that a narrowing amendment made during prosecution of one of the patents estopped the plaintiff from asserting as equivalent "a device having extension arms with axes of rotation transverse to the axes of rotation of the pulleys at the end of the extension arms."<sup>1195</sup>

The Federal Circuit analyzed the claim construction under *Phillips v. AWH Corp.*<sup>1196</sup> The first term was "first pivot point." The district court had held "that the first pivot point is construed as an expression of location, specifically the first pivot point is chronologically the first point that pivots on the end of the extension arm where the arm is supported by the frame."<sup>1197</sup> The parties on appeal apparently agreed that the Federal Circuit put too much weight into the term "first;" in fact, as is common in patent law, the terms "first" and "second" merely are used to "distinguish between repeated instances of an element or limitation."<sup>1198</sup> In this case, where a claim requiring two arms merely referred to one as "first" and the other as "second,"

1188. *Id.*, 73 U.S.P.Q.2d (BNA) at 1653.

1189. *Id.*, 73 U.S.P.Q.2d (BNA) at 1653.

1190. *Id.*, 73 U.S.P.Q.2d (BNA) at 1653.

1191. 423 F.3d 1343, 76 U.S.P.Q.2d (BNA) 1432 (Fed. Cir. 2005).

1192. *Id.* at 1345, 76 U.S.P.Q.2d (BNA) at 1434.

1193. *Id.* at 1346, 76 U.S.P.Q.2d (BNA) at 1434.

1194. *Id.*, 76 U.S.P.Q.2d (BNA) at 1434.

1195. *Id.* at 1347, 76 U.S.P.Q.2d (BNA) at 1435.

1196. 415 F.3d 1303, 75 U.S.P.Q.2d 1321 (Fed. Cir. 2005).

1197. *Free Motion Fitness*, 423 F.3d at 1347, 76 U.S.P.Q.2d (BNA) at 1435.

1198. *Id.* at 1348, 76 U.S.P.Q.2d (BNA) at 1436 (citing 3M Innovative Props. Co. v. Avery Dennison Corp., 350 F.3d 1365, 1371, 69 U.S.P.Q.2d 1050, 1055 (Fed. Cir. 2003)).

“first” did not “denote spatial location.”<sup>1199</sup> Instead, “first” “merely associates the first pivot point with the first extension arm.”<sup>1200</sup>

The next term construed was a requirement that the pivot point be “adjacent the resistance assembly.”<sup>1201</sup> The Federal Circuit had construed “adjacent” to mean “that objects may or may not be in contact, but are not adjacent to each other where there is another object between them.”<sup>1202</sup> The court and the parties looked to dictionaries for the meaning of the word “adjacent.”<sup>1203</sup> Despite acknowledging the *Philips* decision’s less than overwhelming support of use of the dictionaries, the opinion by Judge Dyk applies virtually a *pre-Philips* analysis. Faced with two dictionary definitions of adjacent, one being “not distant,” the other being “relatively near and having nothing of the same kind intervening,” the court chose the broader “not distant,” after stating that a claim term does not presumptively receive its broadest dictionary definition.<sup>1204</sup> The court reasoned that since nothing in the specification suggested a concern with “[some]thing of the same kind [i.e., other pivot points] intervening,” there was no reason not to adopt the broader dictionary definition.<sup>1205</sup> It therefore concluded that “not distant” was the correct construction, and reversed the district court’s judgment of infringement based on the fact that the pivot points of the accused devices are “not distant” from the resistance assembly.<sup>1206</sup>

Also, significantly, the Federal Circuit addressed the district court’s construction of “a cable linking” as being limited to only a single cable.<sup>1207</sup> The Cybex device had multiple cables linking arms to the resistance assembly.<sup>1208</sup> The court noted that the presumption that “a” means “one or more” is overcome only “when the claim is specific as to the number of elements” or “when the patentee evinces a clear intent to . . . limit the article.”<sup>1209</sup> The court held that the specification’s numerous references to a single cable were insufficient to overcome this presumption.<sup>1210</sup> The court likewise held that the

---

1199. *Id.* at 1348, 76 U.S.P.Q.2d (BNA) at 1436.

1200. *Id.*, 76 U.S.P.Q.2d (BNA) at 1436.

1201. *Id.*, 76 U.S.P.Q.2d (BNA) at 1436.

1202. *Id.*, 76 U.S.P.Q.2d (BNA) at 1436.

1203. *Id.*, 76 U.S.P.Q.2d (BNA) at 1436.

1204. *Id.* at 1348-49, 76 U.S.P.Q.2d (BNA) at 1436.

1205. *Id.*, 76 U.S.P.Q.2d (BNA) at 1436.

1206. *Id.*, 76 U.S.P.Q.2d (BNA) at 1436.

1207. *Id.* at 1350, 76 U.S.P.Q.2d (BNA) at 1437.

1208. *Id.*, 76 U.S.P.Q.2d (BNA) at 1437.

1209. *Id.* at 1350, 76 U.S.P.Q.2d (BNA) at 1437 (citing *KCJ Corp. v. Kinetic Concepts, Inc.*, 223 F.3d 1351, 1356, 55 U.S.P.Q.2d 1835, 1839 (Fed. Cir. 2000)).

1210. *Id.*, 76 U.S.P.Q.2d (BNA) at 1437.

same claim's later reference to "the" cable did not change the analysis.

Finally, the court addressed a prosecution history estoppel argument. The defendant argued that Free Motion had disclaimed during prosecution a device wherein the axes of rotation of the pulleys and extension arms were perpendicular.<sup>1211</sup> This feature appeared in the prior art.<sup>1212</sup> The amended claim required "rotating about an axis substantially parallel to the second axis."<sup>1213</sup> However, the accused device had not only the "disclaimed" perpendicular axis, but also had the claimed parallel axis as well.<sup>1214</sup> Thus, in a claim reading "comprising," the alleged disclaimer did not apply to unclaimed features in the accused device. The grant of summary judgment was thus vacated and the case remanded.

In *Symbol Tech., Inc. v. Lemelson Medical Educ. & Research Found., LP*,<sup>1215</sup> the district court had held the plaintiff's asserted patents on machine vision and automatic barcode reading invalid, unenforceable, and not infringed.<sup>1216</sup> The patent claimed priority to two applications, filed in 1954 and 1956, respectively, by none other than Jerome H. Lemelson, one of the most prolific patenters ("inventor" gives him too much credit) of the twentieth century.<sup>1217</sup> A host of continuation applications filed, many containing already allowed claims.<sup>1218</sup>

The two original applications related generally to measuring devices, the latter specifically directed to measurements using video images.<sup>1219</sup> Fourteen patents were before the Federal Circuit in this case, with one claim being representative:

A method for inspecting an image field to determine if a select image phenomenon is present in said image field, comprising:

- (a) scanning an image field containing at least one contrasting image portion which is detectable with an electronic scanning device,
- (b) generating first electrical signals which vary in accordance with variations in detected contrasting image portions of the image field scanned,

---

1211. *Id.* at 1351-52, 76 U.S.P.Q.2d (BNA) at 1439.

1212. *Id.* at 1352, 76 U.S.P.Q.2d (BNA) at 1439.

1213. *Id.*, 76 U.S.P.Q.2d (BNA) at 1439.

1214. *Id.* at 1353, 76 U.S.P.O.2d (BNA) at 1439.

1215. 422 F.3d 1378, 76 U.S.P.O.2d (BNA) 1354 (Fed. Cir. 2005).

1216. *Id.* at 1380, 76 U.S.P.O.2d (BNA) at 1356.

1217. *Id.*, 76 U.S.P.O.2d (BNA) at 1356.

1218. *Id.*, 76 U.S.P.O.2d (BNA) at 1356.

1219. *Id.*, 76 U.S.P.Q.2d (BNA) at 1356.

- (c) analyzing said first electrical signals and generating first information signals corresponding to the detected contrasting image portions of the image field scanned,
- (d) electrically comparing said first information signals from recordings in a memory which are indicative of said select image phenomenon, and
- (e) generating electrical signals indicative of the presence of said select image phenomenon in said scanned image field.<sup>1220</sup>

The district court ruled that the Lemelson patents were unenforceable due to prosecution laches, invalid for lack of enablement, and not infringed.<sup>1221</sup> The court held that “unreasonable delay alone is sufficient to apply prosecution laches without the requirement that Lemelson intended to gain some advantage by the delay.”<sup>1222</sup> The court also held that the asserted patents were not entitled to the 1954 or 1956 priority dates.<sup>1223</sup>

Prosecution laches is an equitable defense and, thus, the Federal Circuit reviews the district court’s decision in this regard for abuse of discretion.<sup>1224</sup> The Court determined that although there are legitimate purposes for long delays in prosecuting patents, such as filing divisionals in response to restriction requirements, “refiling an application solely containing previously-allowed claims for the business purpose of delaying their issuance can be considered an abuse of the patent system.”<sup>1225</sup> In this case, the district court had found that somewhere between eighteen and thirty-nine years had passed between the filing and issuance of the various patents in suit. The court also found “culpable neglect” by Lemelson in failing to prosecute his patents, and intervening “public and private rights” in the time the applications were pending.<sup>1226</sup> The Federal Circuit, thus, found no abuse of discretion, and did not reach the other issues raised by Appellant.

In *JVW Enterprises, Inc. v. Interact Access, Inc.*,<sup>1227</sup> the Federal Circuit reversed a confusing claim construction offered by the district court of a means-plus-function claim. The patent involved a mounted video game controller inspired by an inventor’s sore wrists upon playing the Atari video game system for extended periods of time.<sup>1228</sup>

1220. *Id.* at 1381-82, 76 U.S.P.O.2d (BNA) at 1356.

1221. *Id.* at 1382, 76 U.S.P.O.2d (BNA) at 1357.

1222. *Id.*, 76 U.S.P.O.2d (BNA) at 1357.

1223. *Id.* at 1382, 76 U.S.P.O.2d (BNA) at 1357.

1224. *Id.* at 1384, 76 U.S.P.O.2d (BNA) at 1359.

1225. *Id.* at 1385, 76 U.S.P.O.2d (BNA) at 1360.

1226. *Id.*, 76 U.S.P.Q.2d (BNA) at 1360.

1227. 424 F.3d 1324, 76 U.S.P.Q.2d (BNA) 1641 (Fed. Cir. 2005).

1228. *Id.* at 1326-27, 76 U.S.P.Q.2d (BNA) at 1643.



A means-plus-function element of claim 1 recited “means for lockably receiving a video game controller in fixed position on [a] mounting member.”<sup>1229</sup>

The district court’s construction was confusing because, initially, it construed “lockably” to include both a locking and unlocking function, specifically, “attached by a method whereby one can lock a game controller in place for use and can unlock and release the game controller after use.”<sup>1230</sup> Later, however, the district court attempted to “clarify” its earlier claim construction ruling, noting that it could be “misunderstood” as adding unlocking to the function of the means-plus-function limitation.<sup>1231</sup> Alternatively, it held that “lockably” means “received in a fixed position by the interlacing of fitting of parts into each other.”<sup>1232</sup>

The Federal Circuit found this to be error. The first construction improperly imported the function of “unlocking” into a claim that merely required locking.<sup>1233</sup> Even the district court acknowledged this.<sup>1234</sup> However, the district court’s second construction does not fare better under scrutiny. There, the Federal Circuit confused function with structure, by requiring the interlacing of “fitting of parts.”<sup>1235</sup> The importation of structure, while a part of means-plus-function analysis, is a separate and distinct step from the identification of that function, and cannot occur until the latter is complete.<sup>1236</sup>

As a result, the Court adopted most of the original claim construction, minus the “unlocking” functionality.<sup>1237</sup> The Court ultimately affirmed the district court’s finding of infringement of one product and reversed as to the other, applying the new construction.<sup>1238</sup>

In *Biagro Western Sales, Inc. v. Grow More, Inc.*,<sup>1239</sup> a narrowing amendment made during a reexamination proved to be fatal to the plaintiff’s desired broad claim construction. All of the independent claims of the asserted patent for formation of fertilizer for plants had been amended by adding a limitation relating to the amount of

---

1229. *Id.* at 1327, 76 U.S.P.Q.2d (BNA) at 1643.

1230. *Id.* at 1328, 76 U.S.P.Q.2d (BNA) at 1643.

1231. *Id.*, 76 U.S.P.Q.2d (BNA) at 1643.

1232. *Id.*, 76 U.S.P.Q.2d (BNA) at 1643.

1233. *Id.* at 1330-31, 76 U.S.P.Q.2d (BNA) at 1644.

1234. *Id.*, 76 U.S.P.Q.2d (BNA) at 1644.

1235. *Id.* at 1330, 76 U.S.P.Q.2d (BNA) at 1644.

1236. *Id.*, 76 U.S.P.Q.2d (BNA) at 1644.

1237. *Id.* at 1331, 76 U.S.P.Q.2d (BNA) at 1644.

1238. *Id.* at 1333-35, 76 U.S.P.Q.2d (BNA) at 1647-48.

1239. 423 F.3d 1296, 76 U.S.P.Q.2d (BNA) 1347 (Fed. Cir. 2005).

phosphorous-containing acid or salt thereof in the fertilizer formation.<sup>1240</sup> This was added to distinguish the invention over the prior art.<sup>1241</sup> The limitation at issue called for “phosphorous-containing acid or salt thereof . . . present in an amount of about 30 to about 40 weight percent.”<sup>1242</sup> The plaintiff, however, argued that a “chemical equivalent” to this amount of phosphorous-containing acid would meet the claim.<sup>1243</sup> The total concentration in the accused product was somewhere around sixty percent, and the plaintiff argued for equivalence.<sup>1244</sup> The district court held the narrowing amendment to be a complete bar under *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*<sup>1245</sup>

On appeal, the plaintiff argued that the claim itself allowed for a “chemically equivalent” amount of acid, not an actual amount.<sup>1246</sup> The Court rejected this argument easily, citing *Phillips v. AWH Corp.*<sup>1247</sup> The language of the claim contained nothing to indicate that anything other than an actual amount in “weight percent” was covered.<sup>1248</sup> On infringement, the Court affirmed the judgment of no literal infringement, and moved onto the doctrine of equivalents under the final *Festo* standard. The amendment was made to overcome a prior art obviousness rejection.<sup>1249</sup> Though Biagro argued that the upper limit of the narrowing amendment (as opposed to the lower limit) was “tangential” to the invention, there was no evidence either way as to the reason for the upper limit.<sup>1250</sup> Thus, the Court found the *Festo* presumption of surrender un rebutted and affirmed judgment of non-infringement under the doctrine of equivalents.<sup>1251</sup>

In *Nystrom v. Trex Co., Inc.*,<sup>1252</sup> the district court had granted summary judgment of non-infringement as to some asserted claims and summary judgment of invalidity as to the others. The patent was directed toward exterior wooden flooring materials designed to shed water while remaining comfortable to stand on.<sup>1253</sup> Three claim terms

---

1240. *Id.* at 1299, 76 U.S.P.O.2d (BNA) at 1348.

1241. *Id.*, 76 U.S.P.O.2d (BNA) at 1348.

1242. *Id.* at 1300, 76 U.S.P.O.2d (BNA) at 1349.

1243. *Id.*, 76 U.S.P.O.2d (BNA) at 1349.

1244. *Id.*, 76 U.S.P.O.2d (BNA) at 1349.

1245. 234 F.3d 558, 56 U.S.P.Q.2d 1865 (Fed. Cir. 2000) (en banc) (“*Festo I*”).

1246. *Biagro*, 423 F.3d at 1302, 76 U.S.P.O.2d (BNA) at 1350.

1247. 415 F.3d 1303, 1312-13, 75 U.S.P.Q.2d (BNA) 1321, 1325-26 (Fed. Cir. 2005) (en banc).

1248. *Id.* at 1303, 75 U.S.P.Q.2d (BNA) at 1326.

1249. *Biagro*, 423 F.3d at 1306, 76 U.S.P.Q.2d (BNA) at 1353.

1250. *Id.*, 76 U.S.P.O.2d (BNA) at 1353.

1251. *Id.* at 1307, 76 U.S.P.O.2d (BNA) at 1354.

1252. 424 F.3d 1136, 76 U.S.P.O.2d (BNA) 1481 (Fed. Cir. 2005).

1253. *Id.* at 1139, 76 U.S.P.Q.2d (BNA) at 1483.

in claim 1 were in dispute: “board,” “manufactured to have,” and “convex top surface.”<sup>1254</sup> Nystrom conceded, after *Markman*, that it could not prove its infringement case against Trex using the court’s claim construction, and summary judgment of non-infringement was granted.<sup>1255</sup> The court subsequently granted summary judgment of invalidity.<sup>1256</sup>

The district court construed “board” as “a piece of elongated construction material made from wood cut from a log” based on statements in the written description and those made during prosecution to avoid an obviousness rejection.<sup>1257</sup> Trex asserted that the natural meaning of “board” is a piece of lumber cut from a saw, and the specification disclosed no other type of board.<sup>1258</sup> Applying *Phillips*, Judge Linn’s opinion begins by noting that nothing in the claim language limits “boards” to those cut from wood.<sup>1259</sup> Significantly, claim 16 specifically called for a “wood decking board.”<sup>1260</sup> However, the Court went on to read the specification as limiting “board” to wood. The written description stated “[a] variety of specialized flooring materials have been developed for interior and exterior use” and went on to describe only wood.<sup>1261</sup> “This context is maintained throughout the written description.”<sup>1262</sup> The specification referred to “growth rings” on the boards; “accelerated deterioration of the boards when exposed to weather”; and “log[s]”, all indicating the boards are made of wood.<sup>1263</sup> The prosecution history was also consistent with this, stating that “[t]he present invention represents a unique and significant advance in the art of exterior wood flooring” in response to an obviousness rejection.<sup>1264</sup> Significantly, the Court rejected Nystrom’s dictionary argument.<sup>1265</sup>

Regarding the “manufactured to have” limitation, the district court had construed this term to be “a manufacturing process utilizing woodworking techniques.”<sup>1266</sup> The Court found this construction to be correct based largely on the fact that “board” was limited to wood,

---

1254. *Id.* at 1140, 76 U.S.P.O.2d (BNA) at 1484.

1255. *Id.* at 1141, 76 U.S.P.O.2d (BNA) at 1484.

1256. *Id.*, 76 U.S.P.O.2d (BNA) at 1484.

1257. *Id.* at 1142, 76 U.S.P.O.2d (BNA) at 1485.

1258. *Id.*, 76 U.S.P.O.2d (BNA) at 1485.

1259. *Id.* at 1143, 76 U.S.P.O.2d (BNA) at 1486.

1260. *Id.*, 76 U.S.P.O.2d (BNA) at 1486.

1261. *Id.*, 76 U.S.P.O.2d (BNA) at 1486.

1262. *Id.* at 1144, 76 U.S.P.O.2d (BNA) at 1487.

1263. *Id.*, 76 U.S.P.O.2d (BNA) at 1487.

1264. *Id.*, 76 U.S.P.Q.2d (BNA) at 1487.

1265. *Id.* at 1144-45, 76 U.S.P.O.2d (BNA) at 1487-88 (citing *Phillips v. AWH Corp.*, 415 F.3d 1303, 75 U.S.P.O.2d 1321 (Fed. Cir. 2005)).

1266. *Id.* at 1146, 76 U.S.P.Q.2d (BNA) at 1488.

thereby redefining the scope of the otherwise broad term “manufactured.”<sup>1267</sup>

The last disputed term on infringement was “convex top surface.” The court construed this to mean “an upper surface with an outward curve that has a ratio of its radius of curvature to width of the board between 4:1 to 6:1,” relying on prosecution statements that the preferred radius of curvature was “about” 5:1.<sup>1268</sup> This time, the Court decided to start with the dictionary, noting “convex” means “having a surface or boundary that curves or bulges outward, as the exterior of a sphere,”<sup>1269</sup> and turned to the specification to validate this, which read

more importantly, the board of the invention has a slightly rounded upper surface 13 that slopes gradually off to either side of the center of the board, defining a convex surface that promotes the running off of water. This surface may have a radius of curvature R1, for example, of about 24 inches.<sup>1270</sup>

Further, the Court noted that the relevant statement made in the prosecution history was actually related only to one claim, claim 16. Thus, the district court was reversed on this term.

On invalidity, the district court had found claims 18-20 of the asserted patent anticipated by a prior art patent. The relevant claim language read:

said convex top surface being manufactured to have a radius of curvature with a slightly rounded or curved configuration extending across the top surface from one side edge to the other, *defining a difference in thickness between the longitudinal centerline and the opposite side edges, with the ratio of said difference in thickness to the width of the board being about 1:40 . . . .*

Apparently, figures in the prior art disclosed boards of certain measurements, but did not explicitly disclose the ratio of difference in thickness to the width of the board.<sup>1271</sup> Instead, a Trex employee took the figures and from them calculated that boards of the claimed thickness could be made using the teaching in the patent, even though the specification was silent on this issue.<sup>1272</sup> The Court found this to be error. The relevant inquiry, it said, is what was disclosed, not on what inferences could be drawn from drawings not made to

---

1267. *Id.*, 76 U.S.P.O.2d (BNA) at 1488.

1268. *Id.*, 76 U.S.P.Q.2d (BNA) at 1488.

1269. *Id.* at 1146-47, 76 U.S.P.O.2d (BNA) at 1489.

1270. *Id.* at 1147, 76 U.S.P.O.2d (BNA) at 1489.

1271. *Id.* at 1148-50, 76 U.S.P.O.2d (BNA) at 1490-91.

1272. *Id.* at 1148, 76 U.S.P.Q.2d (BNA) at 1490.

scale.<sup>1273</sup> “Under the principles set forth in our prior cases, the speculative modeling premised on unstated assumptions in prior art patent drawings cannot be the basis for challenging the validity of claims reciting specific dimensions not disclosed directly in such prior art.”<sup>1274</sup> Summary judgment of invalidity was, thus, reversed.

In *PC Connector Solutions LLC v. SmartDisk Corp.*,<sup>1275</sup> the Federal Circuit affirmed the district court’s claim construction and summary judgment of noninfringement. The claims of the patent were directed to “the connection of peripherals to a computer via a coupler inserted into the diskette drive.”<sup>1276</sup> The invention was described as having an input/output port “*normally connectable to a conventional computer input/output port*,” and a method where use peripheral is “*traditionally connectable to a computer by means of an input/output port of the computer and the standard input/output port*” of the separate peripheral.<sup>1277</sup>

The defendant made diskette-shaped adapters that allowed flash memories and smart cards to be accessed through a computer’s diskette drive.<sup>1278</sup> The district court construed the claims to refer to technologies in existence at the time the patent was filed, and accordingly ruled that the accused flash memories and smart cards, which were developed after the patent was filed, could not literally infringe.<sup>1279</sup>

The Federal Circuit held that the ordinary meanings of the words “normally,” “conventional,” “traditionally,” and “standard” “are implicitly time-dependant.”<sup>1280</sup> The Federal Circuit observed, “[a] claim cannot have different meanings at different times; its meaning must be interpreted as of its effective filing date.”<sup>1281</sup> The Federal Circuit found that the patent’s written description evidenced no intent by the patentee to give particular meaning to the words used and that the prosecution history of the patent did not redefine the terms.<sup>1282</sup> Consequently, the Federal Circuit reasoned that “the terms . . . are governed by their ordinary and customary meanings, and that, in view of their implicit time-dependence, the district court

---

1273. *Id.*, 76 U.S.P.Q.2d (BNA) at 1490 (citing *Hockerson-Halberstadt, Inc. v. Avia Group Int’l, Inc.*, 222 F.3d 951, 55 U.S.P.O.2d 1487 (Fed. Cir. 2000)).

1274. *Id.* at 1149, 76 U.S.P.Q.2d (BNA) at 1491.

1275. 406 F.3d 1359, 74 U.S.P.Q.2d (BNA) 1698 (Fed. Cir. 2005).

1276. *Id.* at 1361, 74 U.S.P.Q.2d (BNA) at 1699.

1277. *Id.*, 74 U.S.P.Q.2d (BNA) at 1699.

1278. *Id.*, 74 U.S.P.Q.2d (BNA) at 1699.

1279. *Id.* at 1361-62, 74 U.S.P.Q.2d (BNA) at 1699.

1280. *Id.* at 1363, 74 U.S.P.Q.2d (BNA) at 1700.

1281. *Id.*, 74 U.S.P.Q.2d (BNA) at 1700.

1282. *Id.*, 74 U.S.P.Q.2d (BNA) at 1700.

did not err in construing the literal scope of the claim limitations qualified by those terms as being limited to technologies existing at the time of the invention.”<sup>1283</sup> The Federal Circuit also addressed the dictionary definitions of those terms, concluding that although the definitions do not contain a reference to time limitation, ordinary usage of the words implies time-related significance.<sup>1284</sup> Thus, “[p]roperly construed, these claim limitations require the peripheral device to be connectable to a computer I/O port that was in common use at the time of filing in 1988.”<sup>1285</sup>

Under this claim construction, there can be no “literal infringement” because the “flash memories and smart cards that are used with the accused devices employ flat, planar surface contact electrodes at the I/O interface, which, to even a casual observer, cannot be connected to a vintage 1988 computer I/O port that uses a multi-pin connector . . . .”<sup>1286</sup>

In *Seachange International, Inc. v. C-COR Inc.*,<sup>1287</sup> the Federal Circuit reversed the district court’s claim construction on several claim elements. The plaintiff’s patent was directed to a method and apparatus for redundantly storing video data for video-on-demand.<sup>1288</sup>

The Federal Circuit first addressed the issue of claim differentiation. The asserted claims, claim 1 and claim 37, included the limitation “network for data communications,” which the district court construed to mean “establishing data communications between every pair of processor systems in the distributed computer system using any kind of network.”<sup>1289</sup> The defendant argued that this limitation should be construed as limited to networks employing direct, point-to-point interconnections.<sup>1290</sup> One of the independent claims of the patent, claim 1, was identical in all other respects to the other independent claim, claim 37, but included the direct, point-to-point network limitation.<sup>1291</sup> The Federal Circuit explained that

Although the doctrine is at its strongest where the limitation sought to be “read into” an independent claim already appears in a dependent claim, there is still a presumption that two independent claims have different scope when different words or phrases are

---

1283. *Id.*, 74 U.S.P.Q.2d (BNA) at 1700.

1284. *Id.*, 74 U.S.P.Q.2d (BNA) at 1701.

1285. *Id.* at 1364, 74 U.S.P.Q.2d (BNA) at 1701.

1286. *Id.*, 74 U.S.P.Q.2d (BNA) at 1701 (internal citations omitted).

1287. 413 F.3d 1361, 75 U.S.P.Q.2d (BNA) 1385 (Fed. Cir. 2005).

1288. *Id.* at 1365-66, 75 U.S.P.Q.2d (BNA) at 1387.

1289. *Id.* at 1368, 75 U.S.P.Q.2d (BNA) at 1389 (quoting the district court’s opinion).

1290. *Id.*, 75 U.S.P.Q.2d (BNA) at 1389.

1291. *Id.* at 1369, 75 U.S.P.Q.2d (BNA) at 1389.

used in those claims. However, the doctrine only creates a presumption that each claim in a patent has a different scope; it is not a hard and fast rule of construction. The doctrine of claim differentiation can not broaden claims beyond their correct scope, determined in light of the specification and the prosecution history and any relevant extrinsic evidence. Claims that are written in different words may ultimately cover substantially the same subject matter.<sup>1292</sup>

The Federal Circuit first analyzed the specification of the patent. The Federal Circuit agreed with the defendants that the description repeatedly referred to network connections as point-to-point and also suggested a limit on the number of systems compatible with the point-to-point wiring.<sup>1293</sup> However, the Federal Circuit determined that it was not clear whether the references to point-to-point were a description of the invention or just one possible embodiment of it.<sup>1294</sup> Accordingly, “[t]he issue [was] unresolved with certainty from the written description in this case.”<sup>1295</sup>

The Federal Circuit then looked to the prosecution history of the patent. During prosecution, the applicant made arguments with respect to claim 1 as an “illustrative claim” in a grouping that included both claims 1 and 37.<sup>1296</sup> The applicant distinguished claim 1 over the cited prior art by arguing that the prior art “does not suggest that each of the processors in the hypercube arrangement are coupled to each one of the other processors in the hypercube arrangement as recited in claim 1.”<sup>1297</sup>

The Federal Circuit then noted that “[i]n this amendment, Applicant did not separately argue that claim 37[] was patentably distinct on any other basis.”<sup>1298</sup> The Federal Circuit explained that when construing a claim, it considers the prosecution history to ascertain if the patentee disclaimed subject matter to narrow the scope of the claim terms.<sup>1299</sup> “In doing so, we examine the entire prosecution history, which includes amendments to claims and all arguments to overcome and distinguish references.”<sup>1300</sup> The Federal Circuit found that “[t]he Examiner grouped several claims together, including claims 1 and 37[], and rejected them as a group” and that

---

1292. *Id.* at 1368-69, 75 U.S.P.Q.2d (BNA) at 1389 (internal citations omitted).

1293. *Id.* at 1370, 75 U.S.P.Q.2d (BNA) at 1390 (citations omitted).

1294. *Id.*, 75 U.S.P.Q.2d (BNA) at 1390.

1295. *Id.*, 75 U.S.P.Q.2d (BNA) at 1390.

1296. *Id.* at 1370-71, 75 U.S.P.Q.2d (BNA) at 1390-91.

1297. *Id.* at 1371, 75 U.S.P.Q.2d (BNA) at 1391.

1298. *Id.*, 75 U.S.P.Q.2d (BNA) at 1391.

1299. *Id.* at 1372, 75 U.S.P.Q.2d (BNA) at 1392.

1300. *Id.*, 75 U.S.P.Q.2d (BNA) at 1392.

“[a]pplicant then selected claim 1 as ‘an illustrative claim’ and argued that [the prior art did] not suggest connecting each processor to each other processor via point-to-point, two-way channel interconnections.” Accordingly, the Federal Circuit concluded that the plain reading of the Applicant’s statements suggested that the “point-to-point” argument applied to each grouping of claims and that the prosecution history revealed no evidence that the point-to-point argument did not apply to all grouped claims.<sup>1301</sup>

The Federal Circuit concluded that the disclaimer made during prosecution to claim 1 equally applied to asserted claim 37 and held that “[t]he presumption attendant to claim differentiation doctrine is rebutted” and that “[t]he phrase ‘network for data communications’ is limited to networks in which every processor system is connected to every other processor system via direct, point-to-point, two-way channel interconnections.”<sup>1302</sup>

The Federal Circuit next reversed the district court’s construction of the term “distributed computer system.”<sup>1303</sup> The district court had construed the term to mean “‘a stand alone computer in each processor system’”<sup>1304</sup> where a stand alone computer requires “that each processor within the system operate on its own power supply and clock . . . .”<sup>1305</sup> As an initial matter, the Federal Circuit determined that this claim language, which appeared in the preamble of the claim, was in fact limiting.<sup>1306</sup> The Federal Circuit explained that “[i]n general, a preamble limits the invention if it recites essential structure or steps, or if it is ‘necessary to give life, meaning, and vitality’ to the claim.”<sup>1307</sup> In addition, “‘if the preamble

---

1301. *Id.* at 1373, 75 U.S.P.Q.2d (BNA) at 1392-93. The Federal Circuit also analyzed the applicant’s response to a protest filed after the application was allowed, and concluded that:

In the final analysis, the Protest Response does not alter our conclusion that the statements Applicant made in responding to the First Action and in distinguishing over [the prior art] inescapably narrowed the meaning of the data communications network in claim 37[] to a point-to-point network. Applicant’s response to the First Action was a deliberate surrender of claim scope, unmistakable in its effect because it is not suitable to multiple interpretations. The Protest Response addressed Gardner, did not alter the bases upon which the Applicant distinguished [the prior art], and did not undo this disclaimer already made.

*Id.* at 1375, 75 U.S.P.Q.2d (BNA) at 1394 (internal quotation marks and citations omitted).

1302. *Id.*, 75 U.S.P.Q.2d (BNA) at 1394.

1303. *Id.*, 75 U.S.P.Q.2d (BNA) at 1394.

1304. *Id.*, 75 U.S.P.Q.2d (BNA) at 1394 (quoting *Seachange Int’l, Inc. v. nCube Corp.*, 313 F. Supp. 2d 393, 398 (D. Del. 2004)).

1305. *Id.* at 1376, 75 U.S.P.Q.2d (BNA) at 1395.

1306. *Id.*, 75 U.S.P.Q.2d (BNA) at 1394.

1307. *Id.* at 1375-76, 75 U.S.P.Q.2d (BNA) at 1394 (quoting *Catalina Mktg. Int’l v.*



helps to determine the scope of the patent claim, then it is construed as part of the claimed invention.”<sup>1308</sup> The Federal Circuit concluded that “the preamble provides the only antecedent basis and thus the context essential to understand the meaning of ‘processor system’; therefore, the preamble, including the phrase ‘distributed computer system,’ limits the scope of the claimed invention.”<sup>1309</sup>

The Federal Circuit, consulting an IEEE dictionary, determined that the definition of “distributed system” did not require that each computer be “stand alone,” and that “neither the claim nor the written description states such a requirement.”<sup>1310</sup> Moreover, the Federal Circuit concluded that “[b]ecause it is improper to import a limitation into a claim where the limitation has no basis in the intrinsic record,” “the district court erred in requiring that each processor system ‘stand-alone,’ i.e., have a separate clock and power supply.”<sup>1311</sup>

Finally, the Federal Circuit reversed the district court’s construction of the term “processor systems” to require that each system have “at least one [CPU] capable of running application type software, and at least one mass storage system.”<sup>1312</sup> The Federal Circuit determined that the claim itself “does not state that [the CPU] must be capable of running application-type software,” and that an IEEE dictionary established the ordinary meaning of CPU was not so limited.<sup>1313</sup> Moreover the written description supported a “broader construction” because it included an embodiment where a CPU could run a “device driver” which “need not be the same as application-type software.”<sup>1314</sup> The Federal Circuit also rejected Seachange’s argument that the claim limitation should be construed more narrowly to preserve the validity of the claim.<sup>1315</sup> In reaching this decision, the Federal Circuit observed that “this is not a case in which the court concludes, after applying all the available tools of claim construction, that the claim is still ambiguous.”<sup>1316</sup>

---

Coolsavings.com, Inc., 289 F.3d 801, 808, 62 U.S.P.Q.2d (BNA) 1781, 1784 (Fed. Cir. 1999)).

1308. *Id.* at 1376, 75 U.S.P.Q.2d (BNA) at 1394 (quoting *NTP, Inc. v. Research In Motion, Ltd.*, 392 F.2d 1336, 1358, 73 U.S.P.Q.2d (BNA) 1231, 1247 (Fed. Cir. 2004)).

1309. *Id.*, 75 U.S.P.Q.2d (BNA) at 1394.

1310. *Id.*, 75 U.S.P.Q.2d (BNA) at 1395 (internal citations omitted).

1311. *Id.*, 75 U.S.P.Q.2d (BNA) at 1395 (internal citations omitted).

1312. *Id.* at 1376, 75 U.S.P.Q.2d (BNA) at 1395-96 (quoting *Seachange Int’l, Inc. v. nCube Corp.*, 115 F. Supp. 2d 473, 483 (D. Del. 2000)).

1313. *Id.* at 1377, 75 U.S.P.Q.2d (BNA) at 1395.

1314. *Id.*, 75 U.S.P.Q.2d (BNA) at 1395.

1315. *Id.*, 75 U.S.P.Q.2d (BNA) at 1396.

1316. *Id.*, 75 U.S.P.Q.2d (BNA) at 1396 (internal citation omitted).

In *Boss Control, Inc. v. Bombardier Inc.*,<sup>1317</sup> the Federal Circuit affirmed the district court's grant of summary judgment of noninfringement based on the district court's claim construction.<sup>1318</sup> The patent was directed to a security power interrupt apparatus that prevents unauthorized use of an electrically operated product.<sup>1319</sup> Boss accused Bombardier of infringement based on Bombardier's personal watercraft and snowmobiles equipped with Digitally Encoded Security Systems ("DESS").<sup>1320</sup> At issue were two claim limitations the district court found missing in the allegedly infringing devices: (1) that the devices "monitor the operative connection with said code-providing device"; and (2) that the device "interrupt power to the load responsive to said code-providing device being operatively disconnected from said controller."<sup>1321</sup>

The Federal Circuit focused specifically on the district court's construction of the term "interrupt." Boss contended that this term should be given its ordinary meaning of "to break off" or "to shut or cut off," while Bombardier contended that the term should be construed more narrowly to require more than just "on-off" control of electrical power.<sup>1322</sup> The Federal Circuit agreed with Bombardier, and determined that the specification defined "interrupt" as requiring a two-stage interruption of power.<sup>1323</sup> Specifically, the "Background of the Invention" of the patent specification described the prior art as including "devices [that] conventionally provide for on-off control only . . .," while the "Summary of the Invention" section distinguished the invention from prior art by describing a two-stage interruption of power.<sup>1324</sup> The Federal Circuit explained that "[t]he specification therefore distinguishes between simple on-off interruption of electrical power and interruption of electrical power that occurs in two stages" and that, "the specification clearly sets forth a definition of 'interrupt' that is more detailed than simple on-off control."<sup>1325</sup>

The Federal Circuit went on to explain that the preferred embodiments described in the specification were consistent with the narrower construction.<sup>1326</sup> The Federal Circuit acknowledged that "it

---

1317. 410 F.3d 1372, 75 U.S.P.Q.2d (BNA) 1038 (Fed. Cir. 2005).

1318. *Id.* at 1374, 1381, 75 U.S.P.Q.2d (BNA) at 1039, 1044.

1319. *Id.* at 1374, 75 U.S.P.Q.2d (BNA) at 1039.

1320. *Id.* at 1375, 75 U.S.P.Q.2d (BNA) at 1040.

1321. *Id.* at 1375-76, 75 U.S.P.Q.2d (BNA) at 1040.

1322. *Id.* at 1376, 75 U.S.P.Q.2d (BNA) at 1041.

1323. *Id.* at 1377-78, 75 U.S.P.Q. (BNA) at 1041-42.

1324. *Id.* at 1377, 75 U.S.P.Q.2d (BNA) at 1041.

1325. *Id.*, 75 U.S.P.Q.2d (BNA) at 1041.

1326. *Id.* at 1377-78, 75 U.S.P.Q.2d (BNA) at 1041-42.

is of course improper to limit the claims to the particular preferred embodiments described in the specification.”<sup>1327</sup> The Federal Circuit explained, however, that “the patentee’s choice of preferred embodiments can shed light on the intended scope of the claims.”<sup>1328</sup> In this case, the Federal Circuit concluded, “[t]his description confirms that, in the context of the invention, interruption of power to an electrical device involves two stages . . . .”<sup>1329</sup> Further, the Federal Circuit rejected Boss’s argument that dictionary definitions and the prosecution history supported a broader construction, explaining, “[n]either the dictionary definition nor the prosecution history, however, overcomes the particular meaning of ‘interrupt’ clearly set forth in the specification.”<sup>1330</sup> Thus, “[b]ecause the specification makes clear that the invention involves a two-stage interrupt mode, the intrinsic evidence binds Boss to a narrower definition of ‘interrupt’ than the extrinsic evidence might support.”<sup>1331</sup> Accordingly, the Federal Circuit determined that “interrupt” meant “(1) providing electrical current to a device up to a preset threshold so that auxiliary components may continue to operate; and (2) completely shutting off electrical current to the device when the electrical current exceeds the preset threshold.”<sup>1332</sup>

In *Lisle Corp. v. A.J. Manufacturing Co.*,<sup>1333</sup> the Federal Circuit also considered whether the district court properly granted summary judgment of infringement in favor of the plaintiff. The patent related to an inner tie rod tool for servicing a rack and pinion steering system.<sup>1334</sup> On appeal, the defendant challenged the district court’s grant of summary judgment, arguing that the court improperly construed two claim limitations: (1) “retainer”; and (2) “said retainer being detachably cooperative with the tabs to rotate the disc and a tie rod engaged therewith.”<sup>1335</sup> The defendant argued that the district court improperly applied the ordinary and accustomed meaning to the disputed limitations.<sup>1336</sup>

The Federal Circuit rejected the defendant’s argument that the term “retainer” should be limited to mean a “collar or ring rotatably

---

1327. *Id.* at 1377, 75 U.S.P.Q.2d (BNA) at 1041 (quoting *Astrazeneca AB v. Mut. Pharm. Co.*, 384 F.3d 1333, 1340, 72 U.S.P.Q.2d (BNA) 1726, 1731 (Fed. Cir. 2004)).

1328. *Id.*, 75 U.S.P.Q.2d (BNA) at 1041.

1329. *Id.* at 1378, 75 U.S.P.Q.2d (BNA) at 1042.

1330. *Id.*, 75 U.S.P.Q.2d (BNA) at 1042.

1331. *Id.* at 1379, 75 U.S.P.Q.2d (BNA) at 1042.

1332. *Id.*, 75 U.S.P.Q.2d (BNA) at 1043.

1333. 398 F.3d 1306, 73 U.S.P.Q.2d (BNA) 1891 (Fed. Cir. 2005).

1334. *Id.* at 1309-10, 73 U.S.P.Q.2d (BNA) at 1892-93.

1335. *Id.* at 1313, 73 U.S.P.Q.2d (BNA) at 1895 (internal citations omitted).

1336. *Id.*, 73 U.S.P.Q.2d (BNA) at 1895.

affixed over the surface of the hollow tube” as referred to in the patent specification.<sup>1337</sup> The Federal Circuit held that the defendant’s proposed construction was too narrow, and noted that the patent specification “broadly state[d] that the retainer’s configuration and shape may be varied.”<sup>1338</sup>

With respect to the district court’s construction of the “detachably cooperative” limitation, the Federal Circuit also rejected the defendant’s proposed construction.<sup>1339</sup> The defendant’s construction required “the wrench disc and the hollow tube to simultaneously detach from one another and rotate the tie rod.”<sup>1340</sup> The Federal Circuit noted that this could not be a proper claim construction, as the tool disclosed in the patent was not capable of simultaneously detaching and rotating.<sup>1341</sup> The Federal Circuit relied on the specification to attain a common-sense meaning of the claim limitation and to clarify the district court’s construction.<sup>1342</sup> The Federal Circuit held that the object of the patented invention was to provide a single tool to be used on many different tie rod configurations.<sup>1343</sup> The Federal Circuit noted this objective was obtainable only “because the retainer allows the body of the tool to engage or disengage the wrench discs” and that the wrench disc “can perform its stated function of rotating a tie rod” only when secured to the body of the tool.<sup>1344</sup> In light of these disclosures in the specification, the court held that the disputed claim limitation was apparent: “the wrench disc is detachable from the body of the tool, but when not detached, the tabs of the wrench disc and the retainer work together to rotate the wrench disc and the tie rod that is interlocked with the wrench disc.”<sup>1345</sup> The court affirmed the district court’s summary judgment of literal infringement of the claims despite its “minor clarification” of the “detachably cooperative” limitation.<sup>1346</sup> The defendant did not assert a non-infringement position, other than the proposed claim constructions, with respect to either the “detachably cooperative” limitation or the “retainer” limitation.<sup>1347</sup>

---

1337. *Id.*, 73 U.S.P.Q.2d (BNA) at 1895.

1338. *Id.*, 73 U.S.P.Q.2d (BNA) at 1895.

1339. *Id.* at 1314, 73 U.S.P.Q.2d (BNA) at 1895.

1340. *Id.*, 73 U.S.P.Q.2d (BNA) at 1895.

1341. *Id.*, 73 U.S.P.Q.2d (BNA) at 1895.

1342. *Id.*, 73 U.S.P.Q.2d (BNA) at 1895.

1343. *Id.*, 73 U.S.P.Q.2d (BNA) at 1895.

1344. *Id.*, 73 U.S.P.Q.2d (BNA) at 1895.

1345. *Id.*, 73 U.S.P.Q.2d (BNA) at 1895.

1346. *Id.*, 73 U.S.P.Q.2d (BNA) at 1895.

1347. *Id.*, 73 U.S.P.Q.2d (BNA) at 1895-96.

In *SanDisk Corp. v. Memorex Products, Inc.*,<sup>1348</sup> the Federal Circuit vacated the district court's grant of a judgment of no infringement to the defendants.<sup>1349</sup> The district court found that the defendants did not infringe on the plaintiff's patent,<sup>1350</sup> which involved electrically erasable programmable read only memory ("EEPROM") that improved efficiency over prior art.<sup>1351</sup> Specifically, the patent introduced two new technologies.<sup>1352</sup> First, it arranged memory cells into sectors in a novel way that allowed for the erasing of information on either just one EEPROM chip or among multiple chips within a system.<sup>1353</sup> Second, the sectors discussed above are partitioned into at least two components, consisting of "user" and "overhead" data.<sup>1354</sup>

Three years before the plaintiff filed suit against the defendants, the plaintiff prevailed in a suit against another alleged infringer of the same patent ("the Lexar suit").<sup>1355</sup> During the Lexar suit, that court construed the claim term "user data and overhead data portions."<sup>1356</sup> During the district court's proceedings in the instant action, the district court "heavily relied" on the Lexar court's claim construction.<sup>1357</sup> In doing so, the district court construed the plaintiff's claims to "require that every cell in the memory device be grouped into a sector, and every sector be partitioned into user and overhead data portions."<sup>1358</sup> With this claim construction, the court granted the defendants' motion for summary judgment, finding that their products included some sectors that were not partitioned.<sup>1359</sup>

The Federal Circuit found that the district court erred in its claim construction and its reliance on the prosecution history.<sup>1360</sup> The court prefaced its discussion of the plaintiff's patent claims by stating that "[c]laim construction begins with the language of the asserted claims."<sup>1361</sup> Looking to the plain language of the relevant claim language,<sup>1362</sup> the court found that it used "non-restrictive

1348. 415 F.3d 1278, 75 U.S.P.Q.2d (BNA) 1475 (Fed. Cir. 2005).

1349. *Id.* at 1280, 75 U.S.P.Q.2d (BNA) at 1477.

1350. *Id.*, 75 U.S.P.Q.2d (BNA) at 1477.

1351. *Id.* at 1280-81, 75 U.S.P.Q.2d (BNA) at 1477-78.

1352. *Id.* at 1281, 75 U.S.P.Q.2d (BNA) at 1477.

1353. *Id.*, 75 U.S.P.Q.2d (BNA) at 1478.

1354. *Id.* at 1282, 75 U.S.P.Q.2d (BNA) at 1478.

1355. *Id.*, 75 U.S.P.Q.2d (BNA) at 1479 (describing *SanDisk Corp. v. Lexar Media, Inc.*, No. C 98-01115 CRB, 1999 WL 129512, at \*2 (N.D. Cal. Mar. 4, 1999)).

1356. *Id.*, 75 U.S.P.Q.2d (BNA) at 1479 (quoting the district court's order).

1357. *Id.* at 1283, 70 U.S.P.Q.2d (BNA) at 1479.

1358. *Id.*, 70 U.S.P.Q.2d (BNA) at 1479.

1359. *Id.*, 70 U.S.P.Q.2d (BNA) at 1479.

1360. *Id.* at 1280, 70 U.S.P.Q.2d (BNA) at 1477.

1361. *Id.* at 1284, 70 U.S.P.Q.2d (BNA) at 1480.

1362. The relevant claim language states:

A method of operating a computer system including a processor and a

terminology,” and that the use of the term “include” also meant “comprising.”<sup>1363</sup> Moreover, neither of these terms “foreclose[] additional elements that need not satisfy the stated claim limitations.”<sup>1364</sup> Accordingly, the Federal Circuit rejected the district court’s claim construction that required every EEprom cell to “be grouped into a sector that is partitioned into user and overhead data portions.”<sup>1365</sup> Rather, the Federal Circuit found that nothing in the claim language prohibits “the use of Flash EEproms containing cells that are not grouped into partitioned sectors.”<sup>1366</sup>

The plaintiff argued that the district court’s claim construction was inconsistent with the patent specification, as it excluded at least two preferred embodiments.<sup>1367</sup> Agreeing with the plaintiff, the Federal Circuit addressed only the plaintiff’s first embodiment argument.<sup>1368</sup> The Federal Circuit prefaced its decision by stating that, “[a] claim construction that excludes a preferred embodiment, moreover, ‘is rarely, if ever, correct.’”<sup>1369</sup> The plaintiff’s patent specification included an embodiment pertaining to a sector defect map, which provides information “mapping defective memory sectors into good ones.”<sup>1370</sup> The sector defect map only contained overhead data, and not user data.<sup>1371</sup> As such, the plaintiff argued that the district court’s claim construction, which would have required each cell to have separate partitions of user data and overhead data, must be incorrect given that its construction would preclude the situation where the sector defect map “would contain only overhead data, [and] the portions of the Flash EEprom memory used in the preferred embodiment would not be partitioned into user data and overhead

---

memory system, wherein the memory system includes an array of non-volatile floating gate memory cells partitioned into a plurality of sectors that individually include a distinct group of said array of memory cells that are erasable together as a unit, comprising: providing said memory array and a memory controller within a card that is removably connectable to the computer system, said controller being connectable to said processor for controlling operation of the array when the card is connected to the computer system, partitioning the memory cells within the individual sectors into at least a user data portion and an overhead portion . . . .

*Id.*, 70 U.S.P.Q.2d (BNA) at 1480 (quoting U.S. Patent No. 5,602,987, col.16, II.24-37 (filed on June 8, 1988) (emphasis added)).

1363. *Id.*, 70 U.S.P.Q.2d (BNA) at 1480.

1364. *Id.*, 70 U.S.P.Q.2d (BNA) at 1480.

1365. *Id.*, 70 U.S.P.Q.2d (BNA) at 1480.

1366. *Id.* at 1285, 70 U.S.P.Q.2d (BNA) at 1480.

1367. *Id.*, 70 U.S.P.Q.2d (BNA) at 1480.

1368. *Id.*, 70 U.S.P.Q.2d (BNA) at 1481.

1369. *Id.*, 70 U.S.P.Q.2d (BNA) at 1481 (quoting *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582, 39 U.S.P.Q.2d (BNA) 1573, 1578 (Fed. Cir. 1996)).

1370. *Id.*, 70 U.S.P.Q.2d (BNA) at 1481.

1371. *Id.*, 70 U.S.P.Q.2d (BNA) at 1481.

data . . . .”<sup>1372</sup> The district court had rejected this argument by the plaintiff, finding that the fact that the sector defect map only contained overhead data did not prove that the embodiment contemplated this.<sup>1373</sup> The Federal Circuit found the district court’s rejection of this argument “misplaced.”<sup>1374</sup>

The Federal Circuit also rejected a defendant’s argument that the specification only pertained to those sectors that contained user and overhead data that were partitioned separately.<sup>1375</sup> Finding that there was nothing contradicting the plain meaning of the claims, the Federal Circuit stated that “it is axiomatic that without more the court will not limit claim terms to a preferred embodiment described in the specification.”<sup>1376</sup>

The Federal Circuit then reviewed the prosecution history to determine whether the plaintiff surrendered any claim coverage.<sup>1377</sup> The plaintiff argued that the district court erred in finding that the prosecution history disclaimed “any method or device in which Flash EEprom memory cells were not grouped into partitioned sectors.”<sup>1378</sup>

The Federal Circuit thus set out to determine whether the plaintiff had made a “clear and unmistakable” disclaimer by reviewing the plaintiff’s prosecution arguments.<sup>1379</sup> The patent’s prosecution history revolved around an examiner’s obviousness rejection.<sup>1380</sup> The plaintiff differentiated its application from two prior patents by stating that

[t]he memory cell array is divided into sectors, with the cells within each sector being erasable together as a unit. Stored in each sector is a sectors [sic] worth of user data and some overhead information (a header) about the sector and/or about the user data stored in the sector.<sup>1381</sup>

Referring to this language, the district court focused on the plaintiff’s use of “each sector,” and held that the plaintiff used “each sector” to mean that “every sector” of the patented product would contain overhead and user data.<sup>1382</sup>

---

1372. *Id.*, 70 U.S.P.Q.2d (BNA) at 1481.

1373. *Id.*, 70 U.S.P.Q.2d (BNA) at 1481.

1374. *Id.*, 70 U.S.P.Q.2d (BNA) at 1481.

1375. *Id.* at 1286, 70 U.S.P.Q.2d (BNA) at 1481.

1376. *Id.*, 70 U.S.P.Q.2d (BNA) at 1481.

1377. *Id.*, 70 U.S.P.Q.2d (BNA) at 1481.

1378. *Id.*, 70 U.S.P.Q.2d (BNA) at 1481.

1379. *Id.* at 1287, 70 U.S.P.Q.2d (BNA) at 1482.

1380. *Id.* at 1287, 70 U.S.P.Q.2d (BNA) at 1482.

1381. *Id.* at 1288, 70 U.S.P.Q.2d (BNA) at 1483 (quoting Pretec’s Summary Judgment Order, slip op. at 25).

1382. *Id.*, 70 U.S.P.Q.2d (BNA) at 1483.

The Federal Circuit reviewed the above passage, as well as the prosecution history as a whole, and concluded that “there is no prior reason why that memory cell array or the discussion of it should be presumed to exhaust every cell on every EEprom in the ‘memory system’ recited in the claim preambles.”<sup>1383</sup> In other words, the plaintiff made “no clear or unmistakable surrender” when it used the phrase “each sector,” as this phrase may be interpreted to mean “‘each sector’ subject to the claimed method,” and not every sector in the EEprom memory system.<sup>1384</sup> Accordingly, the Federal Circuit found that the plaintiff did not disclaim the possibility that not all of its EEprom memory cells would be partitioned into sectors.<sup>1385</sup>

In *Pfizer, Inc., v. Teva Pharmaceuticals, USA, Inc.*,<sup>1386</sup> the Federal Circuit affirmed the district court’s grant of a preliminary injunction to the plaintiff, Pfizer, Inc.<sup>1387</sup> The Federal Circuit outlined the four elements needed for a grant of preliminary injunction.<sup>1388</sup> As to proving the first element—that the movant has a “reasonable likelihood of success on the merits”<sup>1389</sup>—the Federal Circuit stated that the plaintiff would need to show it owned a valid and enforceable patent and that the defendant likely infringed on this patent.<sup>1390</sup> Because the defendant did not question the former, the Federal Circuit focused on whether the district court correctly construed the patent’s claims.<sup>1391</sup>

The plaintiff’s patent related to a pharmaceutical drug named Accupril®, which uses angiotensin converting enzyme (“ACE”) inhibitors to treat high blood pressure.<sup>1392</sup> Although many ACE inhibitors degrade and become unstable due to cyclization, hydrolysis, and oxidation processes, the patent included a formulation that avoided these problems.<sup>1393</sup> One of the crucial compounds in the formulation is “inert diluent lactose.”<sup>1394</sup>

In 1999, Teva Pharmaceuticals, USA, Inc. (“Teva”) filed an ANDA to market a generic version of Accupril®.<sup>1395</sup> Pfizer<sup>1396</sup> brought suit

1383. *Id.*, 70 U.S.P.Q.2d (BNA) at 1483.

1384. *Id.*, 70 U.S.P.Q.2d (BNA) at 1483.

1385. *Id.* at 1290, 70 U.S.P.Q.2d (BNA) at 1484.

1386. 429 F.3d 1364, 77 U.S.P.Q.2d (BNA) 1257 (Fed. Cir. 2005).

1387. *Id.* at 1369, 77 U.S.P.Q.2d (BNA) at 1259.

1388. *Id.* at 1372, 77 U.S.P.Q.2d (BNA) at 1261.

1389. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261.

1390. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261.

1391. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261.

1392. *Id.* at 1369, 77 U.S.P.Q.2d (BNA) at 1259.

1393. *Id.*, 77 U.S.P.Q.2d (BNA) at 1259.

1394. *Id.*, 77 U.S.P.Q.2d (BNA) at 1259.

1395. *Id.* at 1370, 77 U.S.P.Q.2d (BNA) at 1259.

1396. Warner-Lambert, a subsidiary of Pfizer, actually brought suit. *Id.*, 77



against Teva alleging infringement under 35 U.S.C. § 271(e)(2)(A).<sup>1397</sup> Originally, the two parties argued for different claim constructions. Eventually, however, they stipulated that the plaintiff's use of "saccharide" in Claims 1 and 16<sup>1398</sup> meant "a sugar, and specifically includes only lower molecular weight carbohydrates, specifically, mono- and disaccharides and their simple derivatives, including such substances as lactose, sucrose, mannitol and sorbitol."<sup>1399</sup> Although the outcome of this litigation was not at issue for the Federal Circuit, the stipulated definition of saccharide from this suit did arise when Pfizer later brought suit in the instant action against the defendants, Teva and Ranbaxy Pharmaceuticals, Inc. ("Ranbaxy"). In this action, the plaintiff brought an infringement suit after the defendants entered into a Distribution and Supply Agreement to co-market a generic version of Accupril®.<sup>1400</sup>

In considering the plaintiff's preliminary injunction request, the district court refused to adopt the construction of "saccharide" as defined by the court in the previous suit involving Pfizer and Teva.<sup>1401</sup> It denied adopting the defendants' definition, which read "sugars, including the lower molecular carbohydrates, specifically mono- and disaccharides."<sup>1402</sup> Instead, the district court construed the term "saccharide" and "saccharides" as used in Claims 1 and 16 to include "mono-, di-, tri-, and polysaccharides."<sup>1403</sup> Finding that this construction would likely lead to a final judgment of infringement, the district court granted the plaintiff a preliminary injunction. The defendants subsequently appealed that grant and the district court's claim construction.

---

U.S.P.Q.2d (BNA) at 1260.

1397. *Id.*, 77 U.S.P.Q.2d (BNA) at 1260.

1398. Claim 1 states:

A pharmaceutical composition which contains: (a) a drug component which comprises a suitable amount of an ACE inhibitor which is susceptible to cyclization, hydrolysis, and discolorization, (b) a suitable amount of an alkali or alkaline earth metal carbonate to inhibit cyclization and discolorization, and (c) a suitable amount of a saccharide to inhibit hydrolysis. *Id.* at 1369, 77 U.S.P.Q.2d (BNA) at 1259 (citing U.S. Patent No. 4,743,450 col.5, 1.52—col.6, 1.2 (filed on Feb. 24, 1987)).

Claim 16 states: "[a] process for stabilizing an ACE inhibitor drug against cyclization which comprises the step of contacting the drug with: (a) a suitable amount of an alkali or alkaline earth-metal carbonate and, (b) one or more saccharides." *Id.* at 1370, 77 U.S.P.Q.2d (BNA) at 1259 (citing U.S. Patent No. 4,743,450 col.6, 11.54-63 (filed on Feb. 24, 1987)).

1399. *Id.*, 77 U.S.P.Q.2d (BNA) at 1260.

1400. *Id.* at 1371, 77 U.S.P.Q.2d (BNA) at 1260.

1401. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261.

1402. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261.

1403. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261.

On appeal, the defendants argued that the district court should have further defined “polysaccharide” to mean sugars “with up to ten monosaccharide units,” but would not include any polysaccharide, such as microcrystalline cellulose, that included more than ten units.<sup>1404</sup> In support of its argument that the district court erred by not limiting polysaccharides to meaning “sugars,” the defendants pointed to patent language that referenced “saccharides (i.e., sugars).”<sup>1405</sup> While the Federal Circuit admitted it previously referenced the use of “i.e.” in construing disputed terms, it would not do so here, as doing so would “ignore[] the fact that the person of ordinary skill in the art is deemed to have read the claim term in the context of the entire patent.”<sup>1406</sup> Reviewing the patent as a whole, the Federal Circuit found the plaintiff used the term “saccharide” in a very broad manner, and that the plaintiff did not define saccharides in what they were, but instead, in what they were not.<sup>1407</sup> By doing so, the plaintiff “left open a vast array of substances that may be considered” saccharides.<sup>1408</sup> In support of this conclusion, the Federal Circuit quoted patent language that stated “[m]annitol, lactose, and other sugars are preferred.”<sup>1409</sup> Because mannitol is not actually a sugar, but a sugar derivative, the Federal Circuit reasoned that the ‘450 patent did not contemplate limiting the term “saccharide” to only sugars.<sup>1410</sup> Additionally, the Federal Circuit approved the district court’s use of a dictionary in construing the claim terms, “so long as the dictionary definition does not contradict any definition found in or ascertained by a reading of the patent documents.”<sup>1411</sup>

The defendants also argued that the stipulated definition of saccharides used by the court in the previous litigation between Teva and Pfizer supports its claim construction.<sup>1412</sup> Rejecting this argument, the Federal Circuit stated that the defendants did not identify “any legal doctrines that would compel” the Federal Circuit to adopt that stipulated construction.<sup>1413</sup> Moreover, it pointed out that the stipulated construction’s use was exclusively limited to that

---

1404. *Id.* at 1373, 77 U.S.P.Q.2d (BNA) at 1262.

1405. *Id.*, 77 U.S.P.Q.2d (BNA) at 1262.

1406. *Id.*, 77 U.S.P.Q.2d (BNA) at 1262.

1407. *Id.* at 1374, 77 U.S.P.Q.2d (BNA) at 1262.

1408. *Id.*, 77 U.S.P.Q.2d (BNA) at 1263.

1409. *Id.*, 77 U.S.P.Q.2d (BNA) at 1263.

1410. *Id.*, 77 U.S.P.Q.2d (BNA) at 1263.

1411. *Id.* at 1375, 77 U.S.P.Q.2d (BNA) at 1263 (citing *Phillips v. AWH Corp.*, 415 F.3d 1303, 1322-23, 75 U.S.P.Q.2d (BNA) 1321, 1327 (Fed. Cir. 2005)).

1412. *Id.*, 77 U.S.P.Q.2d (BNA) at 1264.

1413. *Id.* at 1376, 77 U.S.P.Q.2d (BNA) at 1264.

litigation.<sup>1414</sup> Lastly, the defendants argued that the district court's claim construction rendered claims 1 and 16 invalid for lack of enablement under 35 U.S.C. § 112.<sup>1415</sup> The Federal Circuit stated it would not apply the maxim in this case, "that claims should be construed to preserve their validity," because the defendants failed to show that the PTO would have found the claims invalid had it not used the defendants' construction of saccharides.<sup>1416</sup> Accordingly, the Federal Circuit held that the district court correctly construed the term saccharide.<sup>1417</sup>

In *MicroStrategy Inc. v. Business Objects, S.A.*,<sup>1418</sup> the Federal Circuit affirmed the district court's grant of summary judgment to the defendant, Business Objects, finding non-infringement of the plaintiff's patent. In this case, both parties competed in the business intelligence software field.<sup>1419</sup> The plaintiff's patent pertained to a system and method responsible for automatically broadcasting information "to multiple types of subscriber output devices and formatting output for those devices using configurable parameters."<sup>1420</sup> The "multiple types of subscriber output devices" included devices such as "electronic mail, personal digital assistants ("PDA"), pagers, facsimiles, printers, mobile phones, and telephones."<sup>1421</sup> The issue before the Federal Circuit was whether the plaintiff's patent required that it support multiple types of output devices, or whether it could support only one type of output device.<sup>1422</sup> To make this determination, the Federal Circuit reviewed the district court's claim construction of "device-specific style,"<sup>1423</sup> and whether, based on its construction, the district court correctly concluded that the defendant's product infringed on the plaintiff's patent.<sup>1424</sup>

The district court construed the plaintiff's claim term "device-specific style" to mean "[t]he format in which a particular type of output device receives and displays service output, consisting of values of a plurality of parameters."<sup>1425</sup> Construing the remaining

---

1414. *Id.*, 77 U.S.P.Q.2d (BNA) at 1264.

1415. *Id.*, 77 U.S.P.Q.2d (BNA) at 1264.

1416. *Id.*, 77 U.S.P.Q.2d (BNA) at 1264.

1417. *Id.*, 77 U.S.P.Q.2d (BNA) at 1264.

1418. *Microstrategy, Inc. v. Bus. Objects, S.A.*, 429 F.3d 1344, 77 U.S.P.Q.2d (BNA) 1001 (Fed. Cir. 2005).

1419. *Id.* at 1348, 77 U.S.P.Q.2d (BNA) at 1002.

1420. *Id.* at 1349, 77 U.S.P.Q.2d (BNA) at 1003.

1421. *Id.*, 77 U.S.P.Q.2d (BNA) at 1003.

1422. *Id.*, 77 U.S.P.Q.2d (BNA) at 1003.

1423. *Id.* at 1350, 77 U.S.P.Q.2d (BNA) at 1004.

1424. *Id.*, 77 U.S.P.Q.2d (BNA) at 1004.

1425. *Id.*, 77 U.S.P.Q.2d (BNA) at 1004.

claim language, the district court concluded that the plaintiff's patent "requires a particular format and presentation for one device, e.g., mobile phone data, that could differ from the format for a second device, e.g., electronic mail data."<sup>1426</sup> On appeal, the plaintiff argued that the correct meaning of the district court's claim construction would not require support for more than one type of output device.<sup>1427</sup> Reviewing claim language and the specification, the Federal Circuit rejected the plaintiff's argument, finding that the patent required support for at least two output devices.<sup>1428</sup> As for the claim language, the Federal Circuit found that all three of the plaintiff's independent claims required "*each* user output device subscribed to a service be *associated* with a *device-specific style*" and that a "device-specific formatted output according to a style specified for each device."<sup>1429</sup> The Federal Circuit found the claims' use of the terms "each" and "specified" require more than one device-specific style and that only one device-specific style would be insufficient.<sup>1430</sup>

The Federal Circuit then focused on the specification, which stated, "[t]he system then automatically forwards output from the services to one or more subscriber output devices specified for that service."<sup>1431</sup> While the Federal Circuit recognized that this language suggests that the system may only send output to one output device, it rejected this interpretation.<sup>1432</sup> In support of its holding, the Federal Circuit pointed out that the specification does not deal with a "minimum capacity to support a number of output formats (e.g., only one)."<sup>1433</sup> Rather, the Federal Circuit found the specification more strongly suggested that the system required support for more than one type of subscriber output devices.<sup>1434</sup> Accordingly, the Federal Circuit affirmed the district court's claim construction and finding of non-infringement.<sup>1435</sup>

In *Pause Technology LLC v. TiVo Inc.*,<sup>1436</sup> the Federal Circuit affirmed the district court's grant of summary judgment of noninfringement based on its claim construction.<sup>1437</sup> In reviewing whether TiVo's

1426. *Id.* at 1350-51, 77 U.S.P.Q.2d (BNA) at 1004.

1427. *Id.* at 1351, 77 U.S.P.Q.2d (BNA) at 1005.

1428. *Id.* at 1351-52, 77 U.S.P.Q.2d (BNA) at 1005-06.

1429. *Id.* at 1351, 77 U.S.P.Q.2d (BNA) at 1005.

1430. *Id.*, 77 U.S.P.Q.2d (BNA) at 1005.

1431. *Id.* at 1352, 77 U.S.P.Q.2d (BNA) at 1005.

1432. *Id.*, 77 U.S.P.Q.2d (BNA) at 1005.

1433. *Id.*, 77 U.S.P.Q.2d (BNA) at 1005.

1434. *Id.*, 77 U.S.P.Q.2d (BNA) at 1005.

1435. *Id.*, 77 U.S.P.Q.2d (BNA) at 1005-06.

1436. 419 F.3d 1326, 76 U.S.P.Q.2d (BNA) 1110 (Fed. Cir. 2005).

1437. *Id.* at 1327, 76 U.S.P.Q.2d (BNA) at 1112.

digital video recorder (“DVR”) infringed on the plaintiff’s patent, the district court construed “circular storage buffer,” and “time interval of predetermined duration,” as claim terms used in the patent.<sup>1438</sup>

The parties agreed that circular storage buffers could be configured in two different ways to record data—either physically or logically.<sup>1439</sup> The plaintiff argued that the court should broadly construe the “circular storage buffer” limitation to include a logical addressing scheme, rather than limit the construction to a physical addressing scheme.<sup>1440</sup> The district court denied the plaintiff’s argument, and construed “circular storage buffer” to pertain to a physical addressing scheme.<sup>1441</sup>

The Federal Circuit began by reviewing the claim language of the patent.<sup>1442</sup> The plaintiff’s claim states that the circular storage buffer is a “memory access means [that] continuously writ[es] said sequence of digital input signal values into said addressable digital memory.”<sup>1443</sup> The circular storage buffer operates so that writing occurs “at a sequence of continually advancing writing addresses established by said processor to write over the oldest of said input signal values recorded in said digital memory as said sequence of writing addresses are advanced.”<sup>1444</sup> In other words, the plaintiff’s circular storage buffer allows for new signal values to “write over” the oldest input signal values.<sup>1445</sup>

The plaintiff urged the Federal Circuit to ignore “write over” language appearing later in its claims, stating that “regardless of what claim language appears in a later portion of the claim, that language should not be read into the interpretation of a separate claim element.”<sup>1446</sup> The Federal Circuit refused this request, stating that “[p]roper claim construction . . . demands interpretation of the entire claim in context, not a single element in isolation.”<sup>1447</sup> Further, the Federal Circuit stated that the “write over” language reflected how the buffer addressed data for storage, and that there was “no basis” for it to ignore this language.<sup>1448</sup>

---

1438. *Id.*, 76 U.S.P.Q.2d (BNA) at 1112.

1439. *Id.*, 76 U.S.P.Q.2d (BNA) at 1112.

1440. *Id.* at 1330, 76 U.S.P.Q.2d (BNA) at 1114-15.

1441. *Id.* at 1329, 76 U.S.P.Q.2d (BNA) at 1114.

1442. 419 F.3d at 1330, 76 U.S.P.Q.2d (BNA) at 1114.

1443. *Id.* at 1330-31, 76 U.S.P.Q.2d (BNA) at 1114-15 (quoting patent language).

1444. *Id.* at 1331, 76 U.S.P.Q.2d (BNA) at 1115.

1445. *Id.*, 76 U.S.P.Q.2d (BNA) at 1115.

1446. *Id.*, 76 U.S.P.Q.2d (BNA) at 1115.

1447. *Id.*, 76 U.S.P.Q.2d (BNA) at 1115 (quoting *Hockerson-Halberstadt, Inc. v. Converse Inc.*, 183 F.3d 1369, 1374, 51 U.S.P.Q.2d (BNA) 1518, 1522 (Fed. Cir. 1999)).

1448. *Id.*, 76 U.S.P.Q.2d (BNA) at 1115.

The plaintiff then argued that the “buffer need not be circular in the sense that when the last address is reached, the next address accessed is the first [physical] address location.”<sup>1449</sup> The Federal Circuit also rejected this argument, finding that it conflicted with the actual claim language.<sup>1450</sup>

Lastly, the plaintiff argued that the district court erred by “rewriting” the plaintiff’s claims by using the terms “physical address,” “same repeating,” and “last address/next address” in its claim construction, which “impermissibly narrow[ed] claim scope,” as these terms did not appear in the patent’s claim language.<sup>1451</sup> While the Federal Circuit agreed that courts may not “rewrite” claims, it insisted that courts may use terms that do not appear in the claim as long as it does not result in a conflict.<sup>1452</sup>

The Federal Circuit also affirmed the district court’s construction of the term “time interval of predetermined duration.”<sup>1453</sup> The district court construed this term to mean “the time interval of the recorded signal must be of a fixed duration determined prior to operation.”<sup>1454</sup> It further held that “predetermined duration” “means that the space of time for receipt of the signal values was determined before the time interval began.”<sup>1455</sup> The plaintiff argued that *determining* the time interval differed from *fixing* the time interval of signal values entering the buffer, and that the time interval can vary after the buffer begins receiving signals.<sup>1456</sup> The Federal Circuit rejected this argument, stating that this argument ignores the claim term “predetermine.”<sup>1457</sup> The Federal Circuit further stated, “[i]n construing claims, however, we must give each claim term the respect that it is due.”<sup>1458</sup>

The plaintiff also argued that its written description supports its argument that the time interval can vary after the buffer begins receiving signals.<sup>1459</sup> The written description states that “writing over the oldest data stored on the hard disk seven, so that a *fixed duration* or ‘*time window*’ of prior recorded signals are recorded in the memory subsystem 5 at all times.”<sup>1460</sup> The plaintiff asserted that “time window”

1449. *Id.*, 76 U.S.P.Q.2d (BNA) at 1115.

1450. *Id.* at 1331-32, 76 U.S.P.Q.2d (BNA) at 1116.

1451. *Id.* at 1333, 76 U.S.P.Q.2d (BNA) at 1116-17.

1452. *Id.*, 76 U.S.P.Q.2d (BNA) at 1116-17.

1453. *Id.* at 1335, 76 U.S.P.Q.2d (BNA) at 1117.

1454. *Id.* at 1333, 76 U.S.P.Q.2d (BNA) at 1117.

1455. *Id.*, 76 U.S.P.Q.2d (BNA) at 1117.

1456. *Id.* at 1334, 76 U.S.P.Q.2d (BNA) at 1117.

1457. *Id.*, 76 U.S.P.Q.2d (BNA) at 1117.

1458. *Id.*, 76 U.S.P.Q.2d (BNA) at 1117 (citing *Merck & Co. v. Teva Pharms. USA, Inc.*, 395 F.3d 1364, 1372, 73 U.S.P.Q.2d (BNA) 1641, 1648 (Fed. Cir. 2005)).

1459. *Id.* at 1334-35, 76 U.S.P.Q.2d (BNA) at 1117-18.

1460. *Id.* at 1334, 76 U.S.P.Q.2d (BNA) at 1117-18 (emphasis added).

was an alternative to “fixed duration” of signals recorded in the buffer.<sup>1461</sup> The Federal Circuit rejected this argument, stating that the plaintiff’s use of quotation marks with “time window,” as well as the context used, indicated that the different terms reference the same interval.<sup>1462</sup> Accordingly, the Federal Circuit affirmed the district court’s claim construction of “time interval of predetermined duration.”<sup>1463</sup>

The Federal Circuit also directed its attention to the patent’s prosecution history.<sup>1464</sup> The patent examiner initially denied the patent’s application as obvious in view of U.S. Patent No. 5,241,428 (“Goldwasser patent”).<sup>1465</sup> The plaintiff filed a preliminary amendment and added language to distinguish its invention, including language that made it clear that its buffer “must write over the oldest signal values recorded in the digital memory as the writing addresses advance.”<sup>1466</sup> This added language contradicted the plaintiff’s argument at trial, which was that its buffer allowed for logical addressing, and it did not require the “write over” of the oldest recorded signals.<sup>1467</sup> Therefore, the Federal Circuit affirmed the district court’s claim construction that disallowed the broad construction of “circular storage buffer.”<sup>1468</sup>

Additionally, the Federal Circuit addressed how the prosecution history also supported the district court’s construction of the term “time interval of predetermined duration.”<sup>1469</sup> The district court construed this term to mean that “the time interval of the recorded signal must be of a fixed duration determined prior to operation.”<sup>1470</sup> It further held that “predetermined duration” “means that the “space of time for receipt of the signal values was determined before the time interval began.”<sup>1471</sup> The plaintiff argued that the time interval can vary after the buffer begins receiving signals.<sup>1472</sup> In the plaintiff’s Response to an Office Action, the plaintiff stated that its invention “particularly claims the use of a circular buffer in order to provide a continuous recording capability wherein only a *specified interval* of the

---

1461. *Id.* at 1335, 76 U.S.P.Q.2d (BNA) at 1118.

1462. *Id.*, 76 U.S.P.Q.2d (BNA) at 1118.

1463. *Id.*, 76 U.S.P.Q.2d (BNA) at 1118.

1464. *Id.* at 1332, 76 U.S.P.Q.2d (BNA) at 1116.

1465. *Id.*, 76 U.S.P.Q.2d (BNA) at 1116.

1466. *Id.* at 1333, 76 U.S.P.Q.2d (BNA) at 1116.

1467. *Id.*, U.S.P.Q.2d (BNA) at 1116.

1468. *Id.*, U.S.P.Q.2d (BNA) at 1117.

1469. *Id.*, U.S.P.Q.2d (BNA) at 1118.

1470. *Id.*, U.S.P.Q.2d (BNA) at 1117.

1471. *Id.*, U.S.P.Q.2d (BNA) at 1117 (citing district court’s ruling on motion for summary judgment).

1472. *Id.* at 1334, 76 U.S.P.Q.2d (BNA) at 1117.

most recently recorded material is retained.”<sup>1473</sup> The Federal Circuit held that the plaintiff’s use of the term “specified interval” supports the district court’s construction—that time intervals are specified prior to operation and cannot vary after the buffer starts receiving signals.<sup>1474</sup> Accordingly, the Federal Circuit affirmed the lower court’s construction of a “time interval of predetermined duration.”<sup>1475</sup>

In *Research Plastics, Inc. v. Federal Packaging Corp.*,<sup>1476</sup> the Federal Circuit vacated the district court’s grant of summary judgment of noninfringement because the district court erroneously constructed the claim term “rear end.”<sup>1477</sup> The plaintiff’s patent relates to tubes used for caulk or other fluent materials.<sup>1478</sup> The plaintiff’s patent integrated the use of ridges, positioned on the interior of the caulking tubes, that allowed for even application of fluent material.<sup>1479</sup> The examiner initially rejected the plaintiff’s patent application as obvious in view of United States Patent No. 4,852,772 (“Ennis patent”).<sup>1480</sup> Similar to the plaintiff’s invention, the Ennis patent also used interior ridges in its caulking tube, although the Ennis patent only placed ridges near the nozzle end of the caulking tube.<sup>1481</sup> The plaintiff amended its application to state that its ridges, “extend[] to said rear end of said hollow tube body.”<sup>1482</sup> Based on this amendment, the examiner concluded that the plaintiff sufficiently distinguished its patent from the Ennis patent, and the PTO issued the plaintiff’s patent.<sup>1483</sup>

The plaintiff brought suit against the defendant for the manufacture and sale of caulking tubes that included ridges beginning at the rear edge of the tube and extending approximately one fifth of the length of the tube.<sup>1484</sup> After constructing the term “rear end,” which appeared in claim 10 of the plaintiff’s patent,<sup>1485</sup> the district court rejected the plaintiff’s argument of literal infringement and infringement under the doctrine of equivalents.<sup>1486</sup> Specifically, the district court rejected the plaintiff’s argument that “rear end”

---

1473. *Id.* at 1335, 76 U.S.P.Q.2d (BNA) at 1118 (internal citation omitted).

1474. *Id.*, 76 U.S.P.Q.2d (BNA) at 1118.

1475. *Id.*, 76 U.S.P.Q.2d (BNA) at 1118.

1476. 421 F.3d 1290, 76 U.S.P.Q.2d (BNA) 1133 (Fed. Cir. 2005).

1477. *Id.*, 76 U.S.P.Q.2d (BNA) at 1134.

1478. *Id.* at 1292, 76 U.S.P.Q.2d (BNA) at 1134.

1479. *Id.*, 76 U.S.P.Q.2d (BNA) at 1134.

1480. *Id.* at 1293, 76 U.S.P.Q.2d (BNA) at 1135.

1481. *Id.*, 76 U.S.P.Q.2d (BNA) at 1135.

1482. *Id.*, 76 U.S.P.Q.2d (BNA) at 1136.

1483. *Id.* at 1294, 76 U.S.P.Q.2d (BNA) at 1136.

1484. *Id.*, 76 U.S.P.Q.2d (BNA) at 1136.

1485. *Id.* at 1294, 1296, 76 U.S.P.Q.2d (BNA) at 1136.

1486. *Id.* at 1294-95, 76 U.S.P.Q.2d (BNA) at 1136.



referred to the “rear portion” of the tube.<sup>1487</sup> Instead, the district court determined “rear end” was a specific reference point on the *outside edge* of the tube.<sup>1488</sup>

On appeal, the Federal Circuit agreed with the district court that “rear end” did not include the “rear portion” of the tube.<sup>1489</sup> The Federal Circuit ruled, however, that the district court impermissibly limited the patent’s scope with its claim construction.<sup>1490</sup> The Federal Circuit disagreed with the district court’s determination that “rear end” only included the outside edge of the tube.<sup>1491</sup> Instead, the Federal Circuit determined that “rear end” included the “entire rear edge of the tube, including the point at the rear end on the inside of the tube, the point on the rear end at the outside of the tube, and the area in between.”<sup>1492</sup> The Federal Circuit provided additional reasoning to support the district court’s rejection of the plaintiff’s “rear portion” construction.<sup>1493</sup> The plaintiff’s claims covered a “hollow tube body being generally cylindrical and extending from a rear end to a nozzle end . . . .”<sup>1494</sup> The Federal Circuit found this description to suggest a body that extended between two points. Therefore, the Federal Circuit recognized that the term “rear end” included a portion of the tube, rather than a point on the tube, would be “illogical,” as it would “leave the extension of the tube ill-defined.”<sup>1495</sup>

The Federal Circuit also looked to the prosecution history to provide additional reasoning why the district court correctly rejected the plaintiff’s “rear portion” construction.<sup>1496</sup> To overcome an obviousness objection, the plaintiff amended its claim “to cover tubes in which ‘the air spaces are provided adjacent the rear end of the tube such that the air spaces are provided when the tube is full.’”<sup>1497</sup> The Federal Circuit found that if it constructed “rear end” to mean “rear portion” then its construction would conflict with the plaintiff’s amendment, as “air spaces would not be provided when the tube was

---

1487. *Id.* at 1294, 76 U.S.P.Q.2d (BNA) at 1136.

1488. *Id.* at 1294, 1296, 76 U.S.P.Q.2d (BNA) at 1136, 1137 (emphasis added).

1489. *Id.* at 1296, 76 U.S.P.Q.2d (BNA) at 1137.

1490. *Id.*, 76 U.S.P.Q.2d (BNA) at 1137-38.

1491. *Id.*, 76 U.S.P.Q.2d (BNA) at 1137-38.

1492. *Id.*, 76 U.S.P.Q.2d (BNA) at 1137-38.

1493. *Id.*, 76 U.S.P.Q.2d (BNA) at 1138.

1494. *Id.*, 76 U.S.P.Q.2d (BNA) at 1138.

1495. *Id.*, 76 U.S.P.Q.2d (BNA) at 1138.

1496. *Id.* at 1297, 76 U.S.P.Q.2d (BNA) at 1138.

1497. *Id.*, 76 U.S.P.Q.2d (BNA) at 1138 (quoting statements made by Research Plastics to the patent examiner that suggested spatial limitations consistent with the Court’s construction of the term “rear end”).

full.”<sup>1498</sup> Moreover, if constructed to mean “rear portion,” the plaintiff’s application would not have avoided prior art.<sup>1499</sup> Regardless, because the district court impermissibly limited the claim scope, the Federal Circuit vacated and remanded for further proceedings.<sup>1500</sup>

In *Chimie v. PPG Industries, Inc.*,<sup>1501</sup> the plaintiff was the assignee of a patent on certain spheroidal precipitated silica particulates and their processes of manufacture. The silica particulate covered by the patent was used as a filler to reinforce elastomeric products such as automobile tires.<sup>1502</sup> The spheroidal geometry of the invention overcame the problems of conventional elastomeric fillers in use at the time, such as carbon black, which were inherently dusty and did not flow easily.<sup>1503</sup> Claim 1 of the patent required “[d]ry, dust-free and non-dusting, solid and homogenous atomized precipitated silica particulates essentially spheroidal in geometrical configuration.”<sup>1504</sup>

PPG asserted that the “dust-free and non-dusting” limitation should be interpreted literally to mean “no dust cloud whatsoever.”<sup>1505</sup> In contrast, Chimie argued that a person of ordinary skill in the art would not have adopted this meaning, particularly in light of the “pour test”—a comparison of the flowability of the commercial embodiment of the invention versus the prior art that showed that the invention produced at least some dust.<sup>1506</sup> Thus, Chimie argued, “dust-free and non-dusting” should be interpreted to mean “very low dust.”<sup>1507</sup>

The district court found that “dust-free and non-dusting” was ambiguous and could not be read to mean that the invention creates no dust at all.<sup>1508</sup> It also found that Chimie’s proposed definition of “very low dust” would not meet the requirement of 35 U.S.C. § 112, ¶ 2, that claims must “particularly point out and distinctly claim the subject matter” of the invention.<sup>1509</sup> The district court ultimately decided to define “dust-free and non-dusting” by a certain weight percentage of dust formed from silica abrasion under a German test

1498. *Id.*, 76 U.S.P.Q.2d (BNA) at 1138.

1499. *Id.*, 76 U.S.P.Q.2d (BNA) at 1138.

1500. *Id.* at 1299, 76 U.S.P.Q.2d (BNA) at 1140.

1501. 403 F.3d 1373, 74 U.S.P.Q.2d (BNA) 1321 (Fed. Cir. 2005).

1502. *Id.* at 1374, 74 U.S.P.Q.2d (BNA) at 1322.

1503. *Id.*, 74 U.S.P.Q.2d (BNA) at 1322.

1504. *Id.*, 74 U.S.P.Q.2d (BNA) at 1322.

1505. *Id.*, 74 U.S.P.Q.2d (BNA) at 1322.

1506. *Id.*, 74 U.S.P.Q.2d (BNA) at 1323.

1507. *Id.*, 74 U.S.P.Q.2d (BNA) at 1323.

1508. *Id.* at 1375, 74 U.S.P.Q.2d (BNA) at 1324.

1509. *Id.*, 74 U.S.P.Q.2d (BNA) at 1324.

standard, the DIN 53 583 standard.<sup>1510</sup> It reasoned that a construction under the DIN test was “the only meaningful guidance provided in the patent.”<sup>1511</sup>

The Federal Circuit agreed with the district court’s rejection of PPG’s proposal to read the disputed phrase as meaning no dust at all.<sup>1512</sup> The Federal Circuit explained that, to interpret “dust-free and non-dusting” in the patent this way would mean that the claim would not read on the preferred embodiment.<sup>1513</sup> Such a construction, observed the Federal Circuit, would “rarely if ever [be] correct and would require highly persuasive evidentiary support.”<sup>1514</sup> The Federal Circuit concluded that the specification, prosecution history, and prior art contain no “highly persuasive evidentiary support” that would require reaching such an unlikely result.<sup>1515</sup>

The Federal Circuit went on to hold that it was proper for the district court to base its claim construction on the DIN standard.<sup>1516</sup> It found that “dust-free and non-dusting” was relative, including within its reach a characteristic of the invention which could only be understood by comparing it to the prior art.<sup>1517</sup> Looking at the written description, it pointed out that while ten silica examples are referenced in the written description, “the preferred embodiment of Example 5 is repeatedly described as the invention itself.”<sup>1518</sup>

Although only two examples in the patent—Examples 5 and 10—constitute a product of the issued claims, the results of the DIN tests showed that Example 5 produced more dust.<sup>1519</sup> Accordingly, the Federal Circuit concluded that the district court correctly defined the outer limit for the level of dust created by the invention as that in Example 5.<sup>1520</sup> The Federal Circuit noted that this construction did not contravene the basic teaching that limitations from the specification should not be imported into the claims because reference to this particular example “reconciles the ambiguous claim language with the inventor’s disclosure.”<sup>1521</sup> Furthermore, the Federal Circuit found this construction consistent with the proposition that

---

1510. *Id.*, 74 U.S.P.Q.2d (BNA) at 1323-24.

1511. *Id.*, 74 U.S.P.Q.2d (BNA) at 1324.

1512. *Id.* at 1377, 74 U.S.P.Q.2d (BNA) at 1325.

1513. *Id.*, 74 U.S.P.Q.2d (BNA) at 1325.

1514. *Id.*, 74 U.S.P.Q.2d (BNA) at 1325.

1515. *Id.*, 74 U.S.P.Q.2d (BNA) at 1325.

1516. *Id.* at 1378-79, 74 U.S.P.Q.2d (BNA) at 1326.

1517. *Id.* at 1380, 74 U.S.P.Q.2d (BNA) at 1327.

1518. *Id.*, 74 U.S.P.Q.2d (BNA) at 1327.

1519. *Id.* at 1378, 74 U.S.P.Q.2d (BNA) at 1326.

1520. *Id.*, 74 U.S.P.Q.2d (BNA) at 1326.

1521. *Id.* at 1378-79, 74 U.S.P.Q.2d (BNA) at 1326.

claims are not necessarily entitled to a broader scope than the preferred embodiment when the specification describes that embodiment as the invention itself.<sup>1522</sup>

The Federal Circuit also rejected Chemie's argument that the "pour test" should be used to determine the level of dust production claimed by the invention.<sup>1523</sup> It found no language in either the claims or the written description that taught application of the pour test as a measure of dust production.<sup>1524</sup> Rather, because the plaintiff mentioned only the DIN 53 583 standard as a test of dustiness, the DIN standard was the appropriate standard to construe the claim term.<sup>1525</sup>

In *ASM America, Inc. v. Genus, Inc.*,<sup>1526</sup> the plaintiff sued the defendant for infringement of two patents (the "590 patent" and the "365 patent") regarding a process called Atomic Layer Deposition ("ALD").<sup>1527</sup> The ALD process deposits very thin layers of different materials on the surface of a substrate by two different methods.<sup>1528</sup> The plaintiff asserted two claims against the defendant, one from each patent.<sup>1529</sup> On appeal, the plaintiff argued that the district court misconstrued two terms of the asserted method claims from the '590 patent.<sup>1530</sup> The first term, "reaction space," defines the space in which users place a substrate to subject it to reaction with vapor phase reactants.<sup>1531</sup> The second term, "evacuating," refers to the procedural step of clearing the reaction space between successive vapor phase pulses.<sup>1532</sup> The district court construed "reaction space" as "the reaction chamber and the gas inflow/outflow channels that communicate immediately with the reaction chamber."<sup>1533</sup> Affirming this construction, the Federal Circuit found that the specification's express definition of "reaction space," including the reaction chamber and the immediately communicating gas inflow/outflow channels, supported the district court's construction of the term.<sup>1534</sup>

1522. *Id.* at 1379, 74 U.S.P.Q.2d (BNA) at 1326.

1523. *Id.* at 1379-80, 74 U.S.P.Q.2d (BNA) at 1326-27.

1524. *Id.* at 1379, 74 U.S.P.Q.2d (BNA) at 1327.

1525. *Id.* at 1380, 74 U.S.P.Q.2d (BNA) at 1327.

1526. 401 F.3d 1340, 74 U.S.P.Q.2d (BNA) 1211 (Fed. Cir. 2005).

1527. *Id.* at 1341, 74 U.S.P.Q.2d (BNA) at 1212.

1528. *Id.*, 74 U.S.P.Q.2d (BNA) at 1212.

1529. *Id.* at 1341-42, 74 U.S.P.Q.2d (BNA) at 1212.

1530. *Id.* at 1342, 74 U.S.P.Q.2d (BNA) at 1212-13 (challenging the district court's construction of the terms "evacuating" and "reaction space").

1531. *Id.* at 1342, 74 U.S.P.Q.2d (BNA) at 1213.

1532. *Id.* at 1343, 74 U.S.P.Q.2d (BNA) at 1213.

1533. *Id.* at 1342, 74 U.S.P.Q.2d (BNA) at 1213.

1534. *Id.* at 1342-43, 74 U.S.P.Q.2d (BNA) at 1213. The specification also states that "the reaction space includes the entire volume to be evacuated between two successive vapor-phase pulses." *Id.*, 74 U.S.P.Q.2d (BNA) at 1213. The plaintiff

The district court construed “evacuation” as “using a vacuum pump to suck the reactant gasses out of the reaction space, not . . . using an inert gas to push the reactant gases out . . . .”<sup>1535</sup> On appeal, the plaintiff argued that this construction was erroneous because it improperly read in a limitation from the specification requiring evacuation by a vacuum pump.<sup>1536</sup> Instead, the plaintiff argued that since the claim did not specify the type of pump used in the evacuation, the district court erred in limiting “evacuation” to use of a vacuum pump.<sup>1537</sup>

The Federal Circuit disagreed with plaintiff for several reasons.<sup>1538</sup> First, it found that one of ordinary skill in the art would understand the term “pump” to mean “vacuum pump,” especially in light of the plaintiff’s own expert’s testimony that “all ALD technology uses a vacuum pump as a necessary component.”<sup>1539</sup> Further, the Federal Circuit found support in the specification which described the pump as “capable of evacuating the reaction space to a *vacuum*” and stated that the invention could be “implemented using any suitable pump capable of establishing a sufficient *vacuum*.”<sup>1540</sup> Finally, during prosecution the applicant had used the terms “pump” and “vacuum pump” interchangeably.<sup>1541</sup>

The plaintiff next argued that the district court erroneously construed “evacuation” to mean only sucking reactant gases out of the reaction space, and not using an inert gas to push the reactant gases out.<sup>1542</sup> The plaintiff argued that “evacuation” refers to any process that removes reactant gases from the reaction chamber in light of the specification’s definition of “evacuation.”<sup>1543</sup> That specification

[refers generally] to the removal of reactant residues in the vapor phase. . . . [and] can be accomplished by purging the gas volume of the apparatus by means of at least one pumping cycle capable of

---

argued that the district court definition of reaction space was circular because the parties disputed what portions of the device are used to perform the evacuation step. *Id.*, 74 U.S.P.Q.2d (BNA) at 1213. The Federal Circuit was not persuaded, finding that the specification made clear that the “‘entire volume to be evacuated’ includes both the reaction chamber and the inflow and outflow channels that directly communicate with the chamber.” *Id.* at 1343, 74 U.S.P.Q.2d (BNA) at 1213.

1535. *Id.* at 1343, 74 U.S.P.Q.2d (BNA) at 1213.

1536. *Id.*, 74 U.S.P.Q.2d (BNA) at 1213.

1537. *Id.* at 1343-44, 74 U.S.P.Q.2d (BNA) at 1213-14.

1538. *Id.*, 74 U.S.P.Q.2d (BNA) at 1213-14.

1539. *Id.* at 1343, 74 U.S.P.Q.2d (BNA) at 1214.

1540. *Id.*, 74 U.S.P.Q.2d (BNA) at 1214 (emphasis added).

1541. *Id.*, 74 U.S.P.Q.2d (BNA) at 1214.

1542. *Id.* at 1343-44, 74 U.S.P.Q.2d (BNA) at 1214.

1543. *Id.* at 1343, 74 U.S.P.Q.2d (BNA) at 1214.

lowering the internal pressure in the apparatus to a sufficiently high vacuum. When required, the apparatus may be simultaneously filled with an inactive gas which promotes the purging of the reactant residues from the reaction space.<sup>1544</sup>

The Federal Circuit agreed with the plaintiff that a term's definition within the patent specification ordinarily controls.<sup>1545</sup> The Federal Circuit did not agree, however, that the specification here supported the plaintiff's construction of "evacuation."<sup>1546</sup> The Federal Circuit found that the specification's statement that inactive gas could be used to purge reactants did not suggest that the purging step is part of the evacuation.<sup>1547</sup> Both the language of the asserted claim, which described evacuation and purging as two separate steps, and the prosecution history, which explained the use of inactive gas as a means for using a weaker vacuum pump to perform the evacuation, resolved any doubt that the purging and evacuation steps were distinct.<sup>1548</sup> In other words, the court found that the introduction of inactive gas was "an additional step that makes the evacuation more efficient," not an alternative means of evacuation.<sup>1549</sup> Since the district court did not err in its claim construction, the Federal Circuit upheld its determination on summary judgment that the defendant's device did not literally infringe the plaintiff's patent.<sup>1550</sup>

The plaintiff also argued that the district court misconstrued "evacuating the chamber of gases" in the asserted claims of the patent.<sup>1551</sup> The district court similarly construed terms from both patents, "evacuating the chamber of gases" and "evacuation," ruling that they refer to the removal of gases with a vacuum pump, and not by using an inert gas to push the gases out of the reaction chamber.<sup>1552</sup> Again, the plaintiff argued that the district court improperly excluded from the meaning of "evacuating the chamber of gases" the process of purging the chamber with an inert gas.<sup>1553</sup> The Federal Circuit again found the plaintiff's arguments unavailing. It explained that the plaintiff's proposed construction, which would include pushing more gases into the chamber, ignored the plain

---

1544. *Id.*, 74 U.S.P.Q.2d (BNA) at 1214.

1545. *Id.* at 1343-44, 74 U.S.P.Q.2d (BNA) at 1214.

1546. *Id.*, 74 U.S.P.Q.2d (BNA) at 1214.

1547. *Id.* at 1344, 74 U.S.P.Q.2d (BNA) at 1214.

1548. *Id.*, 74 U.S.P.Q.2d (BNA) at 1214-15.

1549. *Id.*, 74 U.S.P.Q.2d (BNA) at 1214-15.

1550. *Id.* at 1345, 74 U.S.P.Q.2d (BNA) at 1215.

1551. *Id.* at 1345-46, 74 U.S.P.Q.2d (BNA) at 1215-16.

1552. *Id.* at 1346, 74 U.S.P.Q.2d (BNA) at 1216.

1553. *Id.*, 74 U.S.P.Q.2d (BNA) at 1216.

meaning of the claim term which required that all gases be removed.<sup>1554</sup> The plaintiff also argued that “removal” should include pushing inert gas through the reaction chamber because the specification explained that a prior art patent included removal of excess gas by flowing purge gas through the reaction chamber between each exposure cycle.<sup>1555</sup> The Federal Circuit explained that the prior art process referenced in the specification described the removal of excess *reactant* gas, and therefore, was quite different from a process of evacuating *all* gases from a chamber.<sup>1556</sup> The Federal Circuit refused to limit “evacuating the chamber of gases” to include only the evacuation of reactant gases because the phrase had been used in the claim before any reactant gases were inserted into the chamber.<sup>1557</sup> In addition, the Federal Circuit found that nothing in the specification itself suggested that the patent claimed a system that selectively removed certain gases from the chamber.<sup>1558</sup> Instead, the patent described a system which removed gases from the chamber specifically by vacuum.<sup>1559</sup> The Federal Circuit also found support for its constructions in statements by the patent inventor and the plaintiff’s Chief Technology Officer, which explained that the scope of the invention was limited to vacuum pumping.<sup>1560</sup>

In *Asyst Technologies, Inc. v. Emtrak, Inc.*,<sup>1561</sup> the patent at issue related to the manufacturing of integrated circuits.<sup>1562</sup> During the manufacture of integrated circuits, various tools process large silicon wafers comprising several layers.<sup>1563</sup> The creation of the wafers occurs in multiple stages, generating one layer of the wafer at a time, and must be processed in a particular sequence and by particular tools.<sup>1564</sup> Generally, to maintain a clean environment during this process, the silicon wafers are transported from tool to tool in sealed containers known as “pods.”<sup>1565</sup> The patent at issue was directed to an inventory management and information processing system used to improve efficiency and reduce human error in this manufacture process.<sup>1566</sup> It described an automated process, “pod-tool recognition,” which

---

1554. *Id.*, 74 U.S.P.Q.2d (BNA) at 1216.

1555. *Id.*, 74 U.S.P.Q.2d (BNA) at 1216.

1556. *Id.*, 74 U.S.P.Q.2d (BNA) at 1216.

1557. *Id.* at 1346-47, 74 U.S.P.Q.2d (BNA) at 1216.

1558. *Id.* at 1347, 74 U.S.P.Q.2d (BNA) at 1216.

1559. *Id.*, 74 U.S.P.Q.2d (BNA) at 1216.

1560. *Id.*, 74 U.S.P.Q.2d (BNA) at 1216-17.

1561. 402 F.3d 1188, 74 U.S.P.Q.2d (BNA) 1272 (Fed. Cir. 2005).

1562. *Id.* at 1189, 74 U.S.P.Q.2d (BNA) at 1274.

1563. *Id.*, 74 U.S.P.Q.2d (BNA) at 1274.

1564. *Id.*, 74 U.S.P.Q.2d (BNA) at 1274.

1565. *Id.* at 1190, 74 U.S.P.Q.2d (BNA) at 1274.

1566. *Id.*, 74 U.S.P.Q.2d (BNA) at 1274.

ensures that each pod is processed by the right tool at the right time and allows operators to track the status of the wafers during manufacture.<sup>1567</sup> The asserted claims described a system in which “first microcomputer means” mounted on one or more pods communicated with a “second microcomputer means” mounted on a workstation, where the wafers would be processed.<sup>1568</sup>

The district court granted summary judgment of noninfringement to the defendant on several grounds.<sup>1569</sup> First, it found that the accused’s system did not have a structure that was the same as or equivalent to the required “second microcomputer means.”<sup>1570</sup> The district court found that rather than using a local control processor such as that which corresponded to the “second microcomputer means” of the patent, the defendant’s system used a central computer which then communicated with the workstation via a cell controller.<sup>1571</sup> On appeal, the plaintiff argued that the cell controller qualified as a “second microcomputer means” and submitted evidence that the cell controllers perform the functions identified with the second microcomputer means, i.e., those of “receiving and processing digital information communicated with [the] second two-way communication means.”<sup>1572</sup> Without commenting on the weight of this evidence, the Federal Circuit held that the district court erred in concluding that the central computer, not the cell controllers, performed the required functions.<sup>1573</sup>

The district court also noted that even if the defendant had included a “second microcomputer means,” the microcomputer means would not have been “mounted” on the workstation.<sup>1574</sup> The plaintiff argued that this limitation was satisfied by the connection of the cell controllers and the workstation by an electrical cable.<sup>1575</sup> However, the Federal Circuit agreed with the district court and the defendant on this issue, interpreting the phrase “mounted on” with its ordinary meaning, “securely attached, affixed, or fastened to.”<sup>1576</sup> The Federal Circuit reasoned that this construction was correct given the following factors: (1) the plaintiff’s failure to point to any

---

1567. *Id.*, 74 U.S.P.Q.2d (BNA) at 1274.

1568. *Id.* at 1190-91, 74 U.S.P.Q.2d (BNA) at 1274-75.

1569. *Id.* at 1191, 74 U.S.P.Q.2d (BNA) at 1275.

1570. *Id.* at 1191, 74 U.S.P.Q.2d (BNA) at 1275.

1571. *Id.* at 1191, 74 U.S.P.Q.2d (BNA) at 1275.

1572. *Id.* at 1192, 74 U.S.P.Q.2d (BNA) at 1276 (quoting the district court opinion).

1573. *Id.* at 1192-93, 74 U.S.P.Q.2d (BNA) at 1276.

1574. *Id.* at 1193, 74 U.S.P.Q.2d (BNA) at 1273.

1575. *Id.*, 74 U.S.P.Q.2d (BNA) at 1277.

1576. *Id.*, 74 U.S.P.Q.2d (BNA) at 1277.



intrinsic evidence supporting a construction of “mounted on” that would include connection by serial cable;<sup>1577</sup> (2) the specification used the phrase “mounted on” with respect to other components in a context that made clear that the phrase was used to mean securely affixed to objects;<sup>1578</sup> (3) the specification and prosecution history’s repeated use of the phrase “mounted on” interchangeably with “on,” “which in context clearly denotes a form of attachment, not simply an electrical connection;”<sup>1579</sup> (4) the patent distinguished between features that were “connected to” or “in electrical communication with” an object and those that were “mounted on” an object;<sup>1580</sup> (5) the inventors’ amendment of a claim during prosecution which deleted the requirement that a second communication means be “adjacent” a processing station and replacement of that requirement with one that required the second communication means be “mounted on” the station, suggesting that they “meant for the term ‘mounted on’ to be narrowly limited to a structure that is affixed to an object;”<sup>1581</sup> and (6) a construction of “mounted on” that was broad enough to allow a single device to be “mounted on” two different workstations would be awkward and would run counter to one of the express purposes of the invention which was to “enable a system that ‘does not require centralized control.’”<sup>1582</sup>

The Federal Circuit also agreed with the district court’s finding that the accused’s device could not meet the “mounted on” requirement under the doctrine of equivalents.<sup>1583</sup> It reasoned that the “mounted on” limitation was “binary in nature,” meaning that the second microcomputer means was either mounted or unmounted, and for purposes of equivalents, “an unmounted microcomputer means cannot be equivalent to a mounted one.”<sup>1584</sup> The Federal Circuit concluded that both the “all elements rule” and “its corollary, the ‘specific exclusion principle’” supported its holding, since “[t]o hold that ‘unmounted’ is equivalent to ‘mounted’ would effectively read the ‘mounted on’ limitation out of the patent,” and “since the term mounted can fairly be said to specifically exclude objects that are ‘unmounted.’”<sup>1585</sup>

---

1577. *Id.*, 74 U.S.P.Q.2d (BNA) at 1277.

1578. *Id.*, 74 U.S.P.Q.2d (BNA) at 1277.

1579. *Id.* at 1194, 74 U.S.P.Q.2d (BNA) at 1277.

1580. *Id.*, 74 U.S.P.Q.2d (BNA) at 1277.

1581. *Id.*, 74 U.S.P.Q.2d (BNA) at 1277-78.

1582. *Id.*, 74 U.S.P.Q.2d (BNA) at 1278 (quoting the patent language).

1583. *Id.* at 1195, 74 U.S.P.Q.2d (BNA) at 1278.

1584. *Id.*, 74 U.S.P.Q.2d (BNA) at 1278 (quoting the district court’s opinion).

1585. *Id.*, 74 U.S.P.Q.2d (BNA) at 1278.

In *Gillette Co. v. Energizer Holdings, Inc.*,<sup>1586</sup> the plaintiff sought a preliminary injunction against the defendant to stop it from manufacturing and selling “QUATTRO” razors and razorblades that it contended infringed its patent. Gillette owned a patent for wet-shave safety razors with multiple blades.<sup>1587</sup> The patent covered a disposable safety razor comprising of a

*group of first, second, and third blades with parallel sharpened edges located between the guard and cap, the first blade defining a blade edge nearest the guard having a negative exposure not less than -0.2 mm, and the third blade defining a blade edge nearest the cap having a positive exposure of not greater than +0.2 mm, said second blade defining a blade edge having an exposure not less than the exposure of the first blade and not greater than the exposure of the third blade.*<sup>1588</sup>

Because the defendant’s QUATTRO products had four blades, the issue was whether or not the asserted claims of the patent were limited to razors with only three blades.<sup>1589</sup> The district court denied Gillette’s motion for a preliminary injunction, finding that the terms “first,” “second,” and “third” of claim 1 limited the scope of that claim to a razor having solely three blades, and that Gillette had therefore failed to demonstrate a reasonable likelihood of success on its claim of literal infringement.<sup>1590</sup>

On appeal, the Federal Circuit reversed and remanded the decision to the district court.<sup>1591</sup> It found that the terms “group of” and “comprising” were “open” terms that extended the claim’s scope to razors with more than three blades.<sup>1592</sup> The Federal Circuit found further support for this conclusion in the specification itself, which discussed a “progressive blade exposure” in which the first and third blades are defined as leading and trailing blades, respectively, while the “second” blade is defined only as being between the first and third blades and having a certain exposure.<sup>1593</sup> Given this description, the Federal Circuit found that the invention covered a device with more than one “second blade” including devices with two middle

1586. 405 F.3d 1367, 74 U.S.P.Q.2d (BNA) 1586 (Fed. Cir. 2005).

1587. *Id.* at 1368, 74 U.S.P.Q.2d (BNA) at 1586-87.

1588. *Id.* at 1369, 74 U.S.P.Q.2d (BNA) at 1587 (emphasis added).

1589. *Id.* at 1371, 74 U.S.P.Q.2d (BNA) at 1589-90.

1590. *Id.* at 1369-70, 74 U.S.P.Q.2d (BNA) at 1588-89.

1591. *Id.* at 1375, 74 U.S.P.Q.2d (BNA) at 1593.

1592. *See id.* at 1372, 74 U.S.P.Q.2d (BNA) at 1590 (contrasting the phrase “group consisting of” with “group of,” and explaining that when a patentee uses the phrase “group consisting of,” he generally signals a Markush group with a closed meaning). In contrast, “[w]ithout the word ‘consisting’ the simple phrase ‘group of’ is presumptively open.” *Id.*, 74 U.S.P.Q.2d (BNA) at 1590.

1593. *Id.* at 1372-73, 74 U.S.P.Q.2d (BNA) at 1591.

blades that met the definition of “second blade” set forth in the claim.<sup>1594</sup>

The Federal Circuit found additional support for its claim construction in the first sentence of the specification which stated that “*the invention . . . relates in particular to safety razors having blade units with a plurality of blades.*”<sup>1595</sup> Furthermore, the court found support in dependent claim 2, which added the limitation that “*the span between the first blade edge and the guard is substantially smaller than a span between the edges of the first and second blades and the span between the edges of the second and third blades.*”<sup>1596</sup> The Federal Circuit found that the patent drafter’s use of “a span” recognized that more than one such span may exist.<sup>1597</sup>

Finally, the Federal Circuit found that “[t]o make it abundantly clear that the reference to ‘first,’ ‘second,’ and ‘third’ blades was not a serial or numerical limitation,” the claim did not discuss the blades consecutively (i.e. it did not discuss the second blade immediately after the first).<sup>1598</sup> Thus, the Federal Circuit held that the district court had erred in its preliminary claim construction and remanded the case back for a decision on Gillette’s motion for a preliminary injunction in light of the Federal Circuit’s construction.<sup>1599</sup> It noted, however, that “because the claim construction set forth in this opinion is preliminary and based upon an incomplete record, the district court will have every opportunity to review and revisit” it.<sup>1600</sup>

In *Hoffer v. Microsoft Corp.*,<sup>1601</sup> the plaintiff sued the defendant for infringement of a patent directed to an “Interactive Electronic Trade Network and User Interface” in which remote users of computer terminals obtain data concerning economic activity from an index, and interactively post and receive messages concerning economic topics. The claims at issue provided a

method of messaging among at least two remote user terminals (“RUTs”) . . . whereby a trade network supports users at said plurality of RUTs who are each guided by said IAPI [integrated application program interface] to select an economic activity, to identify that index topic that corresponds to said activity, to enter that topic board dedicated to said topic, and who are collectively

---

1594. *Id.* at 1373, 74 U.S.P.Q.2d (BNA) at 1591.

1595. *Id.*, 74 U.S.P.Q.2d (BNA) at 1592 (emphasis in original).

1596. *Id.*, 74 U.S.P.Q.2d (BNA) at 1591 (emphasis in original).

1597. *Id.*, 74 U.S.P.Q.2d (BNA) at 1591.

1598. *Id.*, 74 U.S.P.Q.2d (BNA) at 1591.

1599. *Id.* at 1374, 74 U.S.P.Q.2d (BNA) at 1592.

1600. *Id.* at 1375, 74 U.S.P.Q.2d (BNA) at 1593.

1601. 405 F.3d 1326, 74 U.S.P.Q.2d (BNA) 1481 (Fed. Cir. 2005).

able to concurrently engage in interactive data messaging on said topic boards.<sup>1602</sup>

The issue on appeal was whether the “whereby” clause quoted above limited the claims. The plaintiff claimed that the district court erred because, rather than limiting the claims, the “whereby clause” simply described the overall objective of the claimed method.<sup>1603</sup> The plaintiff argued that since the “whereby” clause did not state the mechanics of “how to update topic board files or store menu files for navigation, or show what enables host programmable applications to transmit to network services,” the clause did not limit the claim to interactive data messaging.<sup>1604</sup>

The Federal Circuit disagreed, affirming the district court’s construction of the “whereby” clause as requiring interactive data messaging.<sup>1605</sup> It explained that the “whereby” clause described more than the intended result of the process step, but was part of the process itself.<sup>1606</sup> It based this conclusion on its findings that the interactive data messaging feature was described in the specification and prosecution history as a central part of the invention.<sup>1607</sup> Moreover, it rejected the plaintiff’s argument that a statement made during prosecution of the patent that the claim “solely t[ought] methods distinct from real-time messaging” supported its broader construction.<sup>1608</sup> Rather, it found that “there was a difference between real-time messaging and interactive messaging,” as interactive messaging “can occur in real time or asynchronously.”<sup>1609</sup> Thus, the Federal Circuit found that the asserted claims were limited to a method that provided interactive data messaging.<sup>1610</sup>

In *Howmedica Osteonics Corp. v. Tranquil Prospects, Ltd.*,<sup>1611</sup> the plaintiff sought a declaratory judgment that it did not infringe the defendant’s patent directed to intramedullary prosthesis apparatuses and methods for their surgical implantation.<sup>1612</sup> The apparatus claims required that the stem component have “a layer of coating material surrounding [it] . . . said layer of coating material being of a

---

1602. *Id.* at 1329, 74 U.S.P.Q.2d (BNA) at 1483 (emphasis omitted).

1603. *Id.*, 74 U.S.P.Q.2d (BNA) at 1483.

1604. *Id.* at 1330, 74 U.S.P.Q.2d (BNA) at 1483.

1605. *Id.*, 74 U.S.P.Q.2d (BNA) at 1484.

1606. *Id.*, 74 U.S.P.Q.2d (BNA) at 1483-84.

1607. *Id.*, 74 U.S.P.Q.2d (BNA) at 1484.

1608. *Id.*, 74 U.S.P.Q.2d (BNA) at 1484.

1609. *Id.*, 74 U.S.P.Q.2d (BNA) at 1484.

1610. *Id.*, 74 U.S.P.Q.2d (BNA) at 1484.

1611. 401 F.3d 1367, 74 U.S.P.Q.2d (BNA) 1680 (Fed. Cir. 2005).

1612. *Id.* at 1368, 74 U.S.P.Q.2d (BNA) at 1681.

generally uniform predetermined thickness . . . .”<sup>1613</sup> The parties agreed that this limitation covered a stem coated with bone cement before insertion into the stem socket but disputed whether this limitation covered prostheses with stems that are coated with bone cement upon insertion into the stem socket.<sup>1614</sup> The district court held that the limitation covered pre-coated stems and did not include stems coated upon insertion.<sup>1615</sup> On appeal, Howmedica argued that the district court’s narrower construction was correct because the claims required that the “coating material” cover the prosthesis in a “generally uniform predetermined” thickness but bone cement, when injected into the stem socket before prosthesis insertion, could not achieve this limitation.<sup>1616</sup> The Federal Circuit disagreed with this argument, noting that the claims only required that the coating be “generally uniform,” not exactly uniform.<sup>1617</sup> Moreover, it explained, the prosecution history repeatedly described the coating as only approximately uniform, revealing that the limitation did not exclude coating the stem by injecting bone cement into the stem socket before insertion of the prosthesis.<sup>1618</sup>

The Federal Circuit also rejected the notion that the “predetermined” limitation required a different result.<sup>1619</sup> It found that the invention disclosure revealed a way to “predetermine” the thickness of the bone cement coating by selecting prosthesis of a particular size and shape for insertion into a particular medullary canal.<sup>1620</sup> Thus, a “process that does not coat the stem until insertion into a stem socket filled with bone cement” could still satisfy the “predetermined thickness” requirement.<sup>1621</sup>

Finally, the Federal Circuit found support for its construction in the parties’ agreement that placing a layer of bone cement on the stem before insertion meets the “coated stem” requirement.<sup>1622</sup> The court reasoned that, because the claim at issue was “an apparatus claim without process limitations,” there was “no difference in ‘coating’ for a stem covered with bone cement before insertion and a

---

1613. *Id.* at 1369-70, 74 U.S.P.Q.2d (BNA) at 1682-83.

1614. *Id.* at 1373, 74 U.S.P.Q.2d (BNA) at 1685-86.

1615. *Id.* at 1368, 74 U.S.P.Q.2d (BNA) at 1681.

1616. *Id.* at 1374, 74 U.S.P.Q.2d (BNA) at 1686.

1617. *Id.*, 74 U.S.P.Q.2d (BNA) at 1686.

1618. *Id.*, 74 U.S.P.Q.2d (BNA) at 1686.

1619. *Id.* at 1374-75, 74 U.S.P.Q.2d (BNA) at 1686-87.

1620. *Id.* at 1374, 74 U.S.P.Q.2d (BNA) at 1686.

1621. *Id.*, 74 U.S.P.Q.2d (BNA) at 1686.

1622. *Id.* at 1375, 74 U.S.P.Q.2d (BNA) at 1686-87.

stem covered with bone cement upon insertion into the stem socket.”<sup>1623</sup>

In *Nazomi Communications, Inc. v. ARM Holdings, PLC*,<sup>1624</sup> the plaintiff asserted that the defendant infringed its patent directed to the use of computer hardware “to quickly translate Java bytecodes into native instructions for a central processing unit (“CPU”).”<sup>1625</sup> After the district court granted the defendant partial summary judgment that one of its accused devices did not infringe the asserted patent claims, the plaintiff appealed.<sup>1626</sup> The district court concluded that the accused device could not meet the asserted claims’ requirement for a “hardware unit adapted to convert stack-based instructions into register-based instructions.”<sup>1627</sup> In arriving at its conclusion, the district court construed this requirement to mean that the hardware unit converts stack-based instructions into the register based instructions “prior to the processing of those instructions by the processor in the so-called ‘decode stage.’”<sup>1628</sup> On appeal, the Federal Circuit found the district court’s claim construction and infringement analysis so lacking that it was insufficient for appellate review and therefore vacated and remanded the case back to the district court.<sup>1629</sup>

For its claim construction analysis, the district court explained that its construction did not read limitations from the specification into the claims but instead followed from the specification and prosecution history’s identification of prior art Java processors which “implement a hardware solution for processing Java bytecodes.”<sup>1630</sup> The district court continued, “[i]t follows necessarily that the claims of the patent, to be valid, must reach a different type of hardware solution, and that the solution of the prior art does not infringe.”<sup>1631</sup>

The Federal Circuit found that the district court’s “limited approach” to claim construction focused on validity and therefore glossed over the intrinsic evidence, including the claims, the specification, and the prosecution history, “that must inform the court’s claim construction.”<sup>1632</sup> The Federal Circuit acknowledged the “old axiom” that patents should be construed to preserve their

---

1623. *Id.*, 74 U.S.P.Q.2d (BNA) at 1686-87.

1624. 403 F.3d 1364, 74 U.S.P.Q.2d (BNA) 1458 (Fed. Cir. 2005).

1625. *Id.* at 1366, 74 U.S.P.Q.2d (BNA) at 1459.

1626. *Id.*, 74 U.S.P.Q.2d (BNA) at 1459.

1627. *Id.* at 1367, 74 U.S.P.Q.2d (BNA) at 1459.

1628. *Id.*, 74 U.S.P.Q.2d (BNA) at 1460.

1629. *Id.* at 1371-72, 74 U.S.P.Q.2d (BNA) at 1463-64.

1630. *Id.* at 1368, 74 U.S.P.Q.2d (BNA) at 1461.

1631. *Id.*, 74 U.S.P.Q.2d (BNA) at 1461.

1632. *Id.*, 74 U.S.P.Q.2d (BNA) at 1461.

validity “if practicable,” but explained that the courts had no license to rewrite claims for this purpose.<sup>1633</sup> The Federal Circuit observed that to do otherwise would “put the validity cart before the claim construction horse.”<sup>1634</sup>

The Federal Circuit firmly rejected the defendant’s argument that, because the appellate court reviews claim construction *de novo*, the fact that the district court did not sufficiently articulate its claim construction reasoning “does not matter.”<sup>1635</sup> Although it reviews claim construction issues without deference, the Federal Circuit explained, “this court takes into account the views of the trial judge, as well as the record of the trial, which helped that judge to understand the terms of the claim.”<sup>1636</sup> Therefore, “common sense dictates that the trial judge’s view will carry weight.”<sup>1637</sup> The Federal Circuit held that in order to review a district court’s claim construction, it “must be furnished ‘sufficient findings and reasoning to permit meaningful appellate scrutiny.’”<sup>1638</sup>

In *Nellcor Puritan Bennett, Inc. v. Masimo Corp.*,<sup>1639</sup> the parties disputed the term “attenuated and filtered from the composite” in the plaintiff’s patent claims directed to “pulse oximeters,” medical instruments that measure oxygen saturation levels in patients’

---

1633. *Id.*, 74 U.S.P.Q.2d (BNA) at 1461.

1634. *Id.* at 1369, 74 U.S.P.Q.2d (BNA) at 1461.

1635. *Id.* at 1371, 74 U.S.P.Q.2d (BNA) at 1462.

1636. *Id.*, 74 U.S.P.Q.2d (BNA) at 1462-63.

1637. *Id.*, 74 U.S.P.Q.2d (BNA) at 1463.

1638. *See id.*, 74 U.S.P.Q.2d (BNA) at 1463. The court cited only two cases in which it previously remanded issues of claim construction, *Gechter v. Davidson*, 116 F.3d 1454, 43 U.S.P.Q.2d (BNA) 1030 (Fed. Cir. 1997) and *Graco, Inc. v. Binks Mfg.*, 60 F.3d 785, 35 U.S.P.Q.2d (BNA) 1255 (Fed. Cir. 1995), and recognized that in such rare instances, the district court records were “devoid of any claim construction” in contrast to the current case, where the district court presented insufficient analysis. *Nazomi*, 403 F.3d at 1371, 74 U.S.P.Q.2d (BNA) at 1463.

The Federal Circuit vacated and remanded the case back to the district court for factual findings in support of its noninfringement opinion. *Id.*, 74 U.S.P.Q.2d (BNA) at 1463. In support of its opinion that the defendant’s accused devices did not infringe the asserted patent, the district court stated that the plaintiff did not explain how certain prior art processors would not infringe the asserted claims under plaintiff’s proposed interpretation of its claims. *Id.* at 1371-72, 74 U.S.P.Q.2d (BNA) at 1463. “The Court therefore concludes that [the accused device at issue on appeal] does not infringe the ‘215 patent either literally or under the doctrine of equivalents, and that no reasonable trier of fact could find to the contrary.” *Id.* at 1372, 74 U.S.P.Q.2d (BNA) at 1463 (quoting *Nazomi Communications, Inc. v. ARM Holdings, PLC*, No. C 02-02521, slip op. at 6-7 (N.D. Cal. Sept. 30, 2003)). The Federal Circuit found this “analysis” to be circular and based upon an interpretation that “strives to preserve validity.” *Nazomi*, 403 F.3d at 1372, 74 U.S.P.Q.2d (BNA) at 1463. Absent findings of fact on the nature of the accused device, the court had no basis to determine on appeal whether the accused devices infringed. *Id.*, 74 U.S.P.Q.2d (BNA) at 1463.

1639. 402 F.3d 1364, 74 U.S.P.Q.2d (BNA) 1351 (Fed. Cir. 2005).

blood.<sup>1640</sup> The patented oximeters pass red and infrared light through a patient's finger.<sup>1641</sup> The degree of oxygen saturation is then calculated based on the differences between the amounts of red and infrared light detected by the photodetector, making use of the fact that oxygenated and deoxygenated hemoglobin absorb red light and infrared light in different amounts.<sup>1642</sup> The plaintiff's patent covered a method and apparatus for calculating oxygen saturation and separating some of the "aperiodic noise" generated by the pulsing of the patient's blood.<sup>1643</sup> Each asserted patent claim required generation of a composite waveform by processing a time-measure of the absorption signal and that the "aperiodic information" included in the time-measure be "attenuated and filtered from the composite."<sup>1644</sup>

The district court construed the term "attenuated and filtered" to mean "reduced and removed," relying heavily on statements made by the plaintiff during prosecution of the patent that, in contrast to certain prior art oximeters, the plaintiff's invention:

teaches that by collecting and collectively processing time-measures to obtain a composite waveform from which aperiodic information is removed, and which yields a composite relative maximum and minimum, one does not need to examine each pulse against confidence criteria or to determine whether that pulse is [a] periodic or aperiodic pulse before the blood constituent can be reliably and accurately determined.<sup>1645</sup>

Based on this construction, the district court granted defendant summary judgment of non-infringement as to all of the asserted claims.<sup>1646</sup>

On appeal, the Federal Circuit held that the district court erred in its construction, and instead construed "attenuated and filtered" to mean "reduced in comparison to the desired information."<sup>1647</sup> First, it found that a standard dictionary prepared by the Institute of Electrical and Electronics Engineers provided eight different definitions of "filter," two of which supported plaintiff's proposed meaning that aperiodic signal data may be simply reduced in

---

1640. *Id.* at 1365-66, 74 U.S.P.Q.2d (BNA) at 1352-53.

1641. *Id.* at 1365, 74 U.S.P.Q.2d (BNA) at 1352.

1642. *Id.*, 74 U.S.P.Q.2d (BNA) at 1352-53.

1643. *See id.*, 74 U.S.P.Q.2d (BNA) at 1352 (noting that with each heart beat, more blood pulses through a patient's finger and therefore less light is detected on the photodetector at that time).

1644. *Id.* at 1366, 74 U.S.P.Q.2d (BNA) at 1352-53.

1645. *Id.* at 1369, 74 U.S.P.Q.2d (BNA) at 1356.

1646. *Id.* at 1370, 74 U.S.P.Q.2d (BNA) at 1356.

1647. *Id.*, 74 U.S.P.Q.2d (BNA) at 1356.



comparison to the desired signals instead of being removed entirely.<sup>1648</sup> Second, it found that the specification of the patent clearly supported the broader meaning. Specifically, it found that the “Background of the Invention” section used the words “attenuate and filter” to summarize a technique later described in detail in the patent to reveal that the aperiodic noise is relatively reduced in significance.<sup>1649</sup> The court further pointed to the Summary of the Invention section of the specification in which the patent described “the relative reduction of the impact of aperiodic noise on the composite signal,” as resulting in “new aperiodic information being ‘quickly and effectively attenuated, and thus filtered out of the resultant additive portions.’”<sup>1650</sup> Moreover, the court found that the district court’s narrow construction would exclude all of the embodiments of the invention described in the patent, and commented that such a construction is “rarely, if ever correct.”<sup>1651</sup> Finally, the court found that the district court erroneously relied on the prosecution history in support of its construction. The court explained that the plaintiff had sought to draw a distinction between the prior art method in which (1) each pulse-like event is tested to determine whether it was related to a patient’s heartbeat, and (2) using a cumulation technique to separate synchronous pulse events from aperiodic events unrelated to the patient’s heartbeat.<sup>1652</sup> The court found that the applicant’s reference to the “removal” of aperiodic data “must be interpreted to refer to a reduction in the aperiodic noise relative to the desired signal.”<sup>1653</sup> Accordingly, it did not regard the prosecution history as providing support for the district court’s construction of “attenuated and filtered.”<sup>1654</sup>

Each asserted claim also required that, after processing the time-measure collectively to determine a composite waveform, “the amount of blood constituent from the relative maximum and minimum amplitude of the composite periodic waveforms of the

---

1648. *See id.* at 1367, 74 U.S.P.Q.2d (BNA) at 1354 (quoting AUTHORITATIVE DICTIONARY OF IEEE STANDARD TERMS 435 (7th Ed. 2000) (explaining that the supporting definitions included “a device ‘that separates data, signals, or material in accordance with specified criteria’ and a circuit that ‘eliminates certain portions of a signal, by frequency, voltage, or some other parameter.’”). The Court did not mention whether there were any definitions which contradicted plaintiff’s proposed construction. *Id.*, 74 U.S.P.Q.2d (BNA) at 1354.

1649. *Id.* at 1367-68, 74 U.S.P.Q.2d (BNA) at 1354.

1650. *Id.* at 1368, 74 U.S.P.Q.2d (BNA) at 1354.

1651. *Id.*, 74 U.S.P.Q.2d (BNA) at 1355 (quoting *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1583, 39 U.S.P.Q.2d 1573, 1576 (Fed. Cir. 1996)).

1652. *Nellcor*, 402 F.3d at 1370, 74 U.S.P.Q.2d (BNA) at 1356.

1653. *Id.*, 74 U.S.P.Q.2d (BNA) at 1356.

1654. *Id.* at 1370, 74 U.S.P.Q.2d (BNA) at 1356.

detected wavelengths” must be calculated.<sup>1655</sup> In construing this claim term, the district court held that the minimum amplitude of the composite periodic wave form “must be part of the composite and that it must be determined and used only after the composite waveform is generated.”<sup>1656</sup>

Without specifically explaining its conclusion, the Federal Circuit agreed with the district court that the minimum amplitude must be part of the composite.<sup>1657</sup> It disagreed, however, that the minimum amplitude must be determined only after the composite waveform.<sup>1658</sup> On this point, the Federal Circuit explained that the district court had added a limitation that was not present in the claim or supported by the specification or prosecution history.<sup>1659</sup> Instead, it held that this limitation required “only that both the relative maximum and the relative minimum of the red and infrared waveforms must be mathematically used in the oxygen saturation calculation.”<sup>1660</sup>

In *Playtex Products, Inc. v. Procter & Gamble Co.*<sup>1661</sup> the plaintiff sued the defendant for infringement of its patent directed to “a tampon applicator designed to enhance the user’s control over tampon insertion and placement.”<sup>1662</sup> One of the claimed features of the applicator was that it contained “a rearward portion adapted to partially house and engage said plunger, said rearward portion of said barrel comprising *two diametrically opposed, substantially flattened surfaces.*”<sup>1663</sup> The parties disputed the meaning of “substantially flattened surfaces” as it was used in the asserted claims.<sup>1664</sup>

The district court determined that the term “substantially flattened surfaces” had a plain meaning, “two opposing surfaces with a curvature less than either the barrel or the transitional portion of the prior art.”<sup>1665</sup> However, it found that this plain meaning excluded the preferred embodiment, which teaches “thumb and finger hold surfaces that are flat except for the addition of protruding ribs or an arcuate depression to the otherwise flat surface,” and therefore resorted to extrinsic evidence including expert testimony to resolve

---

1655. *Id.* at 1365-66, 74 U.S.P.Q.2d (BNA) at 1353.

1656. *Id.* at 1366, 74 U.S.P.Q.2d (BNA) at 1353.

1657. *Id.* at 1370, 74 U.S.P.Q.2d (BNA) at 1356.

1658. *Id.*, 74 U.S.P.Q.2d (BNA) at 1356.

1659. *Id.* at 1371, 74 U.S.P.Q.2d (BNA) at 1356-57.

1660. *Id.*, 74 U.S.P.Q.2d (BNA) at 1357.

1661. 400 F.3d 901, 73 U.S.P.Q.2d (BNA) 2010 (Fed. Cir. 2005).

1662. *Id.* at 902, 73 U.S.P.Q.2d (BNA) at 2011.

1663. *Id.* at 903, 73 U.S.P.Q.2d (BNA) at 2012.

1664. *Id.*, 73 U.S.P.Q.2d (BNA) at 2012.

1665. *Id.* at 904, 73 U.S.P.Q.2d (BNA) at 2012.

the ambiguity.<sup>1666</sup> Relying on the testimony of the defendant's expert, the district court concluded that one of skill in that art would view the flattened requirement as requiring surfaces within a manufacturing tolerance for flatness.<sup>1667</sup> The district court thus ultimately construed the "substantially flat surfaces" requirement to encompass a device with "two opposite or opposed surfaces that are flat within a geometric, manufacturing tolerance; the flat surfaces may or may not have imperfections or surface features such as ribs or treads."<sup>1668</sup>

On appeal, the Federal Circuit rejected the district court's construction. The Federal Circuit first found that the district court erred in its conclusion that "substantially flat surfaces" was ambiguous, explaining that the district court had

mistakenly assumed that a surface having less curvature than another surface is necessarily curved, and cannot be flat. This is a false premise in the context of this claim. When we "flatten" a curved surface, we can either make it completely flat, or merely make it flatter than it was originally. Either way, the newly flattened surface would be less curved than the original. Thus, the district court found ambiguity where there is none.<sup>1669</sup>

Moreover, because the meaning of "substantially flattened surfaces" could be resolved solely on the intrinsic record, the Federal Circuit found that there was no need for the district court to resort to expert testimony to interpret the disputed term.<sup>1670</sup>

Based on the intrinsic evidence, the Federal Circuit construed the term "substantially flattened surfaces" more broadly than the district court to mean "surfaces, including flat surfaces, materially flatter than the cylindrical front portion of the applicator."<sup>1671</sup> It found that the term "substantial" was a "meaningful modifier implying 'approximate,' rather than 'perfect.'"<sup>1672</sup> Moreover, it found that any construction of "substantially flattened surfaces" which introduced a numerical tolerance would contradict its previous decisions in *Cordis Corp. v. Medtronic AVE, Inc.*<sup>1673</sup> and *Anchor Wall Systems v. Rockwood Retaining Walls, Inc.*,<sup>1674</sup> which respectively interpreted "substantially

---

1666. *Id.*, 73 U.S.P.Q.2d (BNA) at 2012.

1667. *Id.*, 73 U.S.P.Q.2d (BNA) at 2012.

1668. *Id.*, 73 U.S.P.Q.2d (BNA) at 2012.

1669. *Id.* at 907, 73 U.S.P.Q.2d (BNA) at 2014.

1670. *Id.*, 73 U.S.P.Q.2d (BNA) at 2015.

1671. *Id.* at 909, 73 U.S.P.Q.2d (BNA) at 2016.

1672. *Id.* at 907, 73 U.S.P.Q.2d (BNA) at 2015.

1673. 339 F.3d 1352, 67 U.S.P.Q.2d (BNA) 1876 (Fed. Cir. 2003).

1674. 340 F.3d 1298, 67 U.S.P.Q.2d (BNA) 1865 (Fed. Cir. 2003).

uniform thickness” and “generally parallel” broadly and without a strict numerical limitation.<sup>1675</sup>

In addition to “substantially flattened surfaces,” the parties also disputed the meaning of the means-plus-function term “means for limiting movement of the plunger” in a dependent claim.<sup>1676</sup> The patent’s abstract expressly provided a corresponding structure for the limiting means, revealing that

[o]ne manner of limiting the movement of the plunger is by providing *at least one* curled lip integral with the inner end of the plunger and engageable with the angled shoulders *and preferably a second* curled lip integral with the outer end of the plunger and engageable with the plunger entry area of the barrel.<sup>1677</sup>

The defendant argued that the claim should be limited to require a curved lip at *both* ends of the plunger, however, because the only drawing in the specification depicting the limiting means showed a plunger with a curved lip at both ends.<sup>1678</sup> The Federal Circuit found that the district court had properly construed this means-plus-function term to require a curved-shaped lip at only one end of the plunger, not both.<sup>1679</sup>

In *Sentry Protection Products, Inc. v. Eagle Manufacturing Co.*,<sup>1680</sup> the plaintiff sued the defendant for infringement of two patents related to “barriers used for ‘protecting structural columns and supports from damage resulting from impact from a moving vehicle while preventing or reducing damage to that vehicle and its driver . . . such as in a warehouse . . . .’”<sup>1681</sup> The asserted claims in the patent required “a plurality of ‘impact protection components’” each of which is a “single unitary part,”<sup>1682</sup> wherein the term “single unitary part” was added during prosecution to overcome a prior art rejection.<sup>1683</sup> The district court construed “single unitary part” to mean “that the impact protection component is a single part, which is complete by itself without additional pieces.”<sup>1684</sup> Applying this construction, the district court held that the defendant’s accused products did not infringe and that the asserted claims were invalid over a prior art reference

1675. 400 F.3d at 907, 73 U.S.P.Q.2d (BNA) at 2015.

1676. *Id.* at 905, 73 U.S.P.Q.2d (BNA) at 2013.

1677. *Id.* at 903, 73 U.S.P.Q.2d (BNA) at 2012.

1678. *Id.* at 905, 73 U.S.P.Q.2d (BNA) at 2013.

1679. *Id.* at 909, 73 U.S.P.Q.2d (BNA) at 2016.

1680. 400 F.3d 910, 73 U.S.P.Q.2d (BNA) 1929 (Fed. Cir. 2005).

1681. *Id.* at 912, 73 U.S.P.Q.2d (BNA) at 1930.

1682. *Id.*, 73 U.S.P.Q.2d (BNA) at 1930.

1683. *Id.* at 913, 73 U.S.P.Q.2d (BNA) at 1931.

1684. *Id.*, 73 U.S.P.Q.2d (BNA) at 1931.

(“the Chase reference”) disclosing a “boat bumper” that protects posts on a dock from impact by boats.<sup>1685</sup>

On appeal, the plaintiff argued that the proper construction of the term “single unitary part” is a “single or sole unitary or whole part” and includes a part that comprises multiple pieces joined together to provide or act as one whole piece.<sup>1686</sup> It contended that the district court misinterpreted the patentees’ statements about the prior art reference as distinguished by adding “single unitary part” during prosecution.<sup>1687</sup> Instead of saying that the invention was distinguishable because the prior art *cushion* had multiple components, the plaintiff argued that the patentees were comparing the invention to the entire assembly of the prior art, not just the cushion.<sup>1688</sup>

In *V-Formation, Inc. v. Benetton Group SPA*,<sup>1689</sup> the parties disputed the meaning of the term “releasably attaching” in the claims of certain patents directed to in-line roller skates.<sup>1690</sup> Certain asserted claims required “a plurality of fasteners for *releasably attaching* said first and second sidewalls to respective ones of said toe and heel plate flange pairs.”<sup>1691</sup> The district court determined that “releasably attaching” meant that the fasteners “must permit the sidewalls to be easily removed and replaced,”<sup>1692</sup> and concluded that rivets would not qualify as a “releasable fastener.”<sup>1693</sup> The Federal Circuit affirmed this construction, finding it to be sufficiently supported by the specification’s repeated emphasis of the ease of sidewall removal and replacement, and its description of the object of the invention as an in-line skate frame with sidewalls that can be separated and singularly replaced.<sup>1694</sup> The Federal Circuit also found that the district court had properly considered other intrinsic evidence that rivets are considered by persons of ordinary skill in the art to be permanent fasteners, not releasable fasteners, including a prior art patent listed on the face of the asserted patent which used “strikingly similar language” to the asserted patent<sup>1695</sup> and explained that the toe and heel plates are “*permanently attached* . . . through the use of *rivets* or

---

1685. *Id.*, 73 U.S.P.Q.2d (BNA) at 1931.

1686. *Id.* at 914, 73 U.S.P.Q.2d (BNA) at 1932.

1687. *Id.*, 73 U.S.P.Q.2d (BNA) at 1932.

1688. *Id.*, 73 U.S.P.Q.2d (BNA) at 1932.

1689. 401 F.3d 1307, 74 U.S.P.Q.2d (BNA) 1042 (Fed. Cir. 2005).

1690. *Id.* at 1310, 74 U.S.P.Q.2d (BNA) at 1045.

1691. *Id.*, 74 U.S.P.Q.2d (BNA) at 1045.

1692. *Id.*, 74 U.S.P.Q.2d (BNA) at 1045.

1693. *Id.*, 74 U.S.P.Q.2d (BNA) at 1045.

1694. *Id.* at 1311, 74 U.S.P.Q.2d (BNA) at 1046.

1695. *Id.* at 1312, 74 U.S.P.Q.2d (BNA) at 1046.

*releasably attached* through the use of *fasteners such as screws or bolts*.”<sup>1696</sup> Finally, the Federal Circuit also agreed with the district court’s analysis of its decision in *K-2 Corp. v. Salomon, S.A.*,<sup>1697</sup> which contrasted screws and rivets, stating that screws are meant to be unscrewed and removed whereas “a rivet . . . is meant to remain permanent, unremovable unless one is bent on breaking the permanent structure apart.”<sup>1698</sup>

In an en banc decision, the court in *Phillips v. AWH Corp.*<sup>1699</sup> summarized and clarified its claim construction methodology and the role specifications and prosecution history play in that methodology.<sup>1700</sup> The plaintiff, Edward H. Phillips, owned a patent covering steel-shell panels that when welded together, formed vandalism-resistant walls.<sup>1701</sup> Moreover, these walls were load-bearing and could be customized to insulate against fire, noise, and impacts, including bullets.<sup>1702</sup> The plaintiff contracted with AWH Corporation (“AWH”) for the marketing and sale of his panels, although this arrangement ended in 1990.<sup>1703</sup> The plaintiff brought an infringement suit against AWH, alleging that AWH failed to cease using the plaintiff’s patented technology after their agreement ended.<sup>1704</sup> The district court granted the defendant summary judgment, and the plaintiff appealed to the Federal Circuit.<sup>1705</sup> While a Federal Circuit panel affirmed the district court’s finding of noninfringement, it did so on different grounds.<sup>1706</sup> The Federal Circuit reheard appeal arguments en banc, revisited both the district court’s and the panel’s findings, and vacated and remanded the noninfringement ruling on the bases indicated below.<sup>1707</sup>

---

1696. *Id.* at 1311, 74 U.S.P.Q.2d (BNA) at 1046. The Federal Circuit made a point to emphasize that prior art references cited in the patent or in the prosecution history are not extrinsic, but intrinsic evidence. *Id.*, 74 U.S.P.Q.2d (BNA) at 1046.

1697. 191 F.3d 1356, 52 U.S.P.Q.2d (BNA) 1001 (Fed. Cir. 1999).

1698. 401 F.3d at 1312, 74 U.S.P.Q.2d (BNA) at 1047. The Federal Circuit found that the district court had “properly referred to a related, non-binding judicial opinion to support its independent conclusion in this case.” *Id.*, 74 U.S.P.Q.2d (BNA) at 1047.

1699. 415 F.3d 1303, 75 U.S.P.Q.2d (BNA) 1321 (Fed. Cir. 2005).

1700. *See id.* at 1311-19, 75 U.S.P.Q.2d (BNA) at 1325-31 (noting that a determination of the extent to which the court should rely on a patent’s specification turns on the court’s basic principles of claim construction as well as consideration of the use of dictionaries in claim construction).

1701. *Id.* at 1309, 75 U.S.P.Q.2d (BNA) at 1323.

1702. *Id.*, 75 U.S.P.Q.2d (BNA) at 1321.

1703. *Id.*, 75 U.S.P.Q.2d (BNA) at 1323.

1704. *Id.*, 75 U.S.P.Q.2d (BNA) at 1323.

1705. *Id.*, 75 U.S.P.Q.2d (BNA) at 1323.

1706. *Id.*, 75 U.S.P.Q.2d (BNA) at 1323.

1707. *Id.* at 1310, 75 U.S.P.Q.2d (BNA) at 1324.

The district court granted summary judgment to the defendant after construing the plaintiff's claims as "means-plus-function" under 35 U.S.C. § 112 and finding that the defendant's products did not infringe upon this claim construction.<sup>1708</sup> The Federal Circuit panel rejected that the plaintiff's claims were "means-plus-function," but after conducting its own claim construction, affirmed the district court's finding of noninfringement.<sup>1709</sup> The en banc Federal Circuit affirmed the panel's finding that the district court erred in construing the plaintiff's claims as "means-plus-function."<sup>1710</sup> The en banc Federal Circuit, however, disagreed with the panel's claim construction, and therefore, conducted its own claim construction.<sup>1711</sup> Before doing so, the Federal Circuit set forth the methodology courts should use in construing claim terms.<sup>1712</sup>

The Federal Circuit first expounded upon the importance specifications, prosecution history, and actual claims have in claim construction, while it deemphasized the use of extrinsic evidence.<sup>1713</sup> The Federal Circuit noted that these sources are necessary to assist courts with understanding what "a person of skill in the art would have understood disputed claim language to mean."<sup>1714</sup>

Then, the Federal Circuit analyzed how claims guide claim term construction.<sup>1715</sup> The court insisted that the claim in which the term-at-issue appears provides the context in which courts should construe the term.<sup>1716</sup> Further, courts may look at other claims in which the same term appears, as "claim terms are normally used consistently throughout the patent . . . ."<sup>1717</sup>

The Federal Circuit next focused on the role that specifications play in construing claim terms.<sup>1718</sup> It emphasized the importance it, as

---

1708. *Id.* at 1309, 75 U.S.P.Q.2d (BNA) at 1323.

1709. *See id.* at 1310, 75 U.S.P.Q.2d (BNA) at 1323-24 (discussing the Panel's conclusion that the claim term "baffles" excludes structures extending at a ninety degree angle from the walls).

1710. *Id.* at 1311, 75 U.S.P.Q.2d (BNA) at 1324.

1711. *See id.*, 75 U.S.P.Q.2d (BNA) at 1325 (concluding that "we [the en banc court] must determine the correct construction of the structural term 'baffles,' as used in the '798 patent.>").

1712. *See id.* at 1311-19, 75 U.S.P.Q.2d (BNA) at 1325-31 (requiring that the specification describe the invention contained in the claims and that the Court determine what the applicant considers his invention).

1713. *See id.* at 1314-19, 75 U.S.P.Q.2d (BNA) at 1327-31 (recognizing that extrinsic evidence is not as significant as intrinsic evidence in finding the legally operative construction of claim language).

1714. *Id.* at 1314, 75 U.S.P.Q.2d (BNA) at 1327.

1715. *Id.*, 75 U.S.P.Q.2d (BNA) at 1327.

1716. *Id.*, 75 U.S.P.Q.2d (BNA) at 1327.

1717. *Id.*, 75 U.S.P.Q.2d (BNA) at 1327 (citing *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1342, 60 U.S.P.Q.2d (BNA) 1851, 1854 (Fed. Cir. 2001)).

1718. *Id.* at 1315, 75 U.S.P.Q.2d (BNA) at 1327.

well as the United States Supreme Court, has placed on considering the specification when construing claim terms.<sup>1719</sup> The court traced the specification's central role in "inform[ing] the proper construction of claims" to section 112 of the Patent Act,<sup>1720</sup> which requires the specification to describe the claimed invention in "full, clear, concise and exact terms."<sup>1721</sup> In finding that the court in *Renishaw PLC v. Marposs Societa' per Azioni*<sup>1722</sup> perfectly stated how courts should review the specification during claim construction, it quoted, "[t]he construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be, in the end, the correct construction."<sup>1723</sup>

Focusing on prosecution history's function in claim construction, the Federal Circuit then instructed courts to consider "the patent's prosecution history, if it is in evidence."<sup>1724</sup> First, the court defined "prosecution history" as "the complete record of proceedings before the PTO and includes the prior art cited during the examination of the patent" and concluded that prosecution history is considered intrinsic evidence.<sup>1725</sup> Although the court noted that prosecution history represents an "ongoing negotiation between the PTO and the applicant," and therefore can be less useful, it recognized that courts may find it helpful in determining "how the inventor understood the invention" and whether the inventor disclaimed or narrowed any claims.<sup>1726</sup>

In contrast to the importance placed on claims, specification, and prosecution history, the Federal Circuit downplayed the role of extrinsic evidence in claim construction.<sup>1727</sup> Included in its definition of extrinsic evidence was "expert and inventor testimony,

1719. See *id.*, 75 U.S.P.Q.2d (BNA) at 1327 ("[C]laims 'must be read in view of the specification, of which they are a part.'" (citing *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979, 34 U.S.P.Q.2d (BNA) 1321, 1329 (Fed. Cir. 1995)). "[T]he specification 'is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term.'" *Id.*, 75 U.S.P.Q.2d (BNA) at 1327 (citing *Vitronics Corp. v. Conception, Inc.*, 90 F.3d 1576, 1582, 39 U.S.P.Q.2d (BNA) 1573, 1577 (Fed. Cir. 1996)). "[T]he specification is a 'component part of the patent' and 'is as much to be considered with the [letters patent] in construing them, as any paper referred to in a deed or other contract.'" *Id.*, 75 U.S.P.Q.2d (BNA) at 1328 (citing *Hogg v. Emerson*, 47 U.S. 437, 482 (1848)).

1720. 35 U.S.C. § 112 (2000).

1721. *Phillips*, 415 F.3d at 1316, 75 U.S.P.Q.2d (BNA) at 1328 (citing 35 U.S.C. § 112 (2000)).

1722. 158 F.3d 1243, 48 U.S.P.Q.2d (BNA) 1117 (Fed. Cir. 1998).

1723. *Phillips*, 415 F.3d at 1316, 75 U.S.P.Q.2d (BNA) at 1328-29 (citing *Renishaw*, 158 F.3d at 1250, 48 U.S.P.Q.2d (BNA) at 1122 (Fed. Cir. 1998)).

1724. *Id.* at 1317, 75 U.S.P.Q.2d (BNA) at 1329.

1725. *Id.*, 75 U.S.P.Q.2d (BNA) at 1329.

1726. *Id.*, 75 U.S.P.Q.2d (BNA) at 1329.

1727. *Id.*, 75 U.S.P.Q.2d (BNA) at 1330.



dictionaries, and learned treatises.”<sup>1728</sup> Although the court did not ban the use of extrinsic evidence for claim construction, it gave several reasons why it found extrinsic evidence less reliable than the patent or its prosecution history.<sup>1729</sup> These reasons include: (1) extrinsic evidence is not part of the patent, and so it does not have the purpose of “explaining the patent’s scope and meaning”; (2) extrinsic evidence may not reflect “the understanding of a skilled artisan in the field of the patent”; (3) any extrinsic evidence that consists of expert testimony or findings cannot be unbiased because it is for the purpose of litigation; (4) given the wide array of extrinsic evidence available, inevitably some evidence may be found by litigation parties to support their argument; and (5) relying on extrinsic evidence increases the likelihood that courts will change the meaning of claims.<sup>1730</sup>

After setting forth the above principles of claim construction, the Federal Circuit admitted that some of its recent case law placed greater emphasis on extrinsic evidence while overlooking patents’ specifications and prosecution history.<sup>1731</sup> Specifically, the court focused on the incorrect methodology<sup>1732</sup> presented in *Texas Digital Systems, Inc. v. Telegenix, Inc.*<sup>1733</sup> As the court noted, the court in *Texas Digital* supported a methodology that used extrinsic evidence to determine the “ordinary meaning or meanings of the claim term in dispute” and then checking this meaning against the specification.<sup>1734</sup> The purpose of this methodology, the *Texas Digital* Court explained, was to avoid “one of the cardinal sins of patent law—reading a limitation from a written description into the claims.”<sup>1735</sup>

While the Federal Circuit agreed with this purpose, it rejected and overruled the *Texas Digital* methodology of claim construction.<sup>1736</sup>

1728. *Id.*, 75 U.S.P.Q.2d (BNA) at 1329.

1729. *See id.* at 1318-19, 75 U.S.P.Q.2d (BNA) at 1330-31 (suggesting that technological dictionaries and expert testimony can educate a court regarding technology and how one skilled in the art might use certain terms).

1730. *Id.*, 75 U.S.P.Q.2d (BNA) at 1330-31.

1731. *See id.* at 1319, 75 U.S.P.Q.2d (BNA) at 1331 (describing the court’s prior emphasis on dictionary definitions of claim terms).

1732. *See id.* at 1319-24, 75 U.S.P.Q.2d (BNA) at 1331-35 (disagreeing with the approach that consults specification only after a determination of the ordinary meaning of a claim term had been made based on dictionaries, treatises, and other sources).

1733. 308 F.3d 1193, 64 U.S.P.Q.2d (BNA) 1812 (Fed. Cir. 2002).

1734. *Phillips*, 415 F.3d at 1320, 75 U.S.P.Q.2d (BNA) at 1332.

1735. *Id.*, 75 U.S.P.Q.2d (BNA) at 1331 (quoting *SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys., Inc.*, 242 F.3d 1337, 1340, 58 U.S.P.Q.2d (BNA) 1059, 1062 (Fed. Cir. 2001)).

1736. *See id.* at 1320-21, 75 U.S.P.Q.2d (BNA) at 1332 (warning against elevating the dictionary’s prominence because it provides an abstract meaning of words rather than meaning within the context of a patent).

The court stressed that, instead of broadening the definition of the relevant claim by using extrinsic evidence, it should instead focus on the claims, the specification, and prosecution history.<sup>1737</sup> The Federal Circuit endorsed the methodology used in *Vitronics Corp. v. Conceptronic, Inc.*,<sup>1738</sup> *Markman v. Westview Instruments, Inc.*,<sup>1739</sup> and *Innova/Pure Water Inc. v. Safari Water Filtration Systems, Inc.*,<sup>1740</sup> which did not “provide a rigid algorithm for claim construction, but simply attempted to explain why, in general, certain types of evidence are more valuable than others.”<sup>1741</sup>

After detailing the methodology courts should use in claim construction, the court finally dealt with the plaintiff’s use of the term “baffles.”<sup>1742</sup> The district court and the Panel focused on claim language from the first claim, which stated “further means disposed inside the shell for increasing its load bearing capacity comprising internal steel baffles extending inwardly from the steel shell walls.”<sup>1743</sup> The Panel restrictively construed the term “baffles” and determined that the plaintiff’s use of the term excluded any structures that “extend[ed] at a 90 degree angle from the walls.”<sup>1744</sup> Looking to the first claim, the court determined that it imposed three requirements as to the baffles—that they be: (1) made of steel, (2) “part of the load-bearing means for the wall section,” and (3) they point inward from the walls.<sup>1745</sup> The court also noted that the parties stipulated that baffles were “objects that check, impede, or obstruct the flow of something.”<sup>1746</sup> The court then looked to other claims of the plaintiff’s patent.<sup>1747</sup> The court found that these claims identified different functions for baffles, as well as different limitations.<sup>1748</sup> The court concluded that these “limitation[s] would be unnecessary if persons of skill in the art understood that the baffles inherently served such a function.”<sup>1749</sup>

Moving on to the specification, the court found the specification described several functions of baffles.<sup>1750</sup> Finding that both the claims

1737. *Id.* at 1321, 75 U.S.P.Q.2d (BNA) at 1333.

1738. 90 F.3d 1576, 39 U.S.P.Q.2d (BNA) 1573 (Fed. Cir. 1996).

1739. 52 F.3d 967, 34 U.S.P.Q.2d (BNA) 1321 (Fed. Cir. 1995).

1740. 381 F.3d 1111, 72 U.S.P.Q.2d (BNA) 1001 (Fed. Cir. 2004).

1741. *Phillips*, 415 F.3d at 1324, 75 U.S.P.Q.2d (BNA) at 1335.

1742. *Id.*, 75 U.S.P.Q.2d (BNA) at 1335.

1743. *Id.* at 1309, 75 U.S.P.Q.2d (BNA) at 1323.

1744. *Id.* at 1310, 75 U.S.P.Q.2d (BNA) at 1323.

1745. *Id.* at 1324, 75 U.S.P.Q.2d (BNA) at 1335.

1746. *Id.*, 75 U.S.P.Q.2d (BNA) at 1335.

1747. *Id.*, 75 U.S.P.Q.2d (BNA) at 1335.

1748. *Id.* at 1324-25, 75 U.S.P.Q.2d (BNA) at 1335.

1749. *Id.* at 1325, 75 U.S.P.Q.2d (BNA) at 1335.

1750. *Id.*, 75 U.S.P.Q.2d (BNA) at 1336.

and the specification contain numerous functions for the baffles, the court concluded that the Panel erred by restrictively construing the term “baffles” to exclude any structures that extended at a ninety degree angle from the walls.<sup>1751</sup> The court, therefore, remanded the case back to the district court to determine infringement based on the Federal Circuit’s new claim construction.<sup>1752</sup>

Although this decision mainly dealt with the court’s claim construction methodology, the Federal Circuit also addressed the issue of when courts should construe claims in a manner that maintains their validity.<sup>1753</sup> The defendant, AWH Corporation, argued that the court should affirm the restrictive construction of the term “baffles,” and that failure to do so would result in invalid claims.<sup>1754</sup> Although the court recognized the maxim that “claims should be construed, if possible, as to sustain their validity,”<sup>1755</sup> it denied that such an analysis was “a regular component of claim construction.”<sup>1756</sup> Instead, the Federal Circuit concluded that courts should only apply the maxim when “the court concludes, after applying all the available tools of claim construction, that the claim is still ambiguous.”<sup>1757</sup> After determining that the term “baffles” was not ambiguous, the court refused to consider whether another construction would render the claims invalid. Consequently, the Federal Circuit denied the defendant’s request to affirm the restrictive reading, and accordingly, the court vacated a finding of noninfringement and remanded the case to the district court.<sup>1758</sup>

In *North American Container, Inc. v. Plastipak Packaging, Inc.*,<sup>1759</sup> the Federal Circuit examined the lower court’s construction of two claim terms in the plaintiff’s patent for one piece plastic bottles. The lower court had found noninfringement, granting thirty-seven defendants (collectively “Plastipak”) summary judgment.<sup>1760</sup>

The plaintiff alleged that the defendants’ bottles infringed on the technology covered by its patent.<sup>1761</sup> The two claim constructions at

---

1751. *Id.* at 1327, 75 U.S.P.Q.2d (BNA) at 1336.

1752. *Id.* at 1328, 75 U.S.P.Q.2d (BNA) at 1338.

1753. *Id.* at 1327, 75 U.S.P.Q.2d (BNA) at 1336-37.

1754. *Id.*, 75 U.S.P.Q.2d (BNA) at 1337.

1755. *Id.*, 75 U.S.P.Q.2d (BNA) at 1336 (quoting *Rhine v. Casio, Inc.*, 183 F.3d 1342, 1345, 51 U.S.P.Q.2d (BNA) 1377 (Fed. Cir. 1999)).

1756. *Id.*, 75 U.S.P.Q.2d (BNA) at 1336.

1757. *Id.*, 75 U.S.P.Q.2d (BNA) at 1337 (quoting *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 910, 69 U.S.P.Q.2d (BNA) 1801, 1809 (Fed. Cir. 2004)).

1758. *Id.* at 1328, 75 U.S.P.Q.2d (BNA) at 1338.

1759. 415 F.3d 1335, 75 U.S.P.Q.2d (BNA) 1545 (Fed. Cir. 2005).

1760. *Id.* at 1338, 75 U.S.P.Q.2d (BNA) at 1547; *see supra* Part III.C.3.e (summarizing *North American Container’s* factual background).

1761. *Id.* at 1340, 75 U.S.P.Q.2d (BNA) at 1549.

issue on appeal involved the terms “generally convex” and “re-entrant portion.”<sup>1762</sup> In reviewing the construction of these claims, the Federal Circuit examined the patent’s specification and found the prosecution history particularly guiding. The PTO rejected the plaintiff’s original patent application affiliated with the patent as obvious in view of two other patents (the “Dechenne patent” and the “Jakobsen patent”).<sup>1763</sup> The plaintiff amended its claims in response to include that the inner walls of its plastic bottles were “generally convex.”<sup>1764</sup> The plaintiff further argued that the shape of its bottle differed from the Dechenne and Jakobsen patents because the Dechenne patent had bottle walls that were “slightly concave,” and the Jakobsen patent had a re-entrant portion which was “concave in its entirety.”<sup>1765</sup> Based on these distinguishing factors, the examiner granted the plaintiff’s patent application.<sup>1766</sup>

During the district court proceedings, the district court appointed a special master to provide claim construction recommendations.<sup>1767</sup> Accepting the special master’s recommendation, the district court constructed “generally convex” to mean “mostly convex,” which “allowed the outer walls of the base portion [of the blow-molded bottle] to have straight and concave points, as long as the majority of points along the walls were convex.”<sup>1768</sup> Because of the plaintiff’s patent’s prosecution history, however, the district court also accepted an additional limitation.<sup>1769</sup> Reviewing the plaintiff’s argument that distinguished the inner walls of the base portion of its patent from the “slightly concave” walls of the Dechenne patent, the court interpreted this as the plaintiff’s disclaimer that the inner walls of its patent would have no concavity.<sup>1770</sup> In other words, the majority of points on the inner walls of the plaintiff’s patent would be convex, with no concave points.<sup>1771</sup>

In construing “re-entrant portion,” the district court created two constructions—one for footed bottles and a second for non-footed bottles.<sup>1772</sup> For footed bottles, “re-entrant portion” was “the wall portions of the base that in cross-section begin at the lowermost point

---

1762. *Id.*, 75 U.S.P.Q.2d (BNA) at 1547.

1763. *Id.*, 75 U.S.P.Q.2d (BNA) at 1548.

1764. *Id.*, 75 U.S.P.Q.2d (BNA) at 1548.

1765. *Id.*, 75 U.S.P.Q.2d (BNA) at 1549 (emphasis omitted).

1766. *Id.*, 75 U.S.P.Q.2d (BNA) at 1549.

1767. *Id.* at 1342, 75 U.S.P.Q.2d (BNA) at 1550.

1768. *Id.*, 75 U.S.P.Q.2d (BNA) at 1551.

1769. *Id.*, 75 U.S.P.Q.2d (BNA) at 1551.

1770. *Id.* at 1343, 75 U.S.P.Q.2d (BNA) at 1551.

1771. *Id.*, 75 U.S.P.Q.2d (BNA) at 1551.

1772. *Id.* at 1342, 75 U.S.P.Q.2d (BNA) at 1550.

on which the bottle would rest if the feet were removed . . . .”<sup>1773</sup> And for non-footed bottles, “re-entrant portion” was “the wall portions of the base that in cross-section begin at the lowermost point on which the bottle rests, and then rise towards the center.”<sup>1774</sup>

On appeal, the plaintiff argued that the district court’s claim construction of “generally convex” was incorrect, as it precluded the plaintiff’s patent from having any concave points on the inner walls of the base portion.<sup>1775</sup> The plaintiff proffered four arguments.<sup>1776</sup> First, the plaintiff rejected the district court’s finding that the plaintiff disclaimed any concave points along its inner walls.<sup>1777</sup> Instead, the plaintiff argued that the district court misread the prosecution history, and that the plaintiff was merely distinguishing the “generally convex inner walls” of its invention from the inner walls of prior art, “which were ‘concave in [their] entirety.’”<sup>1778</sup> The Federal Circuit rejected this argument, and affirmed the district court’s finding that the plaintiff disclaimed that its invention’s inner walls at the base would contain any concavity.<sup>1779</sup> The Federal Circuit acknowledged that a showing of prosecution disclaimer required a high standard, however, the court concluded that standard was satisfied after reviewing the prosecution history.<sup>1780</sup> The Federal Circuit reasoned that in order for the plaintiff to overcome an obviousness rejection, the plaintiff had attempted to distinguish the “slightly concave” inner walls of the Dechenne patent from the inner walls of the Jakobsen patent that were “clearly concave in its entirety”—an unneeded distinction if the plaintiff’s point was merely that both of these patents had inner walls that were entirely concave.<sup>1781</sup>

Second, the plaintiff argued that the district court erred by construing the “generally convex” claim term differently for the inner and outer walls of the plaintiff’s patent, as terms “should be construed consistently throughout the claims.”<sup>1782</sup> The Federal Circuit recognized that, generally, claim terms appearing in different parts of the same claim are given a consistent interpretation and

---

1773. *Id.*, 75 U.S.P.Q.2d (BNA) at 1550.

1774. *Id.*, 75 U.S.P.Q.2d (BNA) at 1550.

1775. *Id.* at 1344, 75 U.S.P.Q.2d (BNA) at 1552.

1776. *See id.* at 1344-45, 75 U.S.P.Q.2d (BNA) at 1552-53.

1777. *Id.* at 1344, 75 U.S.P.Q.2d (BNA) at 1552.

1778. *Id.*, 75 U.S.P.Q.2d (BNA) at 1552.

1779. *Id.* at 1345, 75 U.S.P.Q.2d (BNA) at 1553.

1780. *Id.*, 75 U.S.P.Q.2d (BNA) at 1553.

1781. *Id.* at 1346, 75 U.S.P.Q.2d (BNA) at 1553.

1782. *Id.* at 1344-45, 75 U.S.P.Q.2d (BNA) at 1552 (citing CVI/Beta Ventures, Inc. v. Tura LP, 112 F.3d 1146, 1159, 42 U.S.P.Q.2d (BNA) 1577, 1586 (Fed. Cir. 1997)).

construction.<sup>1783</sup> In this case, however, the Federal Circuit refused to do so, reasoning that the plaintiff's arguments during the patent prosecution precluded this result.<sup>1784</sup> While the "generally convex" limitation of the outer walls of the plaintiff's invention allowed for some concave points, the plaintiff's arguments during the patent prosecution prohibited this interpretation of "generally convex" for the inner walls.<sup>1785</sup>

Third, the plaintiff argued that the district court's construction of "generally convex" was inconsistent with the patent's preferred embodiments.<sup>1786</sup> The Federal Circuit also rejected this argument, pointing out that even if it accepted the plaintiff's proposed definition of "generally convex" and some concave points were allowed on the inner walls near the base, the preferred embodiments "would still not fall within the scope of the claims."<sup>1787</sup> Additionally, the court cited to its previous precedent stating that "limitations may be construed to exclude preferred embodiment if the prosecution history compels such a result."<sup>1788</sup>

Lastly, the plaintiff argued that the district court erred in construing "generally convex" to require the "majority of points on the inner walls to be convex," as "generally" should not be narrowly defined to a "strict numerical boundary."<sup>1789</sup> Instead, the plaintiff argued, the district court should have construed "generally" to mean "on the whole," or "in a general manner."<sup>1790</sup> While the Federal Circuit agreed with the plaintiff that a court need not construe "terms of approximation" with "mathematical precision," the Federal Circuit did not find that the district court did this.<sup>1791</sup> Rather, the Federal Circuit found the district court's use of a dictionary in construing "generally" proper in determining a "common-sense understanding of the term . . . ."<sup>1792</sup>

The plaintiff also argued that the district court erred in two ways in its construction of "re-entrant portion."<sup>1793</sup> The district court construed "re-entrant portion" to include the lowermost points of the

---

1783. *Id.* at 1346, 75 U.S.P.Q.2d (BNA) at 1553.

1784. *Id.*, 75 U.S.P.Q.2d (BNA) at 1553-54.

1785. *Id.*, 75 U.S.P.Q.2d (BNA) at 1553-54 (concluding that the plaintiff disclaimed this possibility during patent prosecution).

1786. *Id.* at 1344-45, 75 U.S.P.Q.2d (BNA) at 1552.

1787. *Id.* at 1346, 75 U.S.P.Q.2d (BNA) at 1554.

1788. *Id.*, 75 U.S.P.Q.2d (BNA) at 1554.

1789. *Id.* at 1345, 75 U.S.P.Q.2d (BNA) at 1552-53.

1790. *Id.*, 75 U.S.P.Q.2d (BNA) at 1553.

1791. *Id.* at 1346, 75 U.S.P.Q.2d (BNA) at 1554.

1792. *Id.*, 75 U.S.P.Q.2d (BNA) at 1554.

1793. *Id.* at 1347, 75 U.S.P.Q.2d (BNA) at 1554.

inner walls, while also having a re-entrant portion depth-to-thickness ratio of 3.75.<sup>1794</sup> The plaintiff, in arguing against the first part of this construction, contended that this construction is inconsistent with figures 10-12 of its patent, which have a re-entrant portion that extends “from some point above the lowermost point.”<sup>1795</sup> Rejecting the plaintiff’s first argument, the Federal Circuit denied that figures 10-12 were inconsistent with the district court’s construction.<sup>1796</sup> The Federal Circuit also referenced the Dechenne patent’s use of “re-entrant portion” to support the district court’s construction.<sup>1797</sup> The Federal Circuit found that the Dechenne patent used “re-entrant portion” interchangeably with the term “recessed,” and the Dechenne patent defined the term “recessed” as “extending from the lowermost point of the inner wall to the central region.”<sup>1798</sup> The court also rejected the plaintiff’s argument that it did not, during prosecution, define re-entrant portion “as extending from the lowermost points of the inner wall . . . .”<sup>1799</sup> It pointed to the plaintiff’s statement during prosecution that its “independent [c]laims . . . have been amended to refer to the convex nature of the inner wall portions of the central re-entrant portion (*i.e. those wall portions disposed inwardly of the lowermost points of the base upon which the container rests*).”<sup>1800</sup> Consequently, the Federal Circuit affirmed the district court’s construction of “re-entrant portion” to include the lowermost points of the container’s inner walls.<sup>1801</sup>

The Federal Circuit, however, did modify the district court’s second “re-entrant portion” requirement - that it have a depth-to-thickness ratio of 3.75.<sup>1802</sup> The Federal Circuit found that the district court “imported” this requirement from the specification’s recommended dimensions for one of its commercial embodiments.<sup>1803</sup> Reiterating a previously stated tenant of the court, “unless required by the specification, limitations that do not otherwise appear in the claims should not be imported into the claims.”<sup>1804</sup> Accordingly, the Federal Circuit eliminated the depth-to-ratio limitation for the term “re-entrant portion.”<sup>1805</sup>

---

1794. *Id.*, 75 U.S.P.Q.2d (BNA) at 1554.

1795. *Id.*, 75 U.S.P.Q.2d (BNA) at 1554.

1796. *Id.* at 1348, 75 U.S.P.Q.2d (BNA) at 1555.

1797. *Id.*, 75 U.S.P.Q.2d (BNA) at 1555.

1798. *Id.*, 75 U.S.P.Q.2d (BNA) at 1555.

1799. *Id.*, 75 U.S.P.Q.2d (BNA) at 1555.

1800. *Id.*, 75 U.S.P.Q.2d (BNA) at 1555 (emphasis in original).

1801. *Id.*, 75 U.S.P.Q.2d (BNA) at 1555.

1802. *Id.*, 75 U.S.P.Q.2d (BNA) at 1555.

1803. *Id.*, 75 U.S.P.Q.2d (BNA) at 1555.

1804. *Id.*, 75 U.S.P.Q.2d (BNA) at 1555 (citing *E.I. du Pont de Nemours & Co. v.*

In *Invitrogen Corp. v. Clontech Laboratories, Inc.*,<sup>1806</sup> the defendant cross-appealed the district court's grant of partial summary judgment. The district court held that the defendant's PowerScript RT product infringed four claims of the plaintiff's patent. The district court construed language in the claim, concluding that the phrases "no detectable RNase H activity" and lacks "RNase H activity" denoted "a complete absence of RNase H activity" to "one of skill in the art."<sup>1807</sup> On appeal, the defendant did not take issue with the lower court's interpretation of these terms.<sup>1808</sup> Rather, the defendant argued that the district court erred by failing to construct the plaintiff's claims using the test results of a solubilization assay, which is the method the defendant used in developing its product.<sup>1809</sup>

The Federal Circuit reviewed the specification, reasoning that the terms "no detectable" and "lacks" cannot be understood by one of skill in the art without first understanding how to measure RNase H activity.<sup>1810</sup> The specification indicated the inventors used a gel assay to confirm that the RT lacked RNase H activity, and it explained this method in detail, while also providing the results of the gel assay in an attachment.<sup>1811</sup> The specification, however, also indicated that a solubilization assay showed no RNase H activity, though it did not provide the details or results of this test.<sup>1812</sup> The Federal Circuit admitted that the written description provided directions on how one could achieve different levels of RNase H activity by using a mix of gel and solubilization assays.<sup>1813</sup> However, the court dismissed this because the claims related only to a "complete absence" of RNase H activity, and the specification clearly directed the use of the gel assay for this purpose.<sup>1814</sup>

In *Terlep v. Brinkmann Corporation*,<sup>1815</sup> the Federal Circuit affirmed the district court's grant of summary judgment of noninfringement, based on its claim construction of the term "clear."<sup>1816</sup> The plaintiff, Stephen K. Terlep, was the owner of a patent that related to light

---

Phillips Petroleum Co., 849 F.2d 1430, 1433, 7 U.S.P.Q.2d (BNA) 1129, 1131 (Fed. Cir. 1988)).

1805. *Id.* at 1349, 75 U.S.P.Q.2d (BNA) at 1556.

1806. 429 F.3d 1052, 1074, 77 U.S.P.Q.2d (BNA) 1161, 1176 (Fed. Cir. 2005).

1807. *Id.* at 1076, 77 U.S.P.Q.2d (BNA) at 1178.

1808. *Id.*, 77 U.S.P.Q.2d (BNA) at 1178.

1809. *Id.*, 77 U.S.P.Q.2d (BNA) at 1178.

1810. *Id.*, 77 U.S.P.Q.2d (BNA) at 1178.

1811. *Id.* at 1077, 77 U.S.P.Q.2d (BNA) at 1178.

1812. *Id.*, 77 U.S.P.Q.2d (BNA) at 1178.

1813. *Id.*, 77 U.S.P.Q.2d (BNA) at 1178.

1814. *Id.*, 77 U.S.P.Q.2d (BNA) at 1178.

1815. 418 F.3d 1379, 76 U.S.P.Q.2d (BNA) 1053 (Fed. Cir. 2005).

1816. *Id.* at 1380, 76 U.S.P.Q.2d (BNA) at 1054.



emitting diode lamps (“LED”) that had omni-directional light capabilities.<sup>1817</sup> The main claim contained the three key characteristics of the patent at issue: (1) it contained an omni-directional LED; (2) it used a semi-spherical reflector, positioned above the LED; and (3) it had a clear plastic tubular holder used to hold the semi-spherical reflector directly above the LED.<sup>1818</sup> The district court interpreted the claim term “clear” to mean “‘transparent’ or ‘having the property of transmitting light without appreciable scattering so that bodies lying beyond are seen clearly.’”<sup>1819</sup> The plaintiff argued the term “clear” should also encompass “translucent,” contending that the word “clear” means only “permit[ting] the passage of light.”<sup>1820</sup>

In reviewing the district court’s claim construction, the Federal Circuit noted that the plaintiff’s claims gave little guidance, and therefore looked to the written description and prosecution history.<sup>1821</sup> Referencing the Background and Prior Art sections, the Federal Circuit noted the plaintiff’s mention of previous failed invention attempts, all of which applied diffusion directly to the LED device.<sup>1822</sup> The court also looked to the Summary of the Invention section, which indicated that the invention “does not use a diffusion lens over the LEDs.”<sup>1823</sup> The court found that these statements distinguished between “holders that diffuse or scatter light and those that transmit light without obstruction,” thereby supporting the district court’s construction of “clear” to include having “the property of transmitting light without appreciable scattering so that bodies lying beyond are seen clearly.”<sup>1824</sup>

The Federal Circuit also found implicit meaning in reviewing the patent’s prosecution history.<sup>1825</sup> From this history, the court found that the plaintiff had amended his claims to avoid a rejection of his patent application.<sup>1826</sup> The amended claims included a “clear plastic tubular holder,” thereby distinguishing it from prior art, which used sandblasting to “diffuse light output.”<sup>1827</sup> The Federal Circuit found

---

1817. *Id.*, 76 U.S.P.Q.2d (BNA) at 1054.

1818. *Id.* at 1380-81, 76 U.S.P.Q.2d (BNA) at 1054-55.

1819. *Id.* at 1382, 76 U.S.P.Q.2d (BNA) at 1056 (quoting the district court).

1820. *Id.*, 76 U.S.P.Q.2d (BNA) at 1056.

1821. *Id.* at 1383, 76 U.S.P.Q.2d (BNA) at 1056-57.

1822. *Id.*, 76 U.S.P.Q.2d (BNA) at 1056.

1823. *Id.*, 76 U.S.P.Q.2d (BNA) at 1056.

1824. *Id.*, 76 U.S.P.Q.2d (BNA) at 1056 (quoting the district court’s order).

1825. *See id.*, 76 U.S.P.Q.2d (BNA) at 1056 (analyzing the prosecution history to find additional support for the district court’s interpretation).

1826. *Id.* at 1383-84, 76 U.S.P.Q.2d (BNA) at 1057.

1827. *Id.*, 76 U.S.P.Q.2d (BNA) at 1057.

that this amendment supported the district court's construction of "clear," which excluded any attempt to diffuse light emitted from the LED.<sup>1828</sup> Lastly, the Federal Circuit supported its decision by referencing the dictionary definition of "clear."<sup>1829</sup> While the dictionary indicated "transparent" and "translucent" were synonyms, it also stated that "transparent stresses complete absence of obstruction to vision" while "translucent applies to that which permits passage of light but bars clear and complete vision."<sup>1830</sup> The court felt this comparison "mirror[ed] the distinction reflected in the written description and prosecution history between the unobstructed passage of light of the holder of the patented invention and the prior art structures that diffuse light."<sup>1831</sup> Accordingly, the Federal Circuit affirmed the district court's grant of summary judgment based on its claim construction of the term "clear."<sup>1832</sup>

In *AquaTex Industries, Inc. v. Techniche Solutions*,<sup>1833</sup> the Federal Circuit affirmed the district court's claim construction of the term "fiberfill batting" material, and its grant of summary judgment based on an absence of literal infringement.<sup>1834</sup> The plaintiff's patent covered a method of evaporative cooling by using a "multi-layered, liquid-retaining composite material comprising a fiberfill batting . . . ."<sup>1835</sup> The defendant used a similar method of cooling, but its fiberfill batting consisted of both natural and synthetic materials.<sup>1836</sup>

The district court construed "fiberfill" to include only synthetic materials—excluding any natural materials, or combination thereof.<sup>1837</sup> It did so after reviewing the plaintiff's patent specification, as well as several technical and industry-related dictionaries.<sup>1838</sup> The Federal Circuit agreed with this construction. Recognizing that the claims themselves gave little guidance, the court first reviewed the plaintiff's patent specification.<sup>1839</sup> The written description stated, "[t]he particular fiberfill is not known to be critical. That is, any commercial fiberfill may be used as long as it

1828. *Id.* at 1384, 76 U.S.P.Q.2d (BNA) at 1057.

1829. *Id.*, 76 U.S.P.Q.2d (BNA) at 1057.

1830. *Id.*, 76 U.S.P.Q.2d (BNA) at 1057 (quoting WEBSTER'S THIRD INT'L DICTIONARY 419 (1993)).

1831. *Id.*, 76 U.S.P.Q.2d (BNA) at 1057.

1832. *Id.*, 76 U.S.P.Q.2d (BNA) at 1058.

1833. 419 F.3d 1374, 76 U.S.P.Q.2d (BNA) 1213 (Fed. Cir. 2005).

1834. *Id.* at 1376-77, 76 U.S.P.Q.2d (BNA) at 1214.

1835. *Id.* at 1377, 76 U.S.P.Q.2d (BNA) at 1214.

1836. *Id.* at 1378, 76 U.S.P.Q.2d (BNA) at 1216.

1837. *Id.* at 1378-79, 76 U.S.P.Q.2d (BNA) at 1216.

1838. *Id.* at 1379, 76 U.S.P.Q.2d (BNA) at 1216.

1839. *Id.* at 1380-81, 76 U.S.P.Q.2d (BNA) at 1217.

does not adversely affect the performance of the end composite.”<sup>1840</sup> The written description also provided several examples of acceptable commercial fiberfill—all of which consisted exclusively of synthetic materials.<sup>1841</sup>

Additionally, the Federal Circuit reviewed the specifications of three other patents incorporated by reference.<sup>1842</sup> All of these specifications described “fiberfill” to generally refer to “synthetic” materials, “normally polyester.”<sup>1843</sup> Using the patent specification, the specifications of the patents incorporated by reference, and extrinsic evidence provided by technical dictionary definitions, the court affirmed the district court’s claim construction of “fiberfill” to only include synthetic materials.<sup>1844</sup>

The Federal Circuit in *TAP Pharmaceutical Products, Inc. v. OWL Pharmaceuticals, L.L.C.*,<sup>1845</sup> reviewed an appeal and cross-appeal where the defendant appealed the district court’s decision that the defendant infringed two of the plaintiff’s patents. The plaintiff cross-appealed the district court’s ruling that the defendant did not infringe three of its other patents.<sup>1846</sup> All patents at issue related to the plaintiff’s pharmaceutical drug, Lupron Depot, used to treat prostate cancer.<sup>1847</sup>

The defendant’s appeal related to the district court’s construction of the phrase, “comprising a copolymer . . . of lactic acid and . . . of glycolic acid.”<sup>1848</sup> While the defendant argued that the court should construe this phrase to include only copolymers made from lactic and glycolic acid as starting materials, the district court interpreted the phrase broadly to include “copolymers composed of lactic acid and glycolic acid mers produced by any method, including the use of lactide and glycolide.”<sup>1849</sup> The Federal Circuit focused on the patent’s specification and prosecution history, though the court noted that nothing in the claims explicitly named the starting materials for making copolymers.<sup>1850</sup> Looking to the specification, the Federal Circuit admitted that all examples of polymerization provided by the

---

1840. *Id.* at 1381, 76 U.S.P.Q.2d (BNA) at 1217-18 (quoting the patent).

1841. *Id.*, 76 U.S.P.Q.2d (BNA) at 1218.

1842. *Id.*, 76 U.S.P.Q.2d (BNA) at 1218.

1843. *Id.*, 76 U.S.P.Q.2d (BNA) at 1218.

1844. *Id.* at 1381-82, 76 U.S.P.Q.2d (BNA) at 1218.

1845. 419 F.3d 1346, 76 U.S.P.Q.2d (BNA) 1126 (Fed. Cir. 2005).

1846. *Id.* at 1348, 76 U.S.P.Q.2d (BNA) at 1128.

1847. *Id.*, 76 U.S.P.Q.2d (BNA) at 1128.

1848. *Id.* at 1349, 76 U.S.P.Q.2d (BNA) at 1129 (omissions in original).

1849. *Id.*, 76 U.S.P.Q.2d (BNA) at 1129.

1850. *Id.* at 1349, 76 U.S.P.Q.2d (BNA) at 1129.

plaintiff used lactic and glycolic acid as starting materials.<sup>1851</sup> However, the Federal Circuit quoted explicit language in the specification indicating starting materials for the polymerization “may be produced by any method.”<sup>1852</sup> The Federal Circuit also disregarded the contrary evidence negating the district court’s claim construction given by the defendant’s expert witness.<sup>1853</sup> The defendant noted the plaintiff’s prosecution history contained statements showing polymerization by using lactic and glycolic acid.<sup>1854</sup> Rejecting this evidence, the Federal Circuit noted an absence of statements excluding polymerization by other methods, such as using lactide or glycolide.<sup>1855</sup>

The defendant also provided evidence showing that the plaintiff’s European patent application excluded copolymers made from lactide or glycolide.<sup>1856</sup> The Federal Circuit agreed with the district court’s decision to give this evidence little weight, as the European examiner rejected the plaintiff’s characterization and the plaintiff subsequently abandoned this characterization.<sup>1857</sup> Accordingly, the Federal Circuit affirmed the district court’s claim construction of “comprising a copolymer . . . of lactic acid and . . . of glycolic acid.”<sup>1858</sup>

The Federal Circuit also affirmed the district court’s construction of the claim phrase, “particles containing a water-soluble drug, the particles being dispersed in a spherical microcapsule matrix,” which had led to the district court’s finding of noninfringement.<sup>1859</sup> The district court construed “particles” to contain both a drug and a drug-retaining substance.<sup>1860</sup> While the claims did not explicitly refer to a “drug-retaining substance,” the Federal Circuit found support for the district court’s construction in the specifications.<sup>1861</sup> The Federal Circuit listed the following support it found in the specification: (1) all examples in the specification contain both a drug and a drug-retaining substance, (2) the specification instructed that a drug-retaining substance “must be used in sufficient amount to ensure that the initial viscosity of the inner aqueous layer in the water-in-oil emulsion described hereinafter will not be lower than about 5000

---

1851. *Id.*, 76 U.S.P.Q.2d (BNA) at 1129.

1852. *Id.*, 76 U.S.P.Q.2d (BNA) at 1129 (quoting the patent).

1853. *Id.* at 1349-50, 76 U.S.P.Q.2d (BNA) at 1129.

1854. *Id.* at 1350, 76 U.S.P.Q.2d (BNA) at 1129-30.

1855. *Id.*, 76 U.S.P.Q.2d (BNA) at 1130.

1856. *Id.*, 76 U.S.P.Q.2d (BNA) at 1130.

1857. *Id.*, 76 U.S.P.Q.2d (BNA) at 1130.

1858. *Id.* at 1349-50, 76 U.S.P.Q.2d (BNA) at 1129-30.

1859. *Id.* at 1353, 76 U.S.P.Q.2d (BNA) at 1132 (quoting district court’s opinion).

1860. *Id.*, 76 U.S.P.Q.2d (BNA) at 1132.

1861. *Id.*, 76 U.S.P.Q.2d (BNA) at 1132.

centipoises,”<sup>1862</sup> and (3) the specification noted how the use of a drug-retaining substance benefitted the invention.<sup>1863</sup> After reviewing this evidence, the Federal Circuit concluded that the district court’s claim construction was correct, and it affirmed the district court’s finding of noninfringement.<sup>1864</sup>

*NTP, Inc. v. Research in Motion, Ltd.*<sup>1865</sup> involved an appeal regarding the construction of the term “electronic mail system.”<sup>1866</sup> The district court construed the term to mean

[a] type of communication system which includes a plurality of processors running electronic mail programming wherein the processors and the electronic mail programming are configured to permit communication by way of electronic mail messages among recognized users of the electronic mail system. The various constituent processors in the electronic mail system typically function as both “originating processors” and “destination processors.”<sup>1867</sup>

On appeal, the defendant argued that “electronic mail system” had two ordinary meanings: “a broad definition that encompasses ‘communicating word processors, PCs, telex, facsimile, videotex, voicemail and radio paging systems (beepers)’ and a narrow definition that defines the term in the context of ‘pull’ technology.”<sup>1868</sup> The defendant thus argued that in light of the prosecution history, the term “electronic mail system” requires “a processor interconnected with other processors to serve the common purpose of providing electronic mail services to end users through pull technology while utilizing wireline, point-to-point connections.”<sup>1869</sup>

The plaintiff countered that (1) the defendant’s argument that “electronic mail system” should be construed to require pull technology “contravenes the plain language of the claim and is inconsistent with [the inventor’s] disclosure;” (2) not only did the defendant not raise the pull technology claim construction at the original hearing, but the defendant argued the opposite construction at that hearing; (3) the defendant’s limitation of “electronic mail system” to only a “wireline system” “simply cites the prior art

---

1862. *Id.*, 76 U.S.P.Q.2d (BNA) at 1132 (emphasis omitted).

1863. *Id.*, 76 U.S.P.Q.2d (BNA) at 1132.

1864. *Id.* at 1354, 76 U.S.P.Q.2d (BNA) at 1133.

1865. 418 F.3d 1282, 75 U.S.P.Q.2d (BNA) 1763 (Fed. Cir. 2005).

1866. *Id.* at 1294, 75 U.S.P.Q.2d (BNA) at 1771.

1867. *Id.* at 1295, 75 U.S.P.Q.2d (BNA) at 1772.

1868. *Id.*, 75 U.S.P.Q.2d (BNA) at 1772.

1869. *Id.*, 75 U.S.P.Q.2d (BNA) at 1772.

description of those terms, and not [the inventor's] use of the term as including wireless connections."<sup>1870</sup>

Addressing the waiver issue, the Federal Circuit explained that "[w]e have previously held that presenting proposed claim constructions which alter claim scope for the first time on appeal invokes the doctrine of waiver as to the new claim constructions."<sup>1871</sup>

The Federal Circuit held that because the defendant was trying to add a "pull technology limitation" to the claim that it failed to raise before the district court, the argument was waived and the Federal Circuit declined to address it on the merits.<sup>1872</sup>

The Federal Circuit then analyzed the intrinsic evidence and affirmed the district court's construction. The Federal Circuit first explained that the "claims themselves recite that an 'electronic mail system' includes various configurations of originating processors and destination processors that communicate via wireline connections or over an RF transmission network."<sup>1873</sup> The Federal Circuit noted that the "written description recognizes that electronic mail systems may have various processor architectures."<sup>1874</sup> The Federal Circuit also reviewed the prosecution history and found "no disclaimers or disavowals limiting an 'electronic mail system' to a wireline only system."<sup>1875</sup>

Rejecting the defendant's argument that "electronic mail system" must be limited to only a wireline system, the Federal Circuit explained that

[t]he written description expressly indicates that the "electronic mail system" in the patent claims may include wireless connections. [The inventor] described prior art "[e]lectronic mail services" as "basically a wire line-to-wire line, point-to-point type of communications" system. The use of the term "basically" suggests that an electronic mail system may include other types of connections, including wireless connections.<sup>1876</sup>

*Collegenet, Inc. v. Applyyourself, Inc.*,<sup>1877</sup> an infringement case concerning an online college admission application service patent,

---

1870. *Id.* at 1295-96, 75 U.S.P.Q.2d (BNA) at 1773.

1871. *Id.* at 1296, 75 U.S.P.Q.2d (BNA) at 1773 (referring to *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1370, 62 U.S.P.Q.2d (BNA) 1658, 1666 (Fed. Cir. 2002); *Interactive Gift Express, Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1346, 59 U.S.P.Q.2d (BNA) 1401, 1418 (Fed. Cir. 2001)).

1872. *Id.*, 75 U.S.P.Q.2d (BNA) at 1773.

1873. *Id.*, 75 U.S.P.Q.2d (BNA) at 1773.

1874. *Id.*, 75 U.S.P.Q.2d (BNA) at 1773.

1875. *Id.* at 1297, 75 U.S.P.Q.2d (BNA) at 1774.

1876. *Id.* at 1296, 75 U.S.P.Q.2d (BNA) at 1773 (emphasis and internal citations omitted).

1877. 418 F.3d 1225, 75 U.S.P.Q.2d (BNA) 1733 (Fed. Cir. 2005).

involved an appeal regarding the claim term “in a format specified by the institution.”<sup>1878</sup> The district court construed the term to mean “any file format, and it may include any other type of format, specified by the institution.”<sup>1879</sup> The Federal Circuit began its analysis by noting that because the asserted patent did not explicitly define the disputed term, the Federal Circuit would have to derive its meaning from its usage and context.<sup>1880</sup> The Federal Circuit explained that a court “seeks a term’s usage in the ordinary and accustomed meaning of the words amongst artisans of ordinary skill in the relevant art at the time of invention.”<sup>1881</sup> However, the Federal Circuit noted that “[i]mportantly, the person of ordinary skill in the art is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification.”<sup>1882</sup> The Federal Circuit clarified that, therefore, if a patent applicant consistently and unambiguously uses a term more or less expansively than its use in the relevant community, the applicant could affect the scope of the term in the context of the patent claim.<sup>1883</sup>

Applying these principles, the Federal Circuit rejected the district court’s construction that “a format specified by the institution” required an unlimited number of formats.<sup>1884</sup> The Federal Circuit first noted that the district court incorrectly interpreted the term “format” to mean “any file format” even though “[t]he specification and claims use the word ‘format’ in its customary sense to mean the arrangement of data for storage or display.”<sup>1885</sup> The Federal Circuit observed that a passage in the specification suggested that data arrangements could be tailored to fit within one of five exemplary supported formats.<sup>1886</sup> The Federal Circuit emphasized that although “the particular set of supported formats may indeed be broader than those specifically listed in the specification, at no point, however, does the patent require support for an ‘unlimited’ number of

---

1878. *Id.* at 1230, 75 U.S.P.Q.2d (BNA) at 1738.

1879. *Id.* at 1231, 75 U.S.P.Q.2d (BNA) at 1738.

1880. *Id.*, 75 U.S.P.Q.2d (BNA) at 1738.

1881. *Id.*, 75 U.S.P.Q.2d (BNA) at 1738 (referring to *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13, 75 U.S.P.Q.2d (BNA) 1321, 1326 (Fed. Cir. 2005); *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1342, 60 U.S.P.Q.2d (BNA) 1851, 1854 (Fed. Cir. 2001)).

1882. *Id.*, 75 U.S.P.Q.2d (BNA) at 1738 (quoting *Phillips*, 415 F.3d at 1312, 75 U.S.P.Q.2d (BNA) at 1326).

1883. *Id.*, 75 U.S.P.Q.2d (BNA) at 1738.

1884. *Id.*, 75 U.S.P.Q.2d (BNA) at 1739.

1885. *Id.*, 75 U.S.P.Q.2d (BNA) at 1739.

1886. *Id.* at 1232, 75 U.S.P.Q.2d (BNA) at 1739.

formats.”<sup>1887</sup> The Federal Circuit then noted that the district court also overlooked well settled precedent that “the term ‘a’ or ‘an’ ordinarily means ‘one or more,’” and improperly construed “a” to mean “any.”<sup>1888</sup> Accordingly, the Federal Circuit concluded that the “the district court defined ‘format’ too narrowly by limiting it to any ‘file format’ and erroneously imported the term ‘any’ into the claim language, ignoring the ordinary meaning of the term ‘a.’”<sup>1889</sup>

*Collegenet* also involved the appeal of the construction of the term “automatically,” which the district court construed to mean “*once initiated*, the function is performed by a machine, without the need for manually performing the function.”<sup>1890</sup> The defendant argued that the term should be construed to mean a “process that occurs *without human intervention*, such that a human does not have the option to intercede and alter the flow of that process.”<sup>1891</sup> In affirming the district court’s construction, the Federal Circuit explained that the asserted claim also uses the term “comprising” which is a transitional phrase that “is inclusive or open-ended and does not exclude additional, unrecited elements or method steps.”<sup>1892</sup>

The Federal Circuit thus noted that

consistent with this court’s precedent, the district court correctly adopted [the plaintiff’s] inclusive definition and rejected [the defendant’s] preclusive definition. While [the asserted claim] does not expressly provide for human intervention, the use of “comprising” suggests that additional, unrecited elements are not excluded. Such elements could include human actions to expressly initiate the automatic storing or inserting, or to interrupt such functions.<sup>1893</sup>

In *Norian Corporation v. Stryker Corporation*,<sup>1894</sup> the issue was whether the term “a sodium phosphate” should be construed to mean a solution made from “a mixture of multiple types of sodium phosphates as well as a single sodium phosphate.”<sup>1895</sup> The Federal Circuit affirmed the district court’s construction to require that “a

---

1887. *Id.*, 75 U.S.P.Q.2d (BNA) at 1739 (quoting patent language).

1888. *Id.*, 75 U.S.P.Q.2d (BNA) at 1739 (quoting *Tate Access Floors, Inc. v. Interface Architectural Res., Inc.*, 279 F.3d 1357, 1370, 61 U.S.P.Q.2d (BNA) 1647, 1657 (Fed. Cir. 2002)).

1889. *Id.* at 1233, 75 U.S.P.Q.2d (BNA) at 1740.

1890. *Id.* at 1235, 75 U.S.P.Q.2d (BNA) at 1741 (emphasis in original).

1891. *Id.*, 75 U.S.P.Q.2d (BNA) at 1741 (emphasis in original).

1892. *Id.*, 75 U.S.P.Q.2d (BNA) at 1741 (quoting *Georgia-Pac. Corp. v. United States Gypsum Co.*, 195 F.3d 1322, 1327, 52 U.S.P.Q.2d (BNA) 1590, 1595 (Fed. Cir. 1999)).

1893. *Id.*, 75 U.S.P.Q.2d (BNA) at 1741.

1894. 432 F.3d 1356, 77 U.S.P.Q.2d (BNA) 1242 (Fed. Cir. 2005).

1895. *Id.* at 1358, 77 U.S.P.Q.2d (BNA) at 1244.



sodium phosphate” means a solution made from a single sodium phosphate.<sup>1896</sup> The Federal Circuit first explained the district court’s analysis, which found that

[because] the asserted claims use the restrictive term “consisting of” to define the contents of the claimed solution . . . the term “a” must be interpreted to mean that the solution consists of water and only a single solute, i.e., a single type of sodium phosphate, not a mixture of different sodium phosphates.<sup>1897</sup>

The Federal Circuit also agreed with the district court’s analysis of the structural language of the claim, noting that the asserted claim “uses the phrase ‘at least one’ in the first limitation, which refers to sources of calcium or phosphoric acid, but does not use that phrase in the second limitation, which refers to the ingredients of the solution.”<sup>1898</sup> The Federal Circuit explained that if “the patentee had meant to claim the use of at least one type of sodium phosphate in the recited solution, it would have been simple to use the same language in the second portion of the claim that was used in the first.”<sup>1899</sup>

The Federal Circuit further reasoned that the district court’s interpretation was consistent with the specification, particularly with a chart listing different solutions, each one with a solute that is “either a type of sodium phosphate or a type of sodium carbonate.”<sup>1900</sup> The Federal Circuit explained that

[w]hile the scope of a claim is not necessarily limited to the examples disclosed in the specification, nothing in [the asserted patent] specification points away from the district court’s construction limiting [the asserted claim] to single-solute solutions. Rather, each of the solutions described in the specification uses only a single solute, and the specification makes no reference to using a mixture of multiple solutes in a single solution.<sup>1901</sup>

The Federal Circuit then concluded that “nowhere in the specification does the patentee refer, either explicitly or implicitly, to making the claimed solution from a mixture of multiple sodium phosphates.”<sup>1902</sup>

The Federal Circuit next determined that the prosecution history re-enforced the district court’s construction.<sup>1903</sup> In particular, the

---

1896. *Id.* at 1359, 77 U.S.P.Q.2d (BNA) at 1245.

1897. *Id.*, 77 U.S.P.Q.2d (BNA) at 1245.

1898. *Id.* at 1358-59, 77 U.S.P.Q.2d at 1245.

1899. *Id.* at 1359, 77 U.S.P.Q.2d (BNA) at 1245.

1900. *Id.*, 77 U.S.P.Q.2d (BNA) at 1245.

1901. *Id.* at 1359-60, 77 U.S.P.Q.2d (BNA) at 1245-46.

1902. *Id.* at 1360, 77 U.S.P.Q.2d (BNA) at 1246.

1903. *Id.*, 77 U.S.P.Q.2d (BNA) at 1246.

Federal Circuit observed that the patentee had responded to a number of rejections by narrowing the claim so that the transitional phrase “comprising” was changed to “consisting essentially of” and then ultimately to “consisting of.”<sup>1904</sup> The Federal Circuit also noted that the “critical claim language” was changed from “a sodium phosphate solution” to “a solution consisting of water and a sodium phosphate.”<sup>1905</sup> The Federal Circuit explained that any lingering ambiguity around whether or not “a sodium phosphate” meant a single type of phosphate was resolved by the examples of the single-solute solutions in the specification’s tables.<sup>1906</sup> As the prosecuting attorney had noted, the amended claim’s example solutions were made from monobasic sodium phosphate, dibasic sodium phosphate, and trisodium phosphate, but none was made from a mixture of different sodium phosphates.<sup>1907</sup> The Federal Circuit concluded that “the specification contemplates the use of various forms of sodium phosphate, but used individually, not simultaneously in the same solution.”<sup>1908</sup>

*Warner-Lambert Company v. Teva Pharmaceuticals USA, Inc.*<sup>1909</sup> presented the issue of whether the term “discoloration” meant “oxidative discoloring” or just “change in color.”<sup>1910</sup> The Federal Circuit affirmed the district court’s construction, reasoning that the “the only type of discoloration referred to in the [disputed] patent is oxidative discoloration.”<sup>1911</sup> The Federal Circuit also noted that the “the parties previously stipulated that ‘discoloration’ referred to oxidative discoloration.”<sup>1912</sup> The Federal Circuit therefore held that the claimed embodiments require oxidative discoloration.<sup>1913</sup>

*Harris Corporation v. Ericsson, Inc.* presented a dispute regarding the defendant’s waiver of the claim construction argument that it proffered on appeal.<sup>1914</sup> The Federal Circuit began its analysis by asserting that while “[w]aiver is a procedural issue,” a narrow view of the issue as a ‘waiver of a claim construction argument,’ makes it indisputably unique to patent law.”<sup>1915</sup> The Federal Circuit then

1904. *Id.*, 77 U.S.P.Q.2d (BNA) at 1246.

1905. *Id.*, 77 U.S.P.Q.2d (BNA) at 1246.

1906. *Id.*, 77 U.S.P.Q.2d (BNA) at 1246.

1907. *Id.*, 77 U.S.P.Q.2d (BNA) at 1246.

1908. *Id.*, 77 U.S.P.Q.2d (BNA) at 1246.

1909. 418 F.3d 1326, 75 U.S.P.Q.2d (BNA) 1865 (Fed. Cir. 2005).

1910. *Id.* at 1340, 75 U.S.P.Q.2d (BNA) at 1874.

1911. *Id.*, 75 U.S.P.Q.2d (BNA) at 1874 (citing the district court’s ruling on a motion for summary judgment).

1912. *Id.*, 75 U.S.P.Q.2d (BNA) at 1874.

1913. *Id.*, 75 U.S.P.Q.2d (BNA) at 1874.

1914. 417 F.3d 1241, 1248-49, 75 U.S.P.Q.2d (BNA) 1705, 1710-11 (Fed. Cir. 2005).

1915. *Id.*, at 1250-51, 75 U.S.P.Q.2d (BNA) at 1711-12.

embarked on a two-step analysis that first, compared the defendant's appellate and trial arguments,<sup>1916</sup> and second, inquired whether the difference in the argument on appeal is "so insubstantial" that it is essentially the "same concept" that the defendant brought before the district court.<sup>1917</sup>

The Federal Circuit determined that the defendant's claim construction theory presented on appeal differed from its assertion in district court.<sup>1918</sup> However, in the second step of the analysis, the court found that the claim construction argument differed so slightly from the assertion on the district court level that it did not constitute a waiver.<sup>1919</sup> The Federal Circuit reasoned that "the asserted claims require a two-step algorithm of producing nondiscrete estimates and deriving discrete decisions therefrom."<sup>1920</sup> Thus, the defendant's claim construction at the appellate level argued the "same concept" as its claim at the district court level.<sup>1921</sup>

Addressing the plaintiff's argument, the Federal Circuit explained that the slight change in the defendant's claim construction theory only affects whether infringement will be literal or under the doctrine of equivalents.<sup>1922</sup> Finding that this technical distinction was insignificant, the Federal Circuit held "that [the defendant's] district court claim construction arguments do not preclude its [] argument on appeal."<sup>1923</sup>

The Federal Circuit also rejected the plaintiff's argument that the defendant's failure to object to the jury instructions constituted a waiver of its claim construction position.<sup>1924</sup> The Federal Circuit explained that no such waiver existed because the defendant appealed the district court's denial of JMOL and the test for evaluating a JMOL motion is "whether there is a legally sufficient basis for a reasonable jury to find for the nonmoving party 'under the controlling law.'"<sup>1925</sup> The Federal Circuit then reasoned that "the 'controlling law' is the legal interpretation of the asserted claims."<sup>1926</sup> Accordingly, the Federal Circuit concluded that regardless of the jury instruction, "the JMOL decision is based on whether a reasonable

---

1916. *Id.* at 1251, 75 U.S.P.Q.2d (BNA) at 1712.

1917. *Id.*, 75 U.S.P.Q.2d (BNA) at 1712.

1918. *Id.*, 75 U.S.P.Q.2d (BNA) at 1712.

1919. *Id.*, 75 U.S.P.Q.2d (BNA) at 1712.

1920. *Id.*, 75 U.S.P.Q.2d (BNA) at 1712.

1921. *Id.*, 75 U.S.P.Q.2d (BNA) at 1712.

1922. *Id.* at 1252, 75 U.S.P.Q.2d (BNA) at 1712-13.

1923. *Id.*, 75 U.S.P.Q.2d (BNA) at 1713.

1924. *Id.*, 75 U.S.P.Q.2d (BNA) at 1713.

1925. *Id.*, 75 U.S.P.Q.2d (BNA) at 1713.

1926. *Id.*, 75 U.S.P.Q.2d (BNA) at 1713.

jury could find that [the defendant] infringed the properly construed claims based on the evidence presented.”<sup>1927</sup>

In dissent, Judge Gajarsa reasoned that the defendant waived the argument it was asserting on appeal.<sup>1928</sup> Judge Gajarsa explained that “courts describe the failure to make an argument to the trial court as a waiver, suggesting a party’s conscious choice to withhold a known argument.”<sup>1929</sup> Therefore, Judge Gajarsa reasoned that the defendant’s failure to assert its *WMS Gaming* argument, which had been available prior to any claim construction in this action, or to raise the issue after the claim construction’s conclusion, constituted a waiver of the argument.<sup>1930</sup> Judge Gajarsa further explained that the defendant’s “new argument has different implications for both the claim construction process, and the subsequent infringement analysis.”<sup>1931</sup> The dissent thus reasoned that the majority’s decision “established a new exception to the waiver rule—the *Oops I Forgot Rule*: no matter how many opportunities you have below to make the proper argument now you can make any argument at any time and the court will allow it.”<sup>1932</sup>

### B. Means-Plus-Function

In an en banc decision, the Federal Circuit in *Phillips v. AWH Corporation*<sup>1933</sup> affirmed the Panel’s finding that the district court erred by construing the plaintiff’s claim as a “means-plus-function” claim.<sup>1934</sup> The plaintiff, Edward H. Phillips, owned a patent covering steel-shell panels that when welded together, formed vandalism-resistant walls.<sup>1935</sup> Moreover, these walls were load-bearing and could be customized to insulate against fire, noise, and impacts, including bullets.<sup>1936</sup> The plaintiff contracted with AWH Corporation (“AWH”) for the marketing and sale of his panels, which ended in 1990.<sup>1937</sup> The plaintiff brought an infringement suit against AWH, alleging that AWH failed to cease using the plaintiff’s patented technology after their agreement ended.<sup>1938</sup> The lower court granted the defendant

1927. *Id.*, 75 U.S.P.Q.2d (BNA) at 1713.

1928. *Id.* at 1260, 75 U.S.P.Q.2d (BNA) at 1719.

1929. *Id.* at 1263, 75 U.S.P.Q.2d (BNA) at 1721.

1930. *Id.*, 75 U.S.P.Q.2d (BNA) at 1721.

1931. *Id.* at 1264, 75 U.S.P.Q.2d (BNA) at 1722.

1932. *Id.* at 1265, 75 U.S.P.Q.2d (BNA) at 1723.

1933. 415 F.3d 1303, 75 U.S.P.Q.2d (BNA) 1321 (Fed. Cir. 2005) (en banc).

1934. *Id.* at 1311, 75 U.S.P.Q.2d (BNA) at 1324-25.

1935. *Id.* at 1309, 75 U.S.P.Q.2d (BNA) at 1323.

1936. *Id.* at 1309, 1324, 75 U.S.P.Q.2d (BNA) at 1323, 1335.

1937. *Id.* at 1309, 75 U.S.P.Q.2d (BNA) at 1323.

1938. *Id.*, 75 U.S.P.Q.2d (BNA) at 1323.

summary judgment, and the plaintiff appealed to the Federal Circuit.<sup>1939</sup> While a Federal Circuit panel affirmed the lower court's finding of noninfringement, it did so on different grounds.<sup>1940</sup> The Federal Circuit reheard appeal arguments en banc, and revisited both the lower court's and the Panel's findings.

The plaintiff's claim 1 stated "further means disposed inside the shell for increasing its load bearing capacity comprising internal steel baffles extending inwardly from the steel shell walls."<sup>1941</sup> The district court construed this claim as "means-plus-function" under 35 U.S.C. § 112 and granted summary judgment to the defendant, finding nonfringement.<sup>1942</sup> The Panel denied the plaintiff's claims were "means-plus-function," but after conducting its own claim construction, affirmed the lower court's finding of noninfringement.<sup>1943</sup>

The en banc court explained that "[m]eans-plus-function claiming applies only to purely functional limitations that do not provide the structure that performs the recited function."<sup>1944</sup> While the Federal Circuit admitted that claim 1's language resembled a means-plus-function claim format, it pointed out that the internal "steel baffles" are the structure that actually perform the claimed function.<sup>1945</sup> Because the claim did not include the word "means" with "baffles," the court concluded that 35 U.S.C. § 112 did not apply, explaining that "the absence of that term ["means"] creates a rebuttable presumption" that section 112 does not apply.<sup>1946</sup> Moreover, the court found that the claims and the specification clearly establish "baffles" as a "physical apparatus"—a structure, not a "purely functional limitation."<sup>1947</sup> In support of this, the court cited to the claim's mention of baffles "extend[ing] inwardly," as well as to the specification's use of the term to refer to specific "internal wall structures."<sup>1948</sup> Accordingly, the Federal Circuit affirmed the Panel's finding that the lower court erred in construing the plaintiff's claims as "means-plus-function."<sup>1949</sup>

---

1939. *Id.*, 75 U.S.P.Q.2d (BNA) at 1323.

1940. *Id.*, 75 U.S.P.Q.2d (BNA) at 1323.

1941. *Id.*, 75 U.S.P.Q.2d (BNA) at 1323.

1942. *Id.*, 75 U.S.P.Q.2d (BNA) at 1323.

1943. *Id.* at 1310, 75 U.S.P.Q.2d (BNA) at 1323.

1944. *Id.* at 1311, 75 U.S.P.Q.2d (BNA) at 1324.

1945. *Id.*, 75 U.S.P.Q.2d (BNA) at 1325.

1946. *Id.*, 75 U.S.P.Q.2d (BNA) at 1324.

1947. *Id.*, 75 U.S.P.Q.2d (BNA) at 1324-25.

1948. *Id.*, 75 U.S.P.Q.2d (BNA) at 1325.

1949. *Id.*, 75 U.S.P.Q.2d (BNA) at 1325.

*C. Literal Infringement*

In *Business Objects, S.A. v. Microstrategy, Inc.*,<sup>1950</sup> the plaintiff sued the defendant for infringement of a patent directed towards an improvement for searching relational databases.<sup>1951</sup> Searching such databases required a database user to construct queries that needed to be written in a complex query language including certain clauses, such as “SELECT, WHERE, FROM, HAVING, ORDER BY and GROUP BY clauses.”<sup>1952</sup> The patent in suit was directed towards a method allowing end users to query the relational database “without knowing a query language or understanding the structure” of the database.<sup>1953</sup> Using the patented invention, a lay user only needed to select familiar names of business objects, specify any desired conditions to limit the results, and state the retrieval order for the data, and a “query engine” would select the appropriate clauses for the query language to be executed by the database.<sup>1954</sup> The accused products “allow[ed] lay users of relational databases to use familiar names to query [the] database,” even though using a “more sophisticated approach” was available.<sup>1955</sup> The district court granted the defendant’s motion for summary judgment of non-infringement either literally or under the doctrine of equivalents.<sup>1956</sup>

Addressing the district court’s claim construction, the Federal Circuit found that the district court properly construed each claim of the patent-in-suit. In its claim construction order, “the district court construed the ‘associating step’ limitation of claim 1 as associating a familiar name with ‘elements of SELECT and WHERE clauses’ before the ‘generating a query’ step.”<sup>1957</sup> In its summary judgment order, the district court further construed the claim so that the “elements” limitation “‘is not so broad as to encompass information that will be, but is not yet, associated with a SELECT/WHERE clause.’”<sup>1958</sup> The plaintiff challenged the district court’s construction of the “elements” limitation as being improperly narrowed.<sup>1959</sup> In affirming, but

---

1950. 393 F.3d 1366, 73 U.S.P.Q.2d (BNA) 1520 (Fed. Cir. 2005).

1951. *Id.* at 1368, 73 U.S.P.Q.2d (BNA) at 1521.

1952. *Id.*, 73 U.S.P.Q.2d (BNA) at 1522.

1953. *Id.*, 73 U.S.P.Q.2d (BNA) at 1522.

1954. *Id.* at 1368-69, 73 U.S.P.Q.2d (BNA) at 1522.

1955. *Id.* at 1370-71, 73 U.S.P.Q.2d (BNA) at 1523.

1956. *Id.* at 1367, 73 U.S.P.Q.2d (BNA) at 1521.

1957. *Id.* at 1372, 73 U.S.P.Q.2d (BNA) at 1525 (quoting *Bus. Objects, S.A. v. MicroStrategy, Inc.*, No. C 01-3908 CRB, slip op. at 9 (N.D. Cal. May 1, 2003)).

1958. *Id.*, 73 U.S.P.Q.2d (BNA) at 1525.

1959. *Id.*, 73 U.S.P.Q.2d (BNA) at 1525 (quoting *Bus. Objects, S.A.*, No. C 01-3908 CRB, slip op. at 9).

clarifying the district court's claim construction, the Federal Circuit reasoned that

The associating step of claim 1 requires the association of a familiar name with SELECT/WHERE clauses used by the query engine to generate the SELECT/WHERE statements. Thus, the phrase "element of a SELECT/WHERE clause" in the district court's [claim construction order] refers to an element of the final SELECT/WHERE statement, as labeled in this opinion, generated by the query engine. The "element" is the SELECT/WHERE clause associated with a familiar name that the query engine concatenates with the SELECT/WHERE clauses of other familiar names to generate SELECT/WHERE statements for execution by the [database]. The district court's construction of the associating step limitation, and subsequent clarification in the [summary judgment order] that "an element" excludes "information that will be, but is not yet, associated with a SELECT or WHERE clause[.]"<sup>1960</sup> therefore, are correct.

The Federal Circuit rejected the plaintiff's argument that the district court's construction precluded "dynamic semantics."<sup>1961</sup> The Federal Circuit held that the patent:

clearly teaches that the inclusion of a particular familiar name in a query will always return information from the same table and column, but the information returned by using the familiar name will change depending on the other familiar names included in the query. Consequently, the district court's claim construction requiring the association of SELECT/WHERE clauses to familiar names before the "generating a query" step does not preclude dynamic semantics.<sup>1962</sup>

The plaintiff also challenged the district court's claim construction of the terms "predefined query language" from claim 1 and "predetermined query language" from claim 4.<sup>1963</sup> The district court construed the terms as having the same meaning, that a "query language that must be determined prior to the 'generating a query' step but not necessarily prior to the associating step."<sup>1964</sup> Additionally, the Federal Circuit reasoned that "the 'predefined [or predetermined] query language' must support the functions and operators contained in the associating step's SELECT clause."<sup>1965</sup> The

---

1960. *Id.*, 73 U.S.P.Q.2d (BNA) at 1525.

1961. *Id.*, 73 U.S.P.Q.2d (BNA) at 1525.

1962. *Id.* at 1373, 73 U.S.P.Q.2d (BNA) at 1525.

1963. *Id.*, 73 U.S.P.Q.2d (BNA) at 1525.

1964. *Id.*, 73 U.S.P.Q.2d (BNA) at 1525.

1965. *Id.*, 73 U.S.P.Q.2d (BNA) at 1525 (quoting *Bus. Objects, S.A. v. MicroStrategy, Inc.*, No. C 01-3908 CRB, slip op. at 9-10 (N.D. Cal. May 1, 2003)).

Federal Circuit agreed with the district court's construction, and rejected the plaintiff's argument that the district court's construction "improperly import[ed] the 'associating step' from claim 1 into claim 4."<sup>1966</sup> The Federal Circuit, in affirming the district court's construction of the terms "predetermined query language" and "predefined query language" held that the district court's claim construction was "consistent with the structural limitations of the query engine means and does not improperly import the associating step limitation of claim 1."<sup>1967</sup>

Finally, because the plaintiff's challenges to the district court's grant of summary judgment of no literal infringement rested on its arguments that the district court's claim constructions were in error, the Federal Circuit affirmed the grant of summary judgment of no literal infringement.<sup>1968</sup>

In *Imonex Services, Inc. v. W.H. Munzprufer Dietmar Trenner GmbH*,<sup>1969</sup> the Federal Circuit reviewed a jury verdict of infringement. The defendants had argued that their coin selectors, used on coin-operated washing machines, did not infringe Imonex's patent, which required a surface that "contact[s] *each* coin."<sup>1970</sup> The defendants challenged the jury verdict on the grounds that Imonex's expert admitted on cross-examination that he was not sure that the protrusion in the accused devices would contact every coin.<sup>1971</sup> Imonex argued that this was merely an admission that if an infinite number of coins were introduced into the coin slot, it is possible that one or more coins might not engage the protrusion.<sup>1972</sup> The Federal Circuit, applying Fifth Circuit law, concluded that substantial evidence supported the jury's verdict finding of infringement and upheld the lower court's decision.<sup>1973</sup>

In *ArthroCare Corp. v. Smith & Nephew, Inc.*,<sup>1974</sup> the defendant argued that it was not liable for contributory or induced infringement because there was no evidence that its products were used in a manner that directly infringed the patents in suit. The district court had construed the claims at issue to require that the electrodes of an electrosurgical device not contact the body at all during the

---

1966. *Id.*, 73 U.S.P.Q.2d (BNA) at 1526.

1967. *Id.*, 73 U.S.P.Q.2d (BNA) at 1526.

1968. *Id.* at 1373-74, 73 U.S.P.Q.2d (BNA) at 1526.

1969. 408 F.3d 1374, 74 U.S.P.Q.2d (BNA) 1936 (Fed. Cir. 2005).

1970. *Id.* at 1377, 74 U.S.P.Q.2d (BNA) at 1938 (emphasis in original).

1971. *Id.*, 74 U.S.P.Q.2d (BNA) at 1938.

1972. *Id.*, 74 U.S.P.Q.2d (BNA) at 1938.

1973. *Id.*, 74 U.S.P.Q.2d (BNA) at 1938-39 (citing *Hiltgen v. Sumrall*, 47 F.3d 695, 699-700 (5th Cir. 1995)).

1974. 406 F.3d 1365, 74 U.S.P.Q.2d (BNA) 1749 (Fed. Cir. 2005).



performance of the claimed method, but that “[t]he claimed method does not contain any time limitations.”<sup>1975</sup> Rejecting the arguments of Smith & Nephew, the Federal Circuit interpreted that construction to mean that the electrodes could not touch the body when a step of the claimed methods was being performed, but that the electrodes could touch the body in the times in between steps.<sup>1976</sup> The Federal Circuit explained that

When the district court construed the claim language at issue here, it rejected Smith & Nephew’s proposed construction, which was that the return electrode must never touch the body at any time during the surgery . . . . In effect, Smith & Nephew is now advancing that rejected claim construction, while maintaining that it has accepted the district court’s claim construction.<sup>1977</sup>

Rejecting Smith & Nephew’s arguments, the Federal Circuit held that there was substantial evidence at trial to support the jury’s determination and that the district court’s denial of JMOL was appropriate.<sup>1978</sup> In *Boss Control, Inc. v. Bombardier Inc.*,<sup>1979</sup> the Federal Circuit affirmed the district court’s summary judgment of noninfringement based on the district court’s claim construction. The patent was directed to a security power interrupt apparatus that prevents unauthorized use of an electrically operated product.<sup>1980</sup> The district court construed the term “interrupt” in the asserted claim to mean more than a simple “on-off” interruption of electrical power, and accordingly found that Bombardier’s personal watercraft and snowmobiles, equipped with a Digitally Encoded Security System (“DESS”), did not infringe.<sup>1981</sup> The Federal Circuit, affirming the district court’s claim construction, determined that “interrupt” meant “(1) providing electrical current to a device up to a preset threshold so that auxiliary components may continue to operate; and (2) completely shutting off electrical current to the device when the electrical current exceeds the preset threshold.”<sup>1982</sup> The accused devices include a cap that fits on a post, the cap including circuitry carrying an electronic code.<sup>1983</sup> When the cap is pulled off, for example, when a rider falls off of a watercraft, power to the engine is

---

1975. *Id.* at 1376, 74 U.S.P.Q.2d (BNA) at 1758.

1976. *Id.*, 74 U.S.P.Q.2d (BNA) at 1759.

1977. *Id.*, 74 U.S.P.Q.2d (BNA) at 1758.

1978. *Id.* at 1376-77, 74 U.S.P.Q.2d (BNA) at 1758-59.

1979. 410 F.3d 1372, 75 U.S.P.Q.2d (BNA) 1038 (Fed. Cir. 2005).

1980. *Id.* at 1374-75, 75 U.S.P.Q.2d (BNA) at 1039.

1981. *Id.* at 1375-76, 75 U.S.P.Q.2d (BNA) at 1039.

1982. *Id.* at 1379, 75 U.S.P.Q.2d (BNA) at 1043.

1983. *Id.* at 1375, 75 U.S.P.Q.2d (BNA) at 1040.

cut while power to auxiliary gauges and lights remains for thirty seconds.<sup>1984</sup>

The Federal Circuit agreed with the district court that the DESS in the accused devices did not interrupt power in response to disconnection of the cap because the power to the auxiliary gauges and lights supplied while the engine is cut did not depend in any way on the electrical current level.<sup>1985</sup> In particular, the DESS did not provide electrical current to the watercraft up to a preset threshold so that the auxiliary components could continue to operate.<sup>1986</sup> The Federal Circuit also determined that the DESS completely shuts off electrical current to the watercraft when the cap is removed from the post, relying on concessions by Boss at oral argument.<sup>1987</sup> Accordingly, the Federal Circuit affirmed the district court's summary judgment.<sup>1988</sup>

In *SmithKline Beecham Corp. v. Apotex Corp.*,<sup>1989</sup> SmithKline had taken a license in 1980 from Ferrosan, a British company, for a patent covering a class of compounds that included a compound later known as paroxetine hydrochloride (PHC).<sup>1990</sup> SmithKline was granted a U.S. patent on PHC hemihydrate in 1988 ("the '723 patent") and was granted approval by the FDA to commercially market it as an antidepressant drug under the name Paxil.<sup>1991</sup> In 1993, Apotex filed an ANDA with the FDA under 21 U.S.C. § 355(j), seeking approval to market its own generic version of PHC anhydrate.<sup>1992</sup> Apotex's ANDA included a Paragraph IV certification that its drug would not infringe the '723 patent.<sup>1993</sup> Nevertheless, SmithKline sued Apotex for infringement of its '723 patent under 35 U.S.C. § 271(e)(2) as a result of Apotex's ANDA filing, asserting infringement of Claim 1 which read in its entirety: "Crystalline paroxetine hydrochloride hemihydrate."<sup>1994</sup>

---

1984. *Id.*, 75 U.S.P.Q.2d (BNA) at 1040.

1985. *Id.* at 1379, 75 U.S.P.Q.2d (BNA) at 1043.

1986. *Id.*, 75 U.S.P.Q.2d (BNA) at 1043.

1987. *Id.* at 1379-80, 75 U.S.P.Q.2d (BNA) at 1043.

1988. *Id.* at 1381, 75 U.S.P.Q.2d (BNA) at 1044.

1989. 403 F.3d 1331, 74 U.S.P.Q.2d (BNA) 1398 (Fed. Cir. 2005).

1990. *Id.* at 1334, 74 U.S.P.Q.2d (BNA) at 1399-1400; *see supra* Part II.B.1 (summarizing *SmithKline's* factual history).

1991. *Id.*, 74 U.S.P.Q.2d (BNA) at 1400.

1992. *Id.*, 74 U.S.P.Q.2d (BNA) at 1400.

1993. *Id.*, 74 U.S.P.Q.2d (BNA) at 1400. 21 U.S.C. § 355(j)(2)(A)(vii)(IV) (2000) provides that a person may file an abbreviated application for the approval of a new drug as long as, "to the best of the [applicant's] knowledge . . . the [patent of the listed drug] is invalid or will not be infringed by the manufacture, use, or sale of the new drug . . ."

1994. *SmithKline*, 403 F.3d at 1334, 74 U.S.P.Q.2d (BNA) at 1400.

SmithKline alleged that although Apotex listed the active ingredient in its PHC product as PHC anhydrate, its product would nevertheless infringe the '723 patent claim directed to hemihydrate forms because Apotex's PHC anhydrate would necessarily contain at least trace amounts of PHC hemihydrate as a result of a conversion process it described as "seeding."<sup>1995</sup> According to SmithKline and its experts, once PHC hemihydrate was formed in SmithKline's facilities, the general environment became "seeded" with crystals of PHC hemihydrate.<sup>1996</sup> When exposed to this environment, PHC anhydrate inevitably converts to PHC hemihydrate.<sup>1997</sup>

Based on this evidence, the district court found that Apotex's PHC anhydrous tablets would necessarily contain at least trace amounts of PHC hemihydrate.<sup>1998</sup> Nevertheless, it construed claim 1 to require "commercially significant amounts" of PHC hemihydrate based on certain representations made in the patent specification, including statements regarding the superior pharmaceutical and commercial properties of PHC hemihydrate.<sup>1999</sup> It further reasoned that to allow claim 1 to cover trace amounts of PHC hemihydrate would render claim 1 indefinite, because potential infringers would not be able to determine whether they infringe if they could not detect the presence of the claimed compound.<sup>2000</sup> Moreover, such a broad construction would contravene public policy because it would likely preclude attempts to make the prior art anhydrous compound.<sup>2001</sup> Finally the district court found that, even if claim 1 were construed to cover trace amounts of PHC hemihydrate, Apotex should not be found liable for infringement because SmithKline, by producing the first PHC hemihydrate crystals, was responsible for "seeding" the environment and causing the alleged infringement.<sup>2002</sup>

---

1995. *Id.* at 1335-36, 74 U.S.P.Q.2d (BNA) at 1401.

1996. *Id.*, 74 U.S.P.Q.2d (BNA) at 1401.

1997. *Id.*, 74 U.S.P.Q.2d (BNA) at 1401. SmithKline also argued that PHC anhydrous would convert to PHC hemihydrate in the stomach of patients. The Federal Circuit found that the district court did not clearly err in excluding this evidence, however, finding that SmithKline would likely not meet its burden of showing "gastrointestinal infringement." *Id.* at 1336, 74 U.S.P.Q.2d (BNA) at 1401. SmithKline also presented evidence that tests of Apotex's tablets showed detectable quantities of PHC hemihydrate, but the district court excluded this evidence because it found that SmithKline had excluded certain tablets that represented the product Apotex would manufacture from the testing without reasonable explanation. *Id.* at 1336, 74 U.S.P.Q.2d (BNA) at 1401. The Federal Circuit again found that the district court did not err in its conclusion.

1998. *Id.* at 1340, 74 U.S.P.Q.2d (BNA) at 1404.

1999. *Id.* at 1339, 74 U.S.P.Q.2d (BNA) at 1403.

2000. *Id.* at 1339-40, 74 U.S.P.Q.2d (BNA) at 1403-04.

2001. *Id.* at 1339, 74 U.S.P.Q.2d (BNA) at 1403.

2002. *Id.* at 1342, 74 U.S.P.Q.2d (BNA) at 1405.

The Federal Circuit rejected the district court's analysis for a couple of reasons. First, it held that claim 1 was plain on its face, as it described a very specific compound.<sup>2003</sup> Artisans in this area of technology, it concluded, would understand the claim to embrace PHC hemihydrate without further limitation.<sup>2004</sup> Moreover, the Federal Circuit found that the references in the specification upon which the district court relied merely commented on the favorable characteristics of PHC hemihydrate.<sup>2005</sup> It explained that "[a] description of characteristics does not redefine a compound with an established and unambiguous structural definition."<sup>2006</sup> Second, the Federal Circuit explained that claim construction is not a policy-driven inquiry; rather, "it is a contextual interpretation of language."<sup>2007</sup> Thus, it concluded that, properly construed, Apotex's proposed product would infringe claim 1 of the '723 patent because it would contain trace amounts of the claimed PHC hemihydrate compound.<sup>2008</sup>

In *Pfizer, Inc., v. Teva Pharmaceuticals, USA, Inc.*,<sup>2009</sup> the Federal Circuit affirmed the lower court's grant of a preliminary injunction to the plaintiff, Pfizer, Inc. ("Pfizer"). In this case, the Federal Circuit outlined four elements needed for a grant of a preliminary injunction.<sup>2010</sup> As to the first element, that the movant has a "reasonable likelihood of success on the merits,"<sup>2011</sup> the Federal Circuit stated that to prove this element, plaintiff would need to show that it owned a valid and enforceable patent, and that the defendant likely infringed on this patent.<sup>2012</sup> Because the defendant did not question the former, the Federal Circuit focused on whether the lower court correctly determined that defendants likely infringed Pfizer's patent.<sup>2013</sup>

---

2003. *Id.* at 1340, 74 U.S.P.Q.2d (BNA) at 1404.

2004. *Id.*, 74 U.S.P.Q.2d (BNA) at 1404.

2005. *Id.*, 74 U.S.P.Q.2d (BNA) at 1404.

2006. *Id.* at 1339, 74 U.S.P.Q.2d (BNA) at 1403. The court subsequently elaborates on its reasoning by stating that: "For this precise reason, this court has repeatedly stated that a court must construe claims without considering the implications of covering a particular product or process." *Id.* at 1340, 74 U.S.P.Q.2d (BNA) at 1404.

2007. *Id.* at 1339, 74 U.S.P.Q.2d (BNA) at 1403.

2008. *Id.* at 1341, 74 U.S.P.Q.2d (BNA) at 1405. The Court ultimately found claim 1 to be inherently anticipated, however.

2009. 429 F.3d 1364, 77 U.S.P.Q.2d (BNA) 1257 (Fed. Cir. 2005).

2010. *See id.* at 1372, 77 U.S.P.Q.2d (BNA) at 1261 (listing the four factors as: "(1) a reasonable likelihood of success on the merits; (2) the prospect of irreparable harm to the patent owner in the absence of the injunction; (3) that this harm would exceed harm to the alleged infringer when subject to the injunction" and finally "(4) that granting the injunction is in the public interest.").

2011. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261.

2012. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261.

2013. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261-62.

In making this determination, the Federal Circuit reviewed the lower court's claim construction,<sup>2014</sup> and then compared these construed claims to the accused infringing product.<sup>2015</sup> The Federal Circuit affirmed the lower court's claim construction of the term "saccharide" to include polysaccharides.<sup>2016</sup>

Next, the Federal Circuit reviewed the lower court's comparison of the patent and the accused product, stating that infringement occurs when the "accused product or method meets every claim limitation either literally or under the doctrine of equivalents."<sup>2017</sup> The Federal Circuit affirmed the lower court's finding that the defendants' product likely infringed both claims 1 and 16 of Pfizer's patent.<sup>2018</sup>

Subsequently, the Federal Circuit determined that defendants likely infringed claim 16, stating that the defendants necessarily concede infringement on this claim if the court were to affirm the lower court's construction of "saccharide" to include polysaccharides.<sup>2019</sup> Given that the Federal Circuit affirmed the lower court's construction to include polysaccharides, the court moved on to discuss claim 1 of the plaintiff's patent.<sup>2020</sup> In order for the defendants' product to infringe claim 1, it needed to "inhibit hydrolysis," which the lower court did find in its analysis.<sup>2021</sup> The defendants argued that the lower court erred by relying on the plaintiff's expert who did not actually test the defendant's product, but instead reviewed tests performed on two different products.<sup>2022</sup>

Additionally, the defendants argued that the lower court erred by requiring the defendants to prove that their product did not inhibit hydrolysis, which improperly shifted the evidentiary burden.<sup>2023</sup> In response to the defendants' first argument, the court only stated that "it is particularly appropriate at the preliminary injunction stage not to set a hard and fast rule that infringement can only be shown through quantitative testing of an accused product."<sup>2024</sup>

---

2014. *Id.* at 1372-73, 77 U.S.P.Q.2d (BNA) at 1261-62.

2015. *Id.* at 1376, 77 U.S.P.Q.2d (BNA) at 1264.

2016. *Id.* at 1377, 77 U.S.P.Q.2d (BNA) at 1264.

2017. *Id.* at 1376, 77 U.S.P.Q.2d (BNA) at 1264-65.

2018. *See id.*, 77 U.S.P.Q.2d (BNA) at 1264-65 (commenting that the district court also did not clearly err in determining that the plaintiff is likely to prevail in its charge that Ranbaxy literally infringes claim 1).

2019. *Id.* at 1377, 77 U.S.P.Q.2d (BNA) at 1265.

2020. *Id.*, 77 U.S.P.Q.2d (BNA) at 1265.

2021. *Id.*, 77 U.S.P.Q.2d (BNA) at 1265.

2022. *Id.*, 77 U.S.P.Q.2d (BNA) at 1265.

2023. *Id.*, 77 U.S.P.Q.2d (BNA) at 1265.

2024. *Id.*, 77 U.S.P.Q.2d (BNA) at 1265 (citing *Water Techs. Corp. v. Calco, Ltd.*, 850 F.2d 660, 667, 7 U.S.P.Q.2d (BNA) 1097, 1103 (Fed. Cir. 1988)).

The Federal Circuit also rejected the defendants' second argument.<sup>2025</sup> In its analysis, the court denied that the lower court had shifted the evidentiary burden, and found that the defendants' failure to provide any evidence on its behalf validated that the lower court's ruling.<sup>2026</sup> Accordingly, the court found that sufficient evidence existed to suggest that the defendants' product inhibited hydrolysis, and thus, infringed claim 16 of the plaintiff's patent.<sup>2027</sup>

In *MicroStrategy Inc. v. Business Objects, S.A.*, the Federal Circuit affirmed the district court's grant of summary judgment to the defendant, Business Objects, finding non-infringement of the plaintiff's patent.<sup>2028</sup> Both parties competed in the business intelligence software field.<sup>2029</sup> The plaintiff's patent related to a system and method responsible for automatically broadcasting information "to multiple types of subscriber output devices and formatting output for those devices using configurable parameters."<sup>2030</sup> The main issue before the Federal Circuit was whether the plaintiff's patent required that it support multiple types of output devices, or if it also allowed for support of only one type of output device.<sup>2031</sup> In order to make this determination, the Federal Circuit reviewed the lower court's claim construction of "device-specific style,"<sup>2032</sup> and whether, based on this construction, the lower court correctly concluded that the defendant's product infringed on the plaintiff's patent.<sup>2033</sup>

The district court construed the plaintiff's claim term "device-specific style" to mean "[t]he format in which a particular type of output device receives and displays service output, consisting of values of a plurality of parameters."<sup>2034</sup> Construing the remaining claim language, the district court concluded that the plaintiff's patent "requires a particular format and presentation for one device, e.g. mobile phone data, that could differ from the format for a second device, e.g., electronic mail data."<sup>2035</sup> On appeal, the Federal Circuit rejected the plaintiff's argument that the correct meaning of the

---

2025. *Id.*, 77 U.S.P.Q.2d (BNA) at 1265.

2026. *Id.*, 77 U.S.P.Q.2d (BNA) 1265.

2027. *Id.* at 1378, 77 U.S.P.Q.2d at 1265-66.

2028. 429 F.3d 1344, 1349, 77 U.S.P.Q.2d (BNA) 1001, 1002-03 (Fed. Cir. 2005); *see supra* Part III.A (summarizing the case's factual history).

2029. *Id.* at 1348, 77 U.S.P.Q.2d (BNA) at 1002.

2030. *Id.* at 1349, 77 U.S.P.Q.2d (BNA) at 1003.

2031. *Id.*, 77 U.S.P.Q.2d (BNA) at 1003.

2032. *Id.*, 77 U.S.P.Q.2d (BNA) at 1003.

2033. *Id.*, 77 U.S.P.Q.2d (BNA) at 1003.

2034. *Id.* at 1350, 77 U.S.P.Q.2d (BNA) at 1004.

2035. *Id.* at 1350-51, 77 U.S.P.Q.2d (BNA) at 1004.

district court's claim construction would not require support for more than one type of output device.<sup>2036</sup> Instead, the Federal Circuit found that the plaintiff's patent required it to support more than one type of output device.<sup>2037</sup>

The Federal Circuit then moved on to determine whether the defendant's product infringed on the plaintiff's patent.<sup>2038</sup> The Federal Circuit found that the defendant's product was designed only to deliver information through e-mail, and that its system only supported one style.<sup>2039</sup> Accordingly, the Federal Circuit affirmed the district court's claim construction and finding of non-infringement.<sup>2040</sup>

In *NTP, Inc. v. Research in Motion, Ltd.*, the Federal Circuit addressed the scope of Section 271(a).<sup>2041</sup> The Federal Circuit clarified that the "territorial reach of section 271 is limited . . . [to] patent infringement that occurs within the United States."<sup>2042</sup> The Federal Circuit explained that:

[o]rdinarily, whether an infringing activity under section 271(a) occurs within the United States can be determined without difficulty. This case presents an added degree of complexity, however, in that: (1) the "patented invention" is not one single device, but rather a system comprising multiple distinct components or a method with multiple distinct steps; and (2) the nature of those components or steps permits their function and use to be separated from their physical location.<sup>2043</sup>

The Federal Circuit thus determined that the case presented the question of "whether the using, offering to sell, or selling of a patented invention is an infringement under section 271(a) if a component or step of the patented invention is located or performed abroad."<sup>2044</sup>

The Federal Circuit began its analysis by noting that § 271(a) provides that whoever without authority "uses, offers to sell, or sells any patented invention, within the United States . . . during the term of the patent therefore, infringes the patent."<sup>2045</sup> The Federal Circuit reasoned that the "grammatical structure of the statute

---

2036. *Id.* at 1351, 77 U.S.P.Q.2d (BNA) at 1005.

2037. *Id.* at 1352, 77 U.S.P.Q.2d (BNA) at 1005.

2038. *Id.*, 77 U.S.P.Q.2d (BNA) at 1006.

2039. *Id.* at 1353, 77 U.S.P.Q.2d (BNA) at 1006.

2040. *Id.*, 77 U.S.P.Q.2d (BNA) at 1006.

2041. 418 F.3d 1282, 1313, 75 U.S.P.Q.2d (BNA) 1763, 1786 (Fed. Cir. 2005).

2042. *Id.*, 75 U.S.P.Q.2d (BNA) at 1786.

2043. *Id.*, 75 U.S.P.Q.2d (BNA) at 1787.

2044. *Id.* at 1315, 75 U.S.P.Q.2d (BNA) at 1788.

2045. *Id.*, 75 U.S.P.Q.2d (BNA) at 1788.

indicates that ‘within the United States’ is a separate requirement from the infringing acts clause.”<sup>2046</sup> The Federal Circuit concluded that “it is unclear from the statutory language how the territoriality requirement limits direct infringement where the location of at least a part of the ‘patented invention’ is not the same as the location of the infringing act.”<sup>2047</sup>

In *MEMC Electronic Materials, Inc. v. Mitsubishi Materials Silicon Corp.*,<sup>2048</sup> the Federal Circuit affirmed the lower court’s grant of summary judgment to the defendants (“SUMCO”) regarding the plaintiff’s (“MEMC”) allegation of direct infringement under 35 U.S.C. § 271(a).<sup>2049</sup> Both the plaintiff and the defendants manufactured silicon wafers for semiconductors.<sup>2050</sup> The plaintiff owned a patent that related to the creation of single crystal silicon, which improved upon prior art by decreasing crystal defects.<sup>2051</sup> The plaintiff brought suit against SUMCO arguing that SUMCO’s single crystal silicon wafers infringed on its patent.<sup>2052</sup> SUMCO motioned for summary judgment arguing that the plaintiff failed to prove SUMCO sold silicon wafers in the United States.<sup>2053</sup> Although SUMCO manufactured its wafers in Japan, it acknowledged it sold its wafers to Samsung Japan Corporation, which then sold the wafers to Samsung Austin Semiconductor, located in Austin, Texas.<sup>2054</sup> The district court reviewed the evidence: (1) SUMCO manufactured the wafers bound for Austin by specifications provided by Samsung Korea, the parent company of both Samsung Japan and Samsung Austin;<sup>2055</sup> (2) Samsung Japan generally determined the number of wafers SUMCO sent to Samsung Austin;<sup>2056</sup> (3) SUMCO packaged the wafers and attached a packing label designating the wafers were bound for Austin, Texas;<sup>2057</sup> (4) SUMCO then delivered the packaged and labeled wafers to a packaging company in Japan, which then transported the wafers “free on board” to Samsung Austin.<sup>2058</sup> Finding no evidence that SUMCO sold or offered to sell its wafers in

2046. *Id.*, 75 U.S.P.Q.2d (BNA) at 1788.

2047. *Id.*, 75 U.S.P.Q.2d (BNA) at 1788.

2048. 420 F.3d 1369, 76 U.S.P.Q.2d (BNA) 1276 (Fed. Cir. 2005).

2049. *Id.* at 1371, 76 U.S.P.Q.2d (BNA) at 1277-78.

2050. *Id.*, 76 U.S.P.Q.2d (BNA) at 1278.

2051. *Id.*, 76 U.S.P.Q.2d (BNA) at 1278.

2052. *Id.* at 1372, 76 U.S.P.Q.2d (BNA) at 1278.

2053. *Id.*, 76 U.S.P.Q.2d (BNA) at 1278.

2054. *Id.*, 76 U.S.P.Q.2d (BNA) at 1278.

2055. *Id.*, 76 U.S.P.Q.2d (BNA) at 1279.

2056. *Id.* at 1373, 76 U.S.P.Q.2d (BNA) at 1279.

2057. *Id.*, 76 U.S.P.Q.2d (BNA) at 1279.

2058. *Id.* at 1373-74, 76 U.S.P.Q.2d (BNA) at 1279.



the United States, or imported its wafers into the United States, the lower court granted SUMCO's motion for summary judgment.<sup>2059</sup>

On appeal, MEMC argued it had evidence that Samsung Japan was merely a "conduit" for the defendants to sell its silicon wafers to Samsung Austin, and therefore, the district court erred by granting summary judgment.<sup>2060</sup> The evidence it produced included: (1) e-mails from SUMCO to Samsung Austin providing electronic data of wafers it was waiting to send until Samsung Austin gave its approval after its review of the electronic data;<sup>2061</sup> (2) e-mails suggesting SUMCO and Samsung Austin communicated directly to discuss shipping dates and quantity of wafers—all subject to Samsung Austin's final approval;<sup>2062</sup> (3) direct e-mails from Samsung Austin and SUMCO regarding wafer problems, which after communicated, often resulted in manufacturing adjustments either at the SUMCO or Samsung Austin plants;<sup>2063</sup> (4) e-mails from SUMCO to Samsung Austin requesting permission to send a shipment of modified silicon wafers, which Samsung Austin approved after experiencing problems with some wafers SUMCO previously supplied;<sup>2064</sup> and (5) evidence that at least two SUMCO employees visited Samsung Austin on two separate occasions, each time giving a technical presentation regarding the accused silicon wafers.<sup>2065</sup>

Based on the evidence presented by MEMC, the Federal Circuit framed the issue as whether this evidence was sufficient so that a reasonable jury could find that an "offer for sale" or "sale" occurred within the meaning of 35 U.S.C. § 271(a), which requires that the offer or sale occur within the United States.<sup>2066</sup> In its assessment of whether the defendant made an offer to sell, the Federal Circuit reviewed its decision in *3D Systems, Inc. v. Aarotech Laboratories, Inc.*<sup>2067</sup> In *3D Systems, Inc.* the Federal Circuit found an offer to sell where the defendant provided potential customers "with price quotations, brochures, specification sheets, videos, and sample parts of their products."<sup>2068</sup> The Federal Circuit distinguished the instant case with *3D Systems, Inc.*, finding SUMCO's e-mailed electronic data transmittal to Samsung Austin was unlike the price sheet sent by the

---

2059. *Id.* at 1372-73, 76 U.S.P.Q.2d (BNA) at 1279.

2060. *Id.* at 1372, 76 U.S.P.Q.2d (BNA) at 1278.

2061. *Id.* at 1374, 76 U.S.P.Q.2d (BNA) at 1279-80.

2062. *Id.*, 76 U.S.P.Q.2d (BNA) at 1280.

2063. *Id.*, 76 U.S.P.Q.2d (BNA) at 1280.

2064. *Id.*, 76 U.S.P.Q.2d (BNA) at 1280.

2065. *Id.*, 76 U.S.P.Q.2d (BNA) at 1280.

2066. *Id.* at 1375, 76 U.S.P.Q.2d (BNA) at 1281.

2067. 160 F.3d 1373, 48 U.S.P.Q.2d (BNA) 1773 (Fed. Cir. 2005).

2068. *MEMC Elec. Materials*, 420 F.3d at 1376, 76 U.S.P.Q.2d (BNA) at 1281.

defendant in *3D Systems, Inc.*<sup>2069</sup> Therefore, the Federal Circuit concluded that the data transmittal could not constitute an offer for sale.<sup>2070</sup>

The Federal Circuit also found that there was no evidence that an actual sale occurred between SUMCO and Samsung Austin.<sup>2071</sup> Rather, it pointed to evidence suggesting that all “essential activities” related to the wafer sales occurred between SUMCO and Samsung Japan, including evidence that (1) Samsung Japan decided when SUMCO received a purchase order and how many wafers SUMCO sent Samsung Austin, (2) a third party packaging company was responsible for transporting the wafers to Samsung Austin, and (3) Samsung Japan paid for the wafers after delivery to the third party packaging company.<sup>2072</sup> Finding no evidence of an offer for sale or actual sale by SUMCO to Samsung Austin, the Federal Circuit affirmed the lower court’s grant of summary judgment to the defendants.<sup>2073</sup>

In *NTP, Inc. v. Research in Motion, Ltd.*, the Federal Circuit addressed the scope of Section 271(a).<sup>2074</sup> The Federal Circuit clarified that the “territorial reach of section 271 is limited . . . [to] patent infringement that occurs within the United States.”<sup>2075</sup> The Federal Circuit explained that:

[o]rdinarily, whether an infringing activity under section 271(a) occurs within the United States can be determined without difficulty. This case presents an added degree of complexity, however, in that: (1) the “patented invention” is not one single device, but rather a system comprising multiple distinct components or a method with multiple distinct steps; and (2) the nature of those components or steps permits their function and use to be separated from their physical location.<sup>2076</sup>

The Federal Circuit thus determined that the case presented the question of “whether the using, offering to sell, or selling of a patented invention is an infringement under section 271(a) if a component or step of the patented invention is located or performed abroad.”<sup>2077</sup>

---

2069. *Id.*, 76 U.S.P.Q.2d (BNA) at 1281.

2070. *Id.*, 76 U.S.P.Q.2d (BNA) at 1281.

2071. *Id.*, 76 U.S.P.Q.2d (BNA) at 1282.

2072. *Id.*, 76 U.S.P.Q.2d (BNA) at 1282.

2073. *Id.*, 76 U.S.P.Q.2d (BNA) at 1282.

2074. 418 F.3d 1282, 1313, 75 U.S.P.Q.2d (BNA) 1763, 1786 (Fed. Cir. 2005).

2075. *Id.*, 75 U.S.P.Q.2d (BNA) at 1786.

2076. *Id.*, 75 U.S.P.Q.2d (BNA) at 1787.

2077. *Id.* at 1315, 75 U.S.P.Q.2d (BNA) at 1788.

The Federal Circuit began its analysis by noting that § 271(a) provides that whoever without authority “uses, offers to sell, or sells any patented invention, within the United States . . . during the term of the patent therefore, infringes the patent.”<sup>2078</sup> The Federal Circuit reasoned that the “grammatical structure of the statute indicates that ‘within the United States’ is a separate requirement from the infringing acts clause.”<sup>2079</sup> The Federal Circuit concluded that “it is unclear from the statutory language how the territoriality requirement limits direct infringement where the location of at least a part of the ‘patented invention’ is not the same as the location of the infringing act.”<sup>2080</sup>

The Federal Circuit in *Terlep v. Brinkmann Corp.*<sup>2081</sup> affirmed the lower court’s grant of summary judgment of noninfringement.<sup>2082</sup> The lower court granted summary judgment based on its claim construction of the term “clear,”<sup>2083</sup> and its subsequent determination of no literal infringement.<sup>2084</sup>

The plaintiff was the owner of a patent that related to light emitting diode lamps (“LED”) that had omni-directional light capabilities.<sup>2085</sup> The main claim at issue contained three key characteristics: (1) it contained an omni-directional LED; (2) used a semi-spherical reflector, positioned above the LED; and (3) had a clear plastic tubular holder used to hold the semi-spherical reflector directly above the LED.<sup>2086</sup> The lower court construed the claim term, “clear,” to mean “transparent or having the property of transmitting light without appreciable scattering so that bodies lying beyond are seen clearly.”<sup>2087</sup> The plaintiff argued the term “clear” should also encompass “translucent,” as “clear” only means “permit[ting] the passage of light.”<sup>2088</sup>

The lower court granted summary judgment based on noninfringement after reviewing the plaintiff’s claim 1, which used the phrase, “clear plastic tubular holder.”<sup>2089</sup> None of The defendant’s products included a transparent holder.<sup>2090</sup> On appeal,

---

2078. *Id.*, 75 U.S.P.Q.2d (BNA) at 1788.

2079. *Id.*, 75 U.S.P.Q.2d (BNA) at 1788.

2080. *Id.*, 75 U.S.P.Q.2d (BNA) at 1788.

2081. 418 F.3d 1379, 76 U.S.P.Q.2d (BNA) 1053 (Fed. Cir. 2005).

2082. *Id.* at 1380, 76 U.S.P.Q.2d (BNA) at 1054.

2083. *Id.*, 76 U.S.P.Q.2d (BNA) at 1054.

2084. *Id.* at 1385, 76 U.S.P.Q.2d (BNA) at 1058.

2085. *Id.* at 1380, 76 U.S.P.Q.2d (BNA) at 1054.

2086. *Id.* at 1380-81, 76 U.S.P.Q.2d (BNA) at 1054-55.

2087. *Id.* at 1382, 76 U.S.P.Q.2d (BNA) at 1056.

2088. *Id.*, 76 U.S.P.Q.2d (BNA) at 1056.

2089. *Id.* at 1385, 76 U.S.P.Q.2d (BNA) at 1058.

2090. *Id.*, 76 U.S.P.Q.2d (BNA) at 1058.

the plaintiff argued that the defendant's products used a clear plastic cover.<sup>2091</sup> The court rejected the plaintiff's argument, stating there is no evidence that any of the defendant's products used a transparent holder.<sup>2092</sup> Moreover, the court pointed to the defendant's ribbed holders, which scatters the light, rather than "transmitting light without appreciable scattering . . . ."<sup>2093</sup> Consequently, the court affirmed the lower court's determination that the defendant did not literally infringe the plaintiff's patent.<sup>2094</sup>

#### *D. Infringement Under the Doctrine of Equivalents*

##### *1. Festo*

*Business Objects, S.A. v. Microstrategy, Inc.*<sup>2095</sup> also involved an appeal from the district court's grant of summary judgment of non-infringement under the doctrine of equivalents. In that case, the lower court applied "prosecution history estoppel" to prohibit the plaintiff, Business Objects, from asserting the equivalents of the "associating step limitation of claims 1 and 2."<sup>2096</sup> The plaintiff conceded that the associating step limitation of claim 1 was the result of a narrowing amendment to advance patentability during prosecution of the patent in suit, and thus, that a *Festo*<sup>2097</sup> presumption of estoppel was raised.<sup>2098</sup> Although the plaintiff tried to overcome the presumption by arguing that the amendment was "only tangentially related to [the defendant's] accused equivalent,"<sup>2099</sup> the Federal Circuit pointed out that the amendments directly related to the claimed equivalents.<sup>2100</sup> The Federal Circuit reasoned that the district court properly determined that the plaintiff's amendments were "directly related to the claimed equivalents."<sup>2101</sup> The Federal Circuit agreed that the lower court's holding was correct because the plaintiff's claim 1 included the associating step, and was therefore permissible over two prior art references "because neither of those references associated WHERE clauses with a familiar name. [The plaintiff] now alleges that the accused products infringe claims 1 and

2091. *Id.*, 76 U.S.P.Q.2d (BNA) at 1058.

2092. *Id.*, 76 U.S.P.Q.2d (BNA) at 1058-59.

2093. *Id.* at 1384-85, 76 U.S.P.Q.2d (BNA) at 1056.

2094. *Id.* at 1385, 76 U.S.P.Q.2d (BNA) at 1056.

2095. 393 F.3d 1366, 73 U.S.P.Q.2d (BNA) 1520 (Fed. Cir. 2005); *see also supra* notes 1027-46 and accompanying text.

2096. *Id.* at 1374, 73 U.S.P.Q.2d (BNA) at 1526 (citing district court order).

2097. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002).

2098. 393 F.3d at 1374, 73 U.S.P.Q.2d (BNA) at 1526.

2099. *Id.*, 73 U.S.P.Q.2d (BNA) at 1526.

2100. *Id.*, 73 U.S.P.Q.2d (BNA) at 1526.

2101. *Id.*, 73 U.S.P.Q.2d (BNA) at 1526-27.

2 under the doctrine of equivalents because they associate something equivalent to SELECT and WHERE clauses to the familiar name.”<sup>2102</sup>

The Federal Circuit held that the plaintiff could not assert that the accused products contained equivalents of the associating step in claims 1 and 2, affirming the district court’s finding that the plaintiff’s amendments “are directly related to the claimed equivalents.”<sup>2103</sup>

With respect to claim 4 in *Business Objects*, the district court held that plaintiff was estopped from contending that the accused devices practiced a functional equivalent to the claimed query engine means.<sup>2104</sup> The district court held that this claim, added during the prosecution of the patent in suit, raised a *Festo* presumption because it narrowed the scope of the function of the query engine means for purposes of patentability.<sup>2105</sup> The Federal Circuit disagreed with the district court’s conclusion, and pointed out that “the amended term ‘generating queries in a predetermined query language’ is broader than the original term ‘translating said user query into a structured query language (SQL) equivalent statement.’”<sup>2106</sup>

The Federal Circuit reasoned that “translating said user query into a structured query language (“SQL”) equivalent statement” did not refer to languages that are equivalent to SQL.<sup>2107</sup> Rather, the court found that “translating said user query into a structured query language equivalent statement” meant that the lay user’s query specific language would be translated from the lay user’s selected business objectives into its SQL equivalent.<sup>2108</sup> The Federal Circuit was not persuaded by the defendant’s argument that the qualifier “predetermined” served to narrow the query engine’s function means as originally filed.<sup>2109</sup> This argument was not persuasive because the original term implicitly contained the limiting qualifier “predetermined,” and therefore the amendment specifically stating that the query language must be “predetermined” did not narrow the scope of the query engine for purposes of patentability.<sup>2110</sup> The court determined that the plaintiff’s claim of equivalents was not precluded.<sup>2111</sup>

---

2102. *Id.*, 73 U.S.P.Q.2d (BNA) at 1526-27.

2103. *Id.*, 73 U.S.P.Q.2d (BNA) at 1527 (quoting district court order).

2104. *Id.* at 1374-75, 73 U.S.P.Q.2d (BNA) at 1527.

2105. *Id.* at 1375, 73 U.S.P.Q.2d (BNA) at 1527.

2106. *Id.*, 73 U.S.P.Q.2d (BNA) at 1527 (quoting district court order).

2107. *Id.*, 73 U.S.P.Q.2d (BNA) at 1527.

2108. *Id.*, 73 U.S.P.Q.2d (BNA) at 1527.

2109. *Id.*, 73 U.S.P.Q.2d (BNA) at 1527.

2110. *Id.*, 73 U.S.P.Q.2d (BNA) at 1527.

2111. *Id.*, 73 U.S.P.Q.2d (BNA) at 1527.

Based on its rejection of the district court's prosecution history estoppel finding with respect to claim 4, the Federal Circuit vacated the district court's grant of summary judgment of non-infringement under the doctrine of equivalents with respect to claim 4, and remanded the case to the district court for a determination of whether the defendant infringed claim 4 under the doctrine of equivalents.<sup>2112</sup>

In *Freedman Seating Co. v. American Seating Co.*,<sup>2113</sup> the issue was whether the district court's grant of summary judgment of infringement "had the effect of vitiating the claim limitation requiring that the moveable end of the support member be 'slidably mounted to said seatbase.'"<sup>2114</sup> On appeal, the defendant argued that "while the claims of [the asserted patent] unequivocally state that the moveable end is 'slidably mounted,' the moveable end of the [product at issue] is rotatably mounted using revolute joints."<sup>2115</sup> The defendant also argued that at the time of filing for the asserted patent, "the interchangeability of four bar mechanisms was foreseeable to one of skill in the art," and that the patentee "could have chosen to claim a fourth link mechanism (or even all types of four bar mechanisms)."<sup>2116</sup>

The Federal Circuit began its analysis by noting that the doctrine of equivalents does not require that a product or process literally infringe upon the patent claim's express terms, but rather infringement can be found if the elements of the accused product or process and the patented invention's elements are "equivalent."<sup>2117</sup> The court explained that the doctrine of equivalents evolved because literal interpretation of patents' terms would not "capture every nuance of the invention" and would therefore diminish the value of patents.<sup>2118</sup> The court noted also that literal interpretation would allow patents to be defeated by insubstantial substitutes for certain elements, which would further lessen the value of patents to inventors.<sup>2119</sup> The Federal Circuit also noted that the doctrine of equivalents results in a degree of uncertainty and to that extent limits the public-notice function of patent claims in the scope of patent

---

2112. *Id.* at 1375-76, 73 U.S.P.Q.2d (BNA) at 1527.

2113. 420 F.3d 1350, 76 U.S.P.Q.2d (BNA) 1001 (Fed. Cir. 2005).

2114. *Id.* at 1357, 76 U.S.P.Q.2d (BNA) at 1006 (Fed. Cir. 2005).

2115. *Id.*, 76 U.S.P.Q.2d (BNA) at 1006.

2116. *Id.*, 76 U.S.P.Q.2d (BNA) at 1006.

2117. *Id.*, 76 U.S.P.Q.2d (BNA) at 1007.

2118. *Id.* at 1358, 76 U.S.P.Q. (BNA) at 1007.

2119. *Id.* at 1358, 76 U.S.P.Q. (BNA) at 1007.

claims and also has the potential to deter non-infringing and innovative inventions.<sup>2120</sup>

The Federal Circuit then observed that “[o]f relevance to the case is the ‘all limitations’ rule. The rule holds that an accused product or process is not infringing unless it contains each limitation of the claim, either literally or by an equivalent.”<sup>2121</sup> The Federal Circuit noted that the “all limitations” rule has two primary implications for the doctrine of equivalents. The first implication is that equivalence is analyzed not from a perspective of looking at the entire invention as a whole, but rather on a limitation-by-limitation basis, and the second implication is that “an element of an accused product or process is not, as a matter of law, equivalent to a limitation of the claimed invention if such a finding would entirely vitiate the limitation.”<sup>2122</sup>

The Federal Circuit further advised that courts need to consider the totality of the circumstances to determine whether the alleged equivalence is an “insubstantial change from the claimed subject matter without rendering the pertinent limitation meaningless” and that there is no set formula for making this determination.<sup>2123</sup>

After canvassing the relevant cases, the Federal Circuit concluded that “[i]n the instant case, we think the district court’s finding of infringement under the doctrine of equivalents had the effect of entirely vitiating the ‘slidably mounted’ limitation.”<sup>2124</sup> The Federal Circuit explained that a structural difference existed between the plaintiff’s and the accused’s products because the plaintiff’s product’s moveable end was capable of rotating but could not slide along the seatbase, and that this structural difference was “a clear, substantial difference or difference in kind.”<sup>2125</sup>

The Federal Circuit then noted that the public was therefore justified in relying on the specific language in assessing the claim. “Accordingly, we think that to now say the claims include other four bar mechanisms under the doctrine of equivalents would unjustly undermine the reasonable expectations of the public.”<sup>2126</sup>

---

2120. *Id.*, 76 U.S.P.Q.2d (BNA) at 1007.

2121. *Id.*, 76 U.S.P.Q.2d (BNA) at 1007.

2122. *Id.*, 76 U.S.P.Q.2d (BNA) at 1007-08 (citing *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 29 (1997)).

2123. *Id.* at 1359, 76 U.S.P.Q.2d (BNA) at 1008.

2124. *Id.* at 1361, 76 U.S.P.Q.2d (BNA) at 1010.

2125. *Id.*, 76 U.S.P.Q.2d (BNA) at 1010 (quoting *Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp.*, 149 F.3d 1309, 1321, 47 U.S.P.Q.2D (BNA) 1272, 1280 (Fed. Cir. 1998)).

2126. *Id.* at 1362, 76 U.S.P.Q.2d (BNA) at 1010.

In *PC Connector Solutions LLC v. SmartDisk Corp.*,<sup>2127</sup> the Federal Circuit determined that the plaintiff had not properly raised the issue of doctrine of equivalence in the trial court.<sup>2128</sup> The plaintiff had “presented the district court with only conclusory statements regarding equivalence, without any particularized evidence and linking argument as to the ‘insubstantiality of the differences’ between the claimed invention and the accused device, or with respect to the ‘function, way result’ test” and was thus “foreclosed from invoking the substantive application of the doctrine of equivalents.”<sup>2129</sup>

Moreover, the Federal Circuit foreclosed the plaintiff from raising the issue of doctrine of equivalents on remand, stating that “conclusory statements regarding equivalence are not enough to warrant a remand on that issue, as they do not raise any genuine issue of material fact.”<sup>2130</sup>

Addressing the plaintiff’s substantive arguments regarding the doctrine of equivalents, the Federal Circuit determined that

[A] finding of equivalence in this case would effectively vitiate the time-related limitation on the I/O ports, if what is “normally connectable,” “conventional,” “traditionally connectible,” and “standard” at the time of filing were deemed to be equivalent to what is “normally connectable,” “conventional,” “traditionally connectible,” and ‘standard’ at a future date.<sup>2131</sup>

The court concluded that this would vitiate the implicit limitation of time-dependence, and thus there could be no infringement under the doctrine of equivalents as a matter of law.<sup>2132</sup>

In *Boss Control, Inc. v. Bombardier Inc.*,<sup>2133</sup> the Federal Circuit also determined that the plaintiff had waived its right to raise infringement under the doctrine of equivalents. In particular, the court noted that Boss had not presented any arguments concerning the doctrine of equivalents in its submissions to the district court.<sup>2134</sup> The court found that Boss had only mentioned the doctrine of

2127. 406 F.3d 1359, 74 U.S.P.Q.2d (BNA) 1698 (Fed. Cir. 2005).

2128. *Id.* at 1364, 74 U.S.P.Q.2d (BNA) 1701.

2129. *Id.*, 74 U.S.P.Q.2d (BNA) at 1701.

2130. *Id.*, 74 U.S.P.Q.2d (BNA) at 1701.

2131. *Id.*, 74 U.S.P.Q.2d (BNA) at 1701 (explaining that Federal Circuit construed the terms “normally connectable,” “conventional,” “traditionally connectible,” and “standard” to be implicitly time-dependant, and accordingly upheld the district court’s summary judgment of no literal infringement).

2132. *Id.* at 1365, 74 U.S.P.Q.2d (BNA) at 1701-02.

2133. 410 F.3d 1372, 75 U.S.P.Q.2d (BNA) 1038 (Fed. Cir. 2005).

2134. *See id.* at 1380, 75 U.S.P.Q.2d (BNA) at 1044 (noting that Boss had “failed to address infringement under the doctrine of equivalents in its complaint or in its two briefs to the district court on the issue of summary judgment of noninfringement”).



equivalents in one sentence in its briefs, and did not reference any evidence showing infringement under the doctrine of equivalents, thus failing to present anything for the Federal Circuit to review.<sup>2135</sup>

Accordingly, the court held that “[b]ecause Boss failed to present substantive arguments to the district court concerning infringement under the doctrine of equivalents, . . . Boss waived the issue.”<sup>2136</sup>

In *Seachange International, Inc. v. C-COR Inc.*,<sup>2137</sup> the Federal Circuit addressed the “all elements rule” in light of its construction of certain claim elements.<sup>2138</sup> The court construed the term “network for data communications” as limited to those “networks in which every processor system is connected to every other processor system via direct, point-to-point, two-way channel interconnections.”<sup>2139</sup> C-COR asserted that under such a construction, a finding of infringement under the doctrine of equivalents, where only some processors are interconnected via point-to-point interconnections, would “vitiate” this claim limitation.<sup>2140</sup> The Federal Circuit agreed, holding that “equivalents under such a theory would vitiate the requirement that every processor be connected to every other processor point-to-point, and therefore must fail as a matter of law.”<sup>2141</sup>

In *V-Formation, Inc. v. Benetton Group SPA*,<sup>2142</sup> the plaintiff, V-Formation, claimed that its patents for in-line roller skates, which required that certain components of the skates be “releasably attache[d],”<sup>2143</sup> were infringed by Benetton, whose skates used rivets to fasten their frame sidewalls.<sup>2144</sup> The district court construed the claim term “releasably attaching” to require “that the fasteners must permit the sidewalls to be easily removed and replaced.”<sup>2145</sup> The Federal Circuit agreed with this construction.<sup>2146</sup> Therefore, because the rivets in Benetton’s skates were not releasable attachments, Benetton’s skates did not literally infringe the asserted patent claims.<sup>2147</sup>

2135. *Id.*, 75 U.S.P.Q.2d (BNA) at 1044.

2136. *Id.*, 75 U.S.P.Q.2d (BNA) at 1044 (citation omitted).

2137. 413 F.3d 1361, 75 U.S.P.Q.2d (BNA) 1385 (Fed. Cir. 2005).

2138. *See id.* at 1378, 75 U.S.P.Q.2d (BNA) at 1396 (“[T]he ‘all elements rule’ provides that the doctrine of equivalents does not apply if applying the doctrine would vitiate an entire claim limitation.” (quoting *Asyst Techs., Inc. v. Emtrak, Inc.*, 402 F.3d 1188, 1195, 74 U.S.P.Q.2d (BNA) 1272, 1278 (Fed. Cir. 2005))).

2139. *Id.* at 1375, 75 U.S.P.Q.2d (BNA) at 1394.

2140. *Id.* at 1378, 75 U.S.P.Q.2d (BNA) at 1396.

2141. *Id.*, 75 U.S.P.Q.2d (BNA) at 1396.

2142. 401 F.3d 1307, 74 U.S.P.Q.2d (BNA) 1042 (Fed. Cir. 2005).

2143. *Id.* at 1309, 74 U.S.P.Q.2d (BNA) at 1044.

2144. *Id.* at 1312, 74 U.S.P.Q.2d (BNA) at 1047.

2145. *Id.* at 1310, 74 U.S.P.Q.2d (BNA) at 1045 (internal citations omitted).

2146. *Id.* at 1311, 74 U.S.P.Q.2d (BNA) at 1046.

2147. *Id.* at 1312, 74 U.S.P.Q.2d (BNA) at 1047.

The Federal Circuit then analyzed the claims under the doctrine of equivalents.<sup>2148</sup> The court noted that the rivets on the accused skates were “not intended to be removed for replacement of broken or damaged individual sidewalls.”<sup>2149</sup> It also agreed with the district court that “rivets do not achieve substantially the same function (releasable attachment) in substantially the same way (without special tools) to achieve substantially the same result (easy, convenient, and fast replacement of sidewalls) as ‘releasably attached’ fasteners, such as threaded bolts and screws.”<sup>2150</sup> Therefore, the Federal Circuit held that the accused devices did not infringe the patent claims under the doctrine of equivalents.<sup>2151</sup>

In *Research Plastics, Inc. v. Federal Packaging Corp.*,<sup>2152</sup> the Federal Circuit ruled that pursuant to the *Festo* doctrine, the plaintiff was precluded from asserting one of its infringement claims, but it vacated the lower court’s grant of summary judgment of noninfringement because the lower court had erred in its claim construction.<sup>2153</sup> The plaintiff’s patent related to tubes used for caulk or other fluent materials.<sup>2154</sup> The patent integrated the use of ridges placed on the interior of the caulking tubes, which allowed for an even flow of fluent material.<sup>2155</sup> The examiner initially rejected the plaintiff’s patent application as obvious, in view of United States Patent No. 4,852,772 (“*Ennis* patent”), which also used interior ridges in its caulking tube, placing its ridges near the nozzle end of the caulking tube.<sup>2156</sup> The plaintiff amended its application to state that the ridges, “extend[] to said rear end of said hollow tube body.”<sup>2157</sup> Based on this amendment, the examiner concluded that the plaintiff sufficiently distinguished its invention from the *Ennis* patent, and thus, the PTO issued the plaintiff’s patent.<sup>2158</sup>

The plaintiff brought an infringement suit against the defendant for its manufacture and sale of two types of caulking tubes that included ridges placed in the rear half of the tube.<sup>2159</sup> The district court rejected the plaintiff’s argument of infringement under the

---

2148. *Id.* at 1313, 74 U.S.P.Q.2d (BNA) at 1047.

2149. *Id.*, 74 U.S.P.Q.2d (BNA) at 1047.

2150. *Id.*, 74 U.S.P.Q.2d (BNA) at 1047.

2151. *Id.*, 74 U.S.P.Q.2d (BNA) at 1047.

2152. 421 F.3d 1290, 76 U.S.P.Q.2d (BNA) 1133 (Fed. Cir. 2005).

2153. *Id.* at 1298-99, 76 U.S.P.Q.2d (BNA) at 1139-40.

2154. *Id.* at 1292, 76 U.S.P.Q.2d (BNA) at 1134.

2155. *Id.*, 76 U.S.P.Q.2d (BNA) 1134-35.

2156. *Id.* at 1293, 76 U.S.P.Q.2d (BNA) at 1135.

2157. *Id.*, 76 U.S.P.Q.2d (BNA) at 1136.

2158. *Id.* at 1294, 76 U.S.P.Q.2d (BNA) at 1136.

2159. *Id.*, 76 U.S.P.Q.2d (BNA) at 1136.

doctrine of equivalents after constructing the term “rear end,”<sup>2160</sup> which appeared in claim 10 of the plaintiff’s patent.<sup>2161</sup> The district court also held that the plaintiff’s amendment of its patent application in response to an obviousness objection operated to preclude the plaintiff from expanding the scope of its patent to include equivalents of the placement of the ridges involved in its patent.<sup>2162</sup>

On appeal, the Federal Circuit agreed with the district court’s ruling that the *Festo* doctrine precluded the plaintiff from expanding the scope of its patent claims.<sup>2163</sup> The *Festo* doctrine provides that “a narrowing amendment made to satisfy any requirement of the Patent Act may give rise to an estoppel.”<sup>2164</sup> When “[a] narrowing amendment [is] made to avoid prior art[, it] creates a presumption that the patentee surrendered the territory between the original claims and the amended claims.”<sup>2165</sup> In order to rebut this presumption, a patentee must prove “that the alleged equivalent (1) could not reasonably have been described at the time the amendment was made, (2) was tangential to the purpose of the amendment, or (3) was not foreseeable (and thus not claimable) at the time of the amendment.”<sup>2166</sup> Because the plaintiff had amended its claims in response to prior art, the *Festo* doctrine applied, and the Federal Circuit focused its attention to determine if the plaintiff rebutted the presumption that it surrendered “the territory between the original claims and the amended claims.”<sup>2167</sup>

The Federal Circuit found that none of the three rebutting criteria applied.<sup>2168</sup> First, the plaintiff could have described the equivalent at the time of its amendment, as it could have amended its claim to include the placement of ridges anywhere in the tube, except near the nozzle end, which the Ennis patent covered.<sup>2169</sup> Second, the equivalent was not tangential to the purpose of the amendment—the very reason for the plaintiff’s amendment was to revise the claimed placement of the ridges to avoid the PTO’s rejection of its

---

2160. *Id.* at 1294-95, 76 U.S.P.Q.2d (BNA) at 1136.

2161. *Id.* at 1292, 76 U.S.P.Q.2d (BNA) at 1135.

2162. *Id.* at 1298, 76 U.S.P.Q.2d (BNA) at 1139.

2163. *Id.*, 76 U.S.P.Q.2d (BNA) at 1139.

2164. *Id.*, 76 U.S.P.Q.2d (BNA) at 1139 (quoting *Festo Corp.*, 535 U.S. at 736).

2165. *Id.*, 76 U.S.P.Q.2d (BNA) at 1139 (citing *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 741 (2002)).

2166. *Id.*, 76 U.S.P.Q.2d (BNA) at 1139 (citing *Festo Corp.*, 535 U.S. at 740-41).

2167. *Id.*, 76 U.S.P.Q.2d (BNA) at 1139.

2168. *Id.*, 76 U.S.P.Q.2d (BNA) at 1139.

2169. *Id.*, 76 U.S.P.Q.2d (BNA) at 1139.

application.<sup>2170</sup> Third, the plaintiff could have foreseen that ridge placement was a point of differentiation, as this is how the plaintiff distinguished its patent from the Ennis patent.<sup>2171</sup> Accordingly, the Federal Circuit affirmed the district court's finding that the *Festo* doctrine precluded the plaintiff from expanding the scope of its patent by claiming equivalents.<sup>2172</sup> However, it remanded the case to the district court for further proceedings consistent with the Federal Circuit's finding that the district court's construction of the term "rear end" was flawed.<sup>2173</sup>

In *Terlep v. Brinkmann Corp.*,<sup>2174</sup> the Federal Circuit affirmed the district court's grant of summary judgment of noninfringement.<sup>2175</sup> The district court granted summary judgment based on its claim construction of the term "clear,"<sup>2176</sup> and its determination that the defendant did not infringe under the doctrine of equivalents.<sup>2177</sup>

The plaintiff, Stephen K. Terlep, was the owner of a patent that related to light emitting diode ("LED") lamps that had omnidirectional light capabilities.<sup>2178</sup> The main claim at issue contained three key characteristics: (1) it contained an omni-directional LED, (2) it used a "semi-spherical reflector" implanted above the LED, and (3) it had a "clear plastic tubular holder" used to hold the semi-spherical reflector directly above the LED.<sup>2179</sup> As the Federal Circuit recited, "[t]he district court construed the term 'clear' . . . to mean 'transparent' or 'having the property of transmitting light without appreciable scattering so that bodies lying beyond are seen clearly.'"<sup>2180</sup> The plaintiff argued the term "clear" should also encompass "translucent" because in view of the record "clear" only meant "permit[ting] the passage of light."<sup>2181</sup>

The lower court granted summary judgment based on noninfringement after reviewing the plaintiff's claim 1, which used the phrase "clear plastic tubular holder."<sup>2182</sup> The plaintiff added this phrase to its claim during the patent prosecution in an effort to

---

2170. *Id.* at 1299, 76 U.S.P.Q.2d (BNA) at 1139.

2171. *Id.*, 76 U.S.P.Q.2d (BNA) at 1140.

2172. *Id.* at 1298, 76 U.S.P.Q.2d (BNA) at 1139.

2173. *Id.* at 1299, 76 U.S.P.Q.2d (BNA) at 1140.

2174. 418 F.3d 1379, 76 U.S.P.Q.2d (BNA) 1053 (Fed. Cir. 2005).

2175. *Id.* at 1380, 76 U.S.P.Q.2d (BNA) at 1054.

2176. *Id.*, 76 U.S.P.Q.2d (BNA) at 1054.

2177. *Id.* at 1386, 76 U.S.P.Q.2d (BNA) at 1059.

2178. *Id.* at 1380-81, 76 U.S.P.Q.2d (BNA) at 1054-55.

2179. *Id.*, 76 U.S.P.Q.2d (BNA) at 1054 (emphasis omitted).

2180. *Id.* at 1382, 76 U.S.P.Q.2d (BNA) at 1056.

2181. *Id.*, 76 U.S.P.Q.2d (BNA) at 1056.

2182. *Id.* at 1385, 76 U.S.P.Q.2d (BNA) at 1058.

overcome prior art.<sup>2183</sup> The plaintiff argued the doctrine announced in *Festo* did not preclude it from claiming equivalents.<sup>2184</sup> The Federal Circuit disagreed.<sup>2185</sup> First, the Federal Circuit noted that an added limitation during a patent's prosecution "may give rise to an estoppel."<sup>2186</sup> Further, the addition of such a limitation "creates a presumption that the patentee surrendered the territory between the original claims and the amended claims."<sup>2187</sup> A patentee may rebut this presumption in several ways, including showing "that the alleged equivalent was tangential to the purpose of that amendment . . . ."<sup>2188</sup> The plaintiff argued that adding the term "clear" to his claim was tangential, as he merely added the term to describe the plastic used for the holder.<sup>2189</sup> The Federal Circuit rejected this argument, finding that the plaintiff added the term "clear" to distinguish it from prior art, and therefore, the amendment was not tangential.<sup>2190</sup> Accordingly, the Federal Circuit affirmed the lower court's grant of summary judgment and finding of noninfringement by considering the doctrine of equivalents.<sup>2191</sup>

## 2. Dedication-disclosure rule

In *Pfizer, Inc. v. Teva Pharmaceuticals, USA, Inc.*,<sup>2192</sup> the court affirmed the lower court's grant of preliminary injunction to the plaintiff, Pfizer, Inc. ("Pfizer"). The Federal Circuit outlined the four elements needed for a grant of preliminary injunction.<sup>2193</sup> As to the first element, that the movant has a "reasonable likelihood of success on the merits,"<sup>2194</sup> the Federal Circuit stated that to prove this element, the plaintiff needed to show it owned a valid and enforceable patent, and that the defendant likely infringed on this patent.<sup>2195</sup> Because the defendants did not question the former, the Federal Circuit focused on whether the lower court correctly determined that the defendants likely infringed Pfizer's patent.<sup>2196</sup> In

---

2183. *Id.*, 76 U.S.P.Q.2d (BNA) at 1058.

2184. *Id.*, 76 U.S.P.Q.2d (BNA) at 1058 (citing *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 733 (2002)).

2185. *Id.* at 1386, 76 U.S.P.Q.2d (BNA) at 1058-59.

2186. *Id.* at 1385, 76 U.S.P.Q.2d (BNA) at 1058 (citing *Festo Corp.*, 535 U.S. at 736).

2187. *Id.*, 76 U.S.P.Q.2d (BNA) at 1058 (citing *Festo Corp.*, 535 U.S. at 741).

2188. *Id.*, 76 U.S.P.Q.2d (BNA) at 1058 (citing *Festo Corp.*, 535 U.S. at 740-41).

2189. *Id.* at 1385-86, 76 U.S.P.Q.2d (BNA) at 1058.

2190. *Id.* at 1386, 76 U.S.P.Q.2d (BNA) at 1058-59.

2191. *Id.*, 76 U.S.P.Q.2d (BNA) at 1059.

2192. 429 F.3d 1364, 77 U.S.P.Q.2d (BNA) 1257 (Fed. Cir. 2005).

2193. *Id.* at 1372, 77 U.S.P.Q.2d (BNA) at 1261.

2194. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261.

2195. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261.

2196. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261.

making this determination, the Federal Circuit reviewed the lower court's claim construction,<sup>2197</sup> and then compared these construed claims to the accused infringing product.<sup>2198</sup> The Federal Circuit affirmed the lower court's claim construction of the term "saccharide" to include polysaccharides.<sup>2199</sup>

Next, the Federal Circuit reviewed the lower court's comparison of the patent and the accused product, stating that infringement occurs when the "accused product or method meets every claim limitation either literally or under the doctrine of equivalents."<sup>2200</sup> After affirming the lower court's finding that the defendants' product likely literally infringed both claims 1 and 16 of Pfizer's patent,<sup>2201</sup> the Federal Circuit turned to address whether the lower court erred in its determination that the defendants' products also likely infringed the plaintiff's patent under the doctrine of equivalents.<sup>2202</sup>

The lower court ruled that under the doctrine of equivalents, even if the term "saccharide," as used in the plaintiff's patent, was constructed to include sugars and not polysaccharides, the defendants still infringed the plaintiff's claims 1 and 16.<sup>2203</sup> On appeal, the defendants argued the lower court erred by failing to assign a function to the term "saccharide" for the purposes of equivalency, and that it should have assigned the function of "inhibiting hydrolysis."<sup>2204</sup> The defendants argued that no evidence presented at trial suggests that its product "inhibit[s] hydrolysis," and therefore, if the lower court had correctly assigned a function to "saccharide," the defendants do not infringe the plaintiff's patent under the doctrine of equivalents.<sup>2205</sup> The Federal Circuit rejected the defendants' argument, finding that Pfizer provided evidence that the defendants' product inhibited hydrolysis and the defendant failed to provide any rebutting evidence.<sup>2206</sup>

---

2197. *See supra* Part III.A.

2198. *Pfizer*, 429 F.3d at 1372-73, 77 U.S.P.Q.2d (BNA) at 1261-62.

2199. *Id.* at 1376, 77 U.S.P.Q.2d (BNA) at 1264.

2200. *Pfizer*, 429 F.3d at 1376, 77 U.S.P.Q.2d (BNA) at 1264-65 (citing *Dynacore Holdings Corp. v. U.S. Phillips Corp.*, 363 F.3d 1263, 1273, 70 U.S.P.Q.2d (BNA) 1369, 1375-76 (Fed. Cir. 2004)).

2201. *See id.* at 1377, 77 U.S.P.Q.2d (BNA) at 1265 (stating the plaintiff "is likely to prevail in its charge that Ranbaxy literally infringes claim 16."); *id.*, 77 U.S.P.Q.2d (BNA) at 1265 (commenting "[t]he district court also did not clearly err in determining that [] [the plaintiff] is likely to prevail in its charge that Ranbaxy literally infringes claim 1.")

2202. *Id.*, 77 U.S.P.Q.2d (BNA) at 1265.

2203. *Id.* at 1378, 77 U.S.P.Q.2d (BNA) at 1265.

2204. *Id.*, 77 U.S.P.Q.2d (BNA) at 1265.

2205. *Id.*, 77 U.S.P.Q.2d (BNA) at 1265.

2206. *Id.* at 1380, 77 U.S.P.Q.2d (BNA) at 1267.

The defendants also argued that the plaintiff's patent dedicated the use of microcrystalline cellulose, which is the polysaccharide used in the defendants' product, to the public by disclosing it but failing to claim its use.<sup>2207</sup>

The Federal Circuit began its analysis by stating that its precedent finds dedication to the public when "one of ordinary skill in the art can understand the unclaimed disclosed teaching upon reading the written description" and "identify the subject matter that had been disclosed and not claimed."<sup>2208</sup> The court rejected the defendants' argument, reasoning that the defendants failed to indicate where the patent actually disclosed and dedicated microcrystalline cellulose to the public.<sup>2209</sup> The court did recognize that Example C of the plaintiff's patent listed microcrystalline cellulose as an ingredient of a particular formulation of the patented product.<sup>2210</sup> The court denied, however, that one of ordinary skill in the art would recognize this as the patent disclosing microcrystalline cellulose as an unclaimed alternative to a saccharide.<sup>2211</sup> Moreover, after reviewing the other ingredients listed in Example C, the Federal Circuit concluded that it corresponded to an older, and unsuccessful formulation of the plaintiff's product.<sup>2212</sup> Therefore Example C, and thus, the mention of microcrystalline cellulose, did not actually reference the claimed product.<sup>2213</sup>

The Federal Circuit also refused to apply the all limitations rule, which "provides that the doctrine of equivalents does not apply if applying the doctrine would vitiate an entire claim limitation."<sup>2214</sup> Further, in "determining whether a finding of equivalence would vitiate a claim limitation" the court needed to establish "whether the alleged equivalent can be fairly characterized as an insubstantial change from the claimed subject matter without rendering the pertinent limitation meaningless."<sup>2215</sup> Looking at the term "saccharides" as if it included sugars, the Federal Circuit concluded

---

2207. *Id.* at 1378, 77 U.S.P.Q.2d (BNA) at 1266.

2208. *Id.*, 77 U.S.P.Q.2d (BNA) at 1266 (quoting *PSC Computer Prods., Inc. v. Foxconn Int'l. Inc.*, 355 F.3d 1353, 1360, 69 U.S.P.Q.2d (BNA) 1460, 1465 (Fed. Cir. 2004)).

2209. *Id.* at 1379, 77 U.S.P.Q.2d (BNA) at 1266.

2210. *Id.*, 77 U.S.P.Q.2d (BNA) at 1266.

2211. *Id.*, 77 U.S.P.Q.2d (BNA) at 1266.

2212. *Id.*, 77 U.S.P.Q.2d (BNA) at 1267.

2213. *Id.*, 77 U.S.P.Q.2d (BNA) at 1267.

2214. *Id.*, 77 U.S.P.Q.2d (BNA) at 1267 (quoting *Asyst Techs., Inc. v. Emtrak, Inc.*, 402 F.3d 1188, 1195, 74 U.S.P.Q.2d (BNA) 1272, 1278 (Fed. Cir. 2005)).

2215. *Id.* at 1380, 77 U.S.P.Q.2d (BNA) at 1267 (quoting *Freedman Seating Co. v. Am. Seating Co.*, 420 F.3d 1350, 1359, 76 U.S.P.Q.2d (BNA) 1001, 1008 (Fed. Cir. 2005)).

that microcrystalline cellulose “can be fairly characterized as an insubstantial change from the claimed subject matter without rendering the ‘saccharide’ limitations meaningless[,]” and therefore, the court held that the all limitations rule did not prohibit the lower court from applying the doctrine of equivalents.<sup>2216</sup>

*E. Prosecution History Estoppel*

In *Invitrogen Corp. v. Clontech Laboratories, Inc.*, the defendant, Clontech Laboratories (“Clontech”), cross-appealed the lower court’s grant of partial summary judgment that its PowerScript RT product infringed four claims of the plaintiff’s patent.<sup>2217</sup> The relevant claim language the lower court construed was “no detectable RNase H activity” and lacks “RNase H activity.”<sup>2218</sup> The lower court determined that to one skilled in the art, these terms denoted “a complete absence of RNase H activity.”<sup>2219</sup> On appeal, Clontech did not take issue with the lower court’s interpretation of these terms.<sup>2220</sup> Instead, it argued that the Federal Circuit should invoke prosecution history estoppel or prosecution disclaimer.<sup>2221</sup> Specifically, the defendant contended that in the plaintiff’s original patent application, claim 1 required “substantially no” RNase H activity, which the plaintiff later cancelled with a preliminary amendment and revised to “substantially reduced” RNase H activity.<sup>2222</sup> Noting that the plaintiff never even presented to the PTO the “substantially no” language of the original application, the Federal Circuit refused to apply prosecution history estoppel or prosecution disclaimer.<sup>2223</sup> While noting the principle “that the prosecution of one claim term in a parent application will generally not limit different claim language in a continuation application,”<sup>2224</sup> the Federal Circuit recognized the exception when “an amendment to a related limitation in the parent application distinguishes prior art and thereby specifically disclaims a later (though differently worded) limitation in the continuation

---

<sup>2216.</sup> *Id.*

<sup>2217.</sup> 429 F.3d 1052, 1060, 77 U.S.P.Q.2d (BNA) 1161, 1166 (Fed. Cir. 2005); *see supra* Part II.B.2 (detailing the facts of the case).

<sup>2218.</sup> *Id.* at 1074, 77 U.S.P.Q.2d (BNA) at 1176; *see also* U.S. Patent No. 6,063,608 col.19 ll.38-41 (filed Feb. 10, 1997).

<sup>2219.</sup> *Id.* at 1076, 77 U.S.P.Q.2d (BNA) at 1178.

<sup>2220.</sup> *Id.*, 77 U.S.P.Q.2d (BNA) at 1178.

<sup>2221.</sup> *Id.* at 1078, 77 U.S.P.Q.2d (BNA) at 1179.

<sup>2222.</sup> *Id.*, 77 U.S.P.Q.2d (BNA) at 1179.

<sup>2223.</sup> *Id.*, 77 U.S.P.Q.2d (BNA) at 1179.

<sup>2224.</sup> *Id.*, 77 U.S.P.Q.2d (BNA) at 1179 (citing *ResQNet.com, Inc. v. Lansa, Inc.*, 346 F.3d 1374, 1383, 68 U.S.P.Q.2d 1619, 1625 (Fed. Cir. 2003)).



application.”<sup>2225</sup> The Federal Circuit, however, rejected the notion that this exception applied in this case.<sup>2226</sup>

In *Salazar v. Procter & Gamble Company*, the Federal Circuit vacated the lower court’s grant of summary judgment, finding that the lower court erred in determining that the defendant did not, literally or under the doctrine of equivalents, infringe on the plaintiff’s patent.<sup>2227</sup> The plaintiff, Alfred Salazar, owned a patent that involved a toothbrush that had two sets of rods, one that polished teeth, and a second that stimulated gums.<sup>2228</sup> Although Mr. Salazar’s patent claims did not mention anything about an “elastic” feature of its rods, the Examiner’s Statement of Reasons for Allowance noted that his claims differed from an obvious claim (“Clemens” claim) in that the “‘Clemens’ ‘rods’ 22 are made of nylon, which is not considered ‘elastic.’”<sup>2229</sup> The defendant, Procter & Gamble, motioned for summary judgment, arguing that its toothbrushes do not include an “elastic” feature, and thus, could not infringe the plaintiff’s patent.<sup>2230</sup> The lower court ruled that even though Mr. Salazar did not amend the claim language according to the examiner’s remarks in the Examiner’s Statement for Reasons of Allowance, the examiner’s remarks essentially “amended” the claim language to include the “elastic” limitation.<sup>2231</sup> The lower court construed the term “elastic,” and determined that the accused products did not fall within the court’s construction of that term, and consequently granted Procter & Gamble summary judgment.<sup>2232</sup> More importantly, the lower court “found that the doctrine of prosecution history estoppel barred Mr. Salazar from asserting infringement of the ‘elastic’ limitation under the doctrine of equivalents.”<sup>2233</sup>

In vacating the lower court’s grant of summary judgment and reversing its finding that the patent’s prosecution history bars Mr. Salazar from arguing infringement of the “elastic” element under the doctrine of equivalents, the Federal Circuit first defined the doctrine of prosecution history estoppel.<sup>2234</sup> The Federal Circuit stated that this doctrine “serves to limit the doctrine of equivalents when the

---

2225. *Id.*, 77 U.S.P.Q.2d (DNA) at 1179 (citing *Elkay Mfg. Co. v. EBCO Mfg. Co.*, 192 F.3d 973, 978-79, 52 U.S.P.Q.2d 1109, 1112-13 (Fed. Cir. 1999)).

2226. *Id.*, 77 U.S.P.Q.2d (BNA) at 1179.

2227. 414 F.3d 1342, 1343, 75 U.S.P.Q.2d (BNA) 1369, 1370 (Fed. Cir. 2005).

2228. *Id.*, 75 U.S.P.Q.2d (BNA) at 1370.

2229. *Id.*, 75 U.S.P.Q.2d (BNA) at 1370.

2230. *Id.*, 75 U.S.P.Q.2d (BNA) at 1370.

2231. *Id.* at 1347, 75 U.S.P.Q.2d (BNA) at 1373.

2232. *Id.* at 1344, 75 U.S.P.Q.2d (BNA) at 1370.

2233. *Id.*, 75 U.S.P.Q.2d (BNA) at 1370.

2234. *Id.*, 75 U.S.P.Q.2d (BNA) at 1371.

applicant makes a narrowing amendment for purposes of patentability, or clearly and unmistakably surrenders subject matter by arguments made to the examiner.”<sup>2235</sup> Using this definition as a backdrop, the Federal Circuit framed the issue as whether an examiner’s unilateral statements of reasons for claim allowance “can create a clear and unambiguous disavowal of claim scope and give rise to prosecution history estoppel.”<sup>2236</sup> First, the Federal Circuit noted the only time the examiner mentioned “elastic” as a claim limitation was in the Examiner’s Statement of Reasons for Allowance.<sup>2237</sup> Moreover, at no other place in the prosecution history is the “elastic” limitation mentioned.<sup>2238</sup> After noting this, the Federal Circuit cited to the regulations that were in force at the time Mr. Salazar prosecuted his patent.<sup>2239</sup> The regulations stated that,

[i]f the examiner believes that the record of the prosecution as a whole does not make clear his or her reasons for allowing a claim or claims, the examiner may set forth such reasoning . . . . The applicant or patent owner may file a statement commenting on the reasons for allowance within such time as may be specified by the examiner. *Failure to file such a statement shall not give rise to any implication that the applicant or patent owner agrees with or acquiesces in the reasoning of the examiner.*<sup>2240</sup>

The Federal Circuit then noted that in addition to the language of the regulations, it had previously held that an Examiner’s Statement of Reasons for Allowance “will not necessarily limit a claim.”<sup>2241</sup> Additionally, the court added that the “[p]rosecution history . . . cannot be used to limit the scope of a claim unless the *applicant* took a position before the PTO.”<sup>2242</sup> While the court admitted that an examiner’s statements may be used as evidence of how one of skill would understand a term, its final holding was that an examiner’s

---

2235. *Id.*, 75 U.S.P.Q.2d (BNA) at 1371 (citing *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 736 (2002); *Eagle Comtronics, Inc. v. Arrow Commc’n Labs., Inc.*, 305 F.3d 1303, 1316, 64 U.S.P.Q.2d 1481 (Fed. Cir. 2002); *Elkay Mfg. Co. v. EBCO Mfg. Co.*, 192 F.3d 973, 979, 52 U.S.P.Q.2d 1109, 1112-13 (Fed. Cir. 1999)).

2236. *Id.* at 1345, 75 U.S.P.Q.2d (BNA) at 1371.

2237. *Id.* at 1344, 75 U.S.P.Q.2d (BNA) at 1371.

2238. *Id.* at 1345, 75 U.S.P.Q.2d (BNA) at 1371.

2239. *Id.*, 75 U.S.P.Q.2d (BNA) at 1371.

2240. *Id.*, 75 U.S.P.Q.2d (BNA) at 1371 (quoting 37 C.F.R. § 1.109 (1996)) (emphasis in original).

2241. *Id.*, 75 U.S.P.Q.2d (BNA) at 1371 (internal quotations omitted) (quoting *ACCO Brands, Inc. v. Micro Sec. Devices, Inc.*, 346 F.3d 1075, 1079, 68 U.S.P.Q.2d 1526, 1529 (Fed. Cir. 2003)).

2242. *Id.*, 75 U.S.P.Q.2d (BNA) at 1371-72 (internal quotations omitted) (quoting *3M Innovative Props. Co. v. Avery Dennison Corp.*, 350 F.3d 1365, 1373-74, 69 U.S.P.Q.2d 1050, 1056 (Fed. Cir. 2003) (internal citation omitted)).

unilateral statements could not amend the claims.<sup>2243</sup> Accordingly, the Federal Circuit vacated the lower court's grant of summary judgment and remanded for further proceedings.<sup>2244</sup>

In *Aquatex Industries, Inc. v. Techniche Solutions*,<sup>2245</sup> the Federal Circuit affirmed the lower court's claim construction of the term "fiberfill batting material"<sup>2246</sup> and reversed the grant of summary judgment to the defendant related to noninfringement under the doctrine of equivalents.<sup>2247</sup> The plaintiff, Aquatex Industries, Inc., held a patent which covers a method of evaporative cooling by using a "multi-layered, liquid-retaining composite material comprising a fiberfill batting . . . ."<sup>2248</sup> The defendant, Techniche Solutions, used a similar method of cooling, but its fiberfill batting consists of both natural and synthetic materials.<sup>2249</sup>

The lower court construed "fiberfill" to include only synthetic materials—excluding any natural materials, or combination thereof.<sup>2250</sup> The Federal Circuit affirmed this construction.<sup>2251</sup> The lower court also ruled that prosecution history estoppel precluded the plaintiff from arguing infringement under the doctrine of equivalents.<sup>2252</sup> The lower court found the prosecution history to suggest "fiberfill" included synthetic materials, but also to specifically exclude any natural materials.<sup>2253</sup> During prosecution, the examiner indicated prior art contained both natural and synthetic filler.<sup>2254</sup> The plaintiff, however, did not address this statement, but instead distinguished its invention on different grounds.<sup>2255</sup>

The lower court also supported its holding from the plaintiff's statement that prior art "fails to disclose or suggest the fiberfill batting . . . of the composite material in the claimed method."<sup>2256</sup> In its review, the Federal Circuit noted two types of prosecution: (1) argument-based estoppel and (2) amendment-based estoppel.<sup>2257</sup> To prove argument based estoppel, which the defendant argued

---

2243. *Id.* at 1347, 75 U.S.P.Q.2d (BNA) at 1373.

2244. *Id.* at 1348, 75 U.S.P.Q.2d (BNA) at 1373.

2245. 419 F.3d 1374, 76 U.S.P.Q.2d (BNA) 1213 (Fed. Cir. 2005).

2246. *Id.* at 1377, 76 U.S.P.Q.2d (BNA) at 1215.

2247. *Id.* at 1376, 76 U.S.P.Q.2d (BNA) at 1214.

2248. *Id.* at 1377, 76 U.S.P.Q.2d (BNA) at 1215.

2249. *Id.* at 1378, 76 U.S.P.Q.2d (BNA) at 1216.

2250. *Id.* at 1378-79, 76 U.S.P.Q.2d (BNA) at 1216.

2251. *Id.* at 1382, 76 U.S.P.Q.2d (BNA) at 1218.

2252. *Id.* at 1379, 76 U.S.P.Q.2d (BNA) at 1216.

2253. *Id.* at 1381, 76 U.S.P.Q.2d (BNA) at 1218.

2254. *Id.*, 76 U.S.P.Q.2d (BNA) at 1218.

2255. *Id.*, 76 U.S.P.Q.2d (BNA) at 1218.

2256. *Id.* at 1379, 76 U.S.P.Q.2d (BNA) at 1216.

2257. *Id.* at 1382, 76 U.S.P.Q.2d (BNA) at 1219.

applied, the prosecution history “must evince a clear and unmistakable surrender of subject matter.”<sup>2258</sup> The Federal Circuit found no evidence of the plaintiff providing such a surrender.<sup>2259</sup>

First, the court found that Aquatex Industries, Inc. failed to confirm, or even address, the examiner’s comment regarding prior art’s use of both natural and synthetic materials.<sup>2260</sup>

Second, the plaintiff’s statement regarding how the prior art failed “to disclose or suggest the fiberfill batting . . . of the composite material in the claimed material,” did not actually relate to the fiberfill’s composition.<sup>2261</sup>

Instead, the plaintiff’s statement explicated that prior art failed to explain *how* the materials cooled the person wearing them.<sup>2262</sup>

Accordingly, the Federal Circuit disagreed with the lower court’s determination that Aquatex Industries, Inc. clearly surrendered subject matter, and it thus reversed the lower court’s ruling that barred it from arguing infringement based on the doctrine of equivalents.<sup>2263</sup>

#### *F. Inducement of Infringement*

*Fuji Photo Film Co., Ltd. v. Jazz Photo Corp.*,<sup>2264</sup> involved a lawsuit over the plaintiff’s patents directed towards disposable cameras, or lens-fitted film packages (“LFFPs”).<sup>2265</sup> Plaintiff sued defendant corporation and one of its former directors and consultants for infringing its patents.<sup>2266</sup>

With respect to the individual defendant, Plaintiff alleged that he had induced the corporate defendant’s infringement.<sup>2267</sup>

Defendants purchased used LFFP shells from foreign factories, then refurbished LFFPs by inserting new film through multiple steps.<sup>2268</sup>

After the jury determined that the individual defendant induced the corporate defendant’s infringement, the defendants appealed, and argued that substantial evidence did not support the jury’s finding that the individual defendant possessed the requisite intent.<sup>2269</sup>

---

2258. *Id.*, 76 U.S.P.Q.2d (BNA) at 1219 (internal quotations omitted) (quoting *Pharmacia & Upjohn Co. v. Mylan Pharm., Inc.*, 170 F.3d 1373, 1376-77, 50 U.S.P.Q.2d 1033, 1036 (Fed. Cir. 1999)).

2259. *Id.* at 1383, 76 U.S.P.Q.2d (BNA) at 1219.

2260. *Id.*, 76 U.S.P.Q.2d (BNA) at 1219.

2261. *Id.*, 76 U.S.P.Q.2d (BNA) at 1219.

2262. *Id.*, 76 U.S.P.Q.2d (BNA) at 1219.

2263. *Id.*, 76 U.S.P.Q.2d (BNA) at 1219.

2264. 394 F.3d 1368, 73 U.S.P.Q.2d (BNA) 1678 (Fed. Cir. 2005).

2265. *Id.* at 1370-71, 73 U.S.P.Q.2d (BNA) at 1680-81.

2266. *Id.*, 73 U.S.P.Q.2d (BNA) at 1680-81.

2267. *Id.* at 1377, 73 U.S.P.Q.2d (BNA) at 1686.

2268. *Id.* at 1371, 73 U.S.P.Q.2d (BNA) at 1681.

2269. *Id.* at 1377, 73 U.S.P.Q.2d (BNA) at 1686.

The Federal Circuit noted that a “patentee may prove intent through circumstantial evidence.”<sup>2270</sup> While the individual defendant took the position that he “did not believe refurbishing LFFPs had any effect on [plaintiff’s] patent rights, the record show[ed] he was aware of [plaintiff’s] infringement contentions.”<sup>2271</sup> Further, “the record show[ed] that [individual defendant] twice sought a license from [plaintiff].”<sup>2272</sup> Also, the corporate defendant had “continued to sell refurbished LFFPs even after the ITC found infringement.”<sup>2273</sup> The Federal Circuit also noted plaintiff’s evidence that the individual defendant’s “selecting the foreign refurbisher supplier factories and in his overall acts of directing [defendant’s] business model caused the infringement.”<sup>2274</sup> The court held that “substantial evidence supports the jury’s finding of intent . . . [and] this court sees no reason to disturb the jury’s finding of . . . intent to induce infringement.”<sup>2275</sup>

In *MEMC Elec. Materials, Inc. v. Mitsubishi Materials Silicon Corp.*,<sup>2276</sup> the Federal Circuit reversed the lower court’s grant of summary judgment to the defendants (“SUMCO”) regarding the plaintiff’s (“MEMC”) allegation of inducement of infringement under 35 U.S.C. § 271(b) (2000).<sup>2277</sup> Both the plaintiff and the defendants manufactured silicon wafers for semiconductors.<sup>2278</sup> The plaintiff owned a patent that related to the preparation of single crystal silicon, which improved upon prior art by decreasing crystal defects.<sup>2279</sup> SUMCO manufactured its wafers in Japan, sold its wafers to Samsung Japan Corporation, who then sold the wafers to Samsung Austin Semiconductor, located in Austin, Texas.<sup>2280</sup> The plaintiff brought suit arguing that SUMCO actively induced Samsung Austin to infringe the plaintiff’s patent.<sup>2281</sup> The plaintiff argued that the defendant knowingly induced Samsung Austin’s infringement and had specific intent to encourage that infringement.<sup>2282</sup> The plaintiff provided undisputed evidence that it sent to the defendants a letter notifying them that the defendant’s wafers were covered by the

---

2270. *Id.* 73 U.S.P.Q.2d (BNA) at 1686.

2271. *Id.* at 1377-78, 73 U.S.P.Q.2d (BNA) at 1686-87.

2272. *Id.* at 1378, 73 U.S.P.Q.2d (BNA) at 1687.

2273. *Id.*, 73 U.S.P.Q.2d (BNA) at 1687.

2274. *Id.*, 73 U.S.P.Q.2d (BNA) at 1687.

2275. *Id.*, 73 U.S.P.Q.2d (BNA) at 1687.

2276. 420 F.3d 1369, 76 U.S.P.Q.2d (BNA) 1276 (Fed. Cir. 2005).

2277. *Id.* at 1371, 76 U.S.P.Q.2d (BNA) at 1277-78.

2278. *Id.* at 1371-72, 76 U.S.P.Q.2d (BNA) at 1278.

2279. *Id.* at 1371, 76 U.S.P.Q.2d (BNA) at 1278.

2280. *Id.* at 1372, 76 U.S.P.Q.2d (BNA) at 1278.

2281. *Id.* at 1377, 76 U.S.P.Q.2d (BNA) at 1282.

2282. *Id.*, 76 U.S.P.Q.2d (BNA) at 1282.

plaintiff's patent, and it also offered the defendants a license.<sup>2283</sup> Additionally, the plaintiff pointed to deposition testimony of a former Samsung Austin employee who stated that Samsung Austin would only enter into wafer purchase agreements if the supplier also provided technical support for the wafers.<sup>2284</sup> Finding this evidence insufficient for inducement of infringement, the lower court granted SUMCO's motion for summary judgment.<sup>2285</sup>

The Federal Circuit reviewed the same evidence and found sufficient evidence for a reasonable jury to find inducement.<sup>2286</sup> First, the court made clear that finding inducement of infringement under 35 U.S.C. § 271(b) requires the plaintiff to show direct infringement, that the "alleged infringer knowingly induced infringement and possessed specific intent to encourage another's infringement."<sup>2287</sup> The Federal Circuit further commented that circumstantial evidence was sufficient to prove intent.<sup>2288</sup> The Federal Circuit found that the plaintiff's notification letter to the defendants provided proof of intent, as the defendants had knowledge of the plaintiff's patent and Samsung Austin's potentially infringing activities.<sup>2289</sup> The court also found sufficient evidence that SUMCO encouraged Samsung Austin to infringe.<sup>2290</sup> The court pointed to e-mails between SUMCO and Samsung Austin regarding the coordination and shipment of wafers and SUMCO's resolution of problems experienced by Samsung Austin with previously shipped wafers.<sup>2291</sup> The Federal Circuit believed a jury could view these e-mails as providing technical support, which was a prerequisite to Samsung Austin's purchase of the wafers.<sup>2292</sup> This technical support allowed Samsung Austin to purchase the wafers, which a jury could interpret as SUMCO encouraging Samsung Austin's infringement.<sup>2293</sup> Accordingly, the Federal Circuit reversed the lower court's grant of summary judgment to SUMCO on the issue of inducement of infringement.<sup>2294</sup>

---

2283. *Id.*, 76 U.S.P.Q.2d (BNA) at 1282.

2284. *Id.*, 76 U.S.P.Q.2d (BNA) at 1282.

2285. *Id.* at 1372-73, 76 U.S.P.Q.2d (BNA) at 1279.

2286. *Id.* at 1379, 76 U.S.P.Q.2d (BNA) at 1284.

2287. *Id.* at 1378, 76 U.S.P.Q.2d (BNA) at 1283 (quoting *Minn. Mining & Mfg. Co. v. Chemque, Inc.*, 303 F.3d 1294, 1305, 64 U.S.P.Q.2d 1270, 1276-77 (Fed. Cir. 2002)).

2288. *Id.*, 76 U.S.P.Q.2d (BNA) at 1283.

2289. *Id.* at 1379, 76 U.S.P.Q.2d (BNA) at 1283.

2290. *Id.* at 1380, 76 U.S.P.Q.2d (BNA) at 1284.

2291. *Id.* at 1379, 76 U.S.P.Q.2d (BNA) at 1283.

2292. *Id.* at 1380, 76 U.S.P.Q.2d (BNA) at 1284.

2293. *Id.*, 76 U.S.P.Q.2d (BNA) at 1284.

2294. *Id.*, 76 U.S.P.Q.2d (BNA) at 1284.

*G. Infringement Under the Hatch-Waxman Act*

In *AT&T Corp. v. Microsoft Corp.*,<sup>2295</sup> the Federal Circuit reviewed an infringement action by the plaintiff, AT&T, under 35 U.S.C. § 271(f) and affirmed the district court's finding of infringement.<sup>2296</sup> AT&T alleged that Microsoft exported master versions of its software that included "speech codecs" that infringed on one of AT&T's patents.<sup>2297</sup> The district court ruled that Microsoft's software was a "component" under § 271(f), and Microsoft had supplied this software from the United States, thus violating § 271(f) and infringing AT&T's patent.<sup>2298</sup>

On appeal to the Federal Circuit, Microsoft argued that (1) the master versions of its exported software did not constitute "components" under § 271(f) and (2) the copies of its software made in foreign countries are not supplied from the United States.<sup>2299</sup> The Federal Circuit quickly rejected Microsoft's first argument. The court cited a recent case that clearly held that software and software code qualified as components under § 271(f), and that § 271(f) was not limited to "patented 'machines' or patented 'physical structures' . . . ."<sup>2300</sup>

The Federal Circuit addressed Microsoft's second argument in more detail, as it was an issue of first impression.<sup>2301</sup> Microsoft made several arguments in support of its proposition that "a foreign-replicated copy made from a master version supplied from the United States has actually been 'manufactured' abroad by encoding a storage medium with the Windows® software."<sup>2302</sup> Before addressing these arguments, the Federal Circuit defined "supplied," as § 271(f) did not provide a definition.<sup>2303</sup> The court stated that the "nature of technology" was such that "supplying" software involved creating copies, and that "sending a single copy abroad with the intent that it be replicated invokes § 271(f) liability for those foreign-made copies."<sup>2304</sup> Microsoft's first argument in response to this was that § 271(f) liability should only arise when a specific software disk is

2295. 414 F.3d 1366, 75 U.S.P.Q.2d (BNA) 1506 (Fed. Cir. 2005).

2296. *Id.* at 1368, 75 U.S.P.Q.2d (BNA) at 1507.

2297. *Id.*, 75 U.S.P.Q.2d (BNA) at 1507.

2298. *Id.*, 75 U.S.P.Q.2d (BNA) at 1507.

2299. *Id.* at 1368-69, 75 U.S.P.Q.2d (BNA) at 1507.

2300. *Id.* at 1369, 75 U.S.P.Q.2d (BNA) at 1507 (citing *Eolas Techs. Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1339, 73 U.S.P.Q.2d (BNA) 1782, 1793 (Fed. Cir. 2005)).

2301. *Id.*, 75 U.S.P.Q.2d (BNA) at 1507-08.

2302. *Id.*, 75 U.S.P.Q.2d (BNA) at 1508.

2303. *Id.*, 75 U.S.P.Q.2d (BNA) at 1508.

2304. *Id.* at 1370, 75 U.S.P.Q.2d (BNA) at 1508.

“shipped and incorporated into a foreign-assembled computer.”<sup>2305</sup> The Federal Circuit dismissed this argument, finding that it failed to “account for the realities of software distribution.”<sup>2306</sup>

Microsoft’s second argument was that the Federal Circuit should abide by its holding in *Pellegrini v. Analog Devices, Inc.*,<sup>2307</sup> which established that § 271(f) is not violated when mere manufacturing instructions or management oversight is sent abroad from the United States.<sup>2308</sup> The Federal Circuit disagreed distinguished *Pellegrini* by pointing out that Microsoft’s software is an actual component, not just instructions regarding designing or coding Windows® software.<sup>2309</sup> Likewise, the Federal Circuit dismissed Microsoft’s argument that § 271(f) liability does not occur when software is sent abroad by electronic transmissions.<sup>2310</sup> The Federal Circuit stated that liability under § 271(f) does not depend on the medium on which the component is sent overseas, and finding otherwise, “would amount to an exaltation of form over substance.”<sup>2311</sup>

The Federal Circuit also rejected the defendant’s final argument.<sup>2312</sup> Microsoft proffered a policy argument that suggested that interpreting the term “supplied” to include copies made from master versions of software would cause U.S. companies to relocate their manufacturing facilities abroad.<sup>2313</sup> The Federal Circuit questioned the likelihood of Microsoft’s prediction given that § 271(f)’s enactment precipitated no such exodus.<sup>2314</sup> Additionally, the loss of American jobs to foreign manufacturing plants did not justify patent infringement.<sup>2315</sup> Lastly, the Federal Circuit commented that its interpretation of “supplied” complied with § 271(f)’s purpose of closing the loophole that previously allowed infringers to escape liability when they manufactured product components in the United States and then sent the components abroad to complete assembly.<sup>2316</sup> Accordingly, the Federal Circuit affirmed the district court’s finding of Microsoft’s infringement under 35 U.S.C. § 271(f).<sup>2317</sup>

---

2305. *Id.*, 75 U.S.P.Q.2d (BNA) at 1508.

2306. *Id.*, 75 U.S.P.Q.2d (BNA) at 1508.

2307. 375 F.3d 1113, 71 U.S.P.Q.2d 1630 (Fed. Cir. 2004).

2308. *AT & T Corp.*, 414 F.3d at 1370, 75 U.S.P.Q.2d (BNA) at 1509.

2309. *Id.*, 75 U.S.P.Q.2d (BNA) at 1509.

2310. *Id.*, 75 U.S.P.Q.2d (BNA) at 1509.

2311. *Id.*, 75 U.S.P.Q.2d (BNA) at 1509.

2312. *Id.* at 1372, 75 U.S.P.Q.2d (BNA) at 1509.

2313. *Id.* at 1371, 75 U.S.P.Q.2d (BNA) at 1509.

2314. *Id.* at 1372, 75 U.S.P.Q.2d (BNA) at 1510.

2315. *Id.*, 75 U.S.P.Q.2d (BNA) at 1510.

2316. *Id.* at 1371, 75 U.S.P.Q.2d (BNA) at 1509-10.

2317. *Id.* at 1372, 75 U.S.P.Q.2d (BNA) at 1510.



*H. Willful Infringement*

In *Imonex Services, Inc. v. W.H. Munzprufer Dietmar Trenner GmbH*,<sup>2318</sup> the Federal Circuit reviewed a denial of JMOL on a jury's verdict of willful infringement. The court explained that "[a]ctual notice of another's patent rights triggers an affirmative duty of due care"<sup>2319</sup> and addressed the issue of when the defendants had actual notice and their behavior afterwards. The Federal Circuit determined that the jury reasonably could have concluded that the defendants had actual notice of the patents based on Imonex's display of its products at trade shows, its widespread distribution of literature depicting the its products as patented, and correspondence with the defendants' employees regarding the use of patented devices in the defendants' products.<sup>2320</sup>

The defendants argued that they exercised their duty of care by obtaining opinions of counsel.<sup>2321</sup> Imonex countered by arguing that the defendants waited too long to obtain their opinions of counsel.<sup>2322</sup> The Federal Circuit, citing its en banc decision in *Knorr-Bremse*,<sup>2323</sup> explained that "while early receipt of legal advice would have strengthened the defendants' argument that they had not willfully infringed, failure to have solicited such advice does not give rise to an inference of willfulness."<sup>2324</sup> Nevertheless, the Federal Circuit concluded that the jury had substantial evidence to support its finding of willfulness.<sup>2325</sup>

The Federal Circuit also affirmed the district court's finding that the case was exceptional under 35 U.S.C. § 285.<sup>2326</sup> The jury had determined that the defendants' infringement was willful, and the district court assessed attorneys fees for the time elapsed between this jury verdict and the verdict in a second trial re-trying the issue of damages, during which the defendants continued to sell infringing devices.<sup>2327</sup> The Federal Circuit determined that the district Court did not abuse its discretion.<sup>2328</sup>

2318. 408 F.3d 1374, 74 U.S.P.Q.2d (BNA) 1936 (Fed. Cir. 2005).

2319. *Id.* at 1377, 74 U.S.P.Q.2d (BNA) at 1939.

2320. *Id.* at 1378, 74 U.S.P.Q.2d (BNA) at 1939.

2321. *Id.*, 74 U.S.P.Q.2d (BNA) at 1939.

2322. *See id.*, 74 U.S.P.Q.2d (BNA) at 1939 (contending that the defendants should have obtained counsel as soon as they learned of possible infringement and not after being served with the complaint).

2323. *Knorr—Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337, 72 U.S.P.Q.2d (BNA) 1560 (Fed. Cir. 2004).

2324. *Imonex Services, Inc.*, 408 F.3d at 1378, 74 U.S.P.Q.2d (BNA) at 1939.

2325. *Id.*, 74 U.S.P.Q.2d (BNA) at 1940.

2326. *Id.*, 74 U.S.P.Q.2d (BNA) at 1940.

2327. *Id.*, 74 U.S.P.Q.2d (BNA) at 1940.

2328. *Id.* at 1378-79, 74 U.S.P.Q.2d (BNA) at 1940.

*J. Repair and Reconstruction*

In *Fuji Photo Film Co., Ltd. v. Jazz Photo Corp.*,<sup>2329</sup> the plaintiff held patents directed towards disposable cameras, or lens-fitted film packages ("LFFPs").<sup>2330</sup> Defendants purchased used LFFP shells from foreign factories, then refurbished LFFPs by inserting new film through multiple steps.<sup>2331</sup> Plaintiff instituted proceedings before the International Trade Commission ("ITC") against defendant and twenty-five other respondents.<sup>2332</sup> The primary issue before the ITC was whether defendants' refurbishing of the LFFPs was permissible repair or impermissible reconstruction.<sup>2333</sup> The administrative judge determined that eight common steps in each of respondents' refurbishing of the LFFPs constituted impermissible reconstruction.<sup>2334</sup> Prior to the ITC's final order, Plaintiff sued defendants in the United States District Court for the District of New Jersey, seeking damages and injunctive relief for direct and indirect infringement of the LFFP patents.<sup>2335</sup> This lawsuit was stayed pending the appeal of the ITC action, in which the Federal Circuit reversed the ITC's final determination, and found that the eight-step refurbishment procedure was permissible repair, and that only LFFPs first sold in the United States qualified for the repair exclusion under the exhaustion doctrine.<sup>2336</sup> Because defendants acknowledged that its specific refurbishment procedure comprised nineteen possible steps, the Federal Circuit's reversal of the ITC determination was not entirely dispositive of the repair/reconstruction issue confronting the district court, and the plaintiff's lawsuit proceeded.<sup>2337</sup> During the lawsuit, the parties entered into several stipulations: (1) to the use of the record developed before the ITC; (2) to a special jury verdict form that generally asked whether defendants' supplier factories performed each of the nineteen refurbishment steps (the form did not query the jury for each of defendant's eight supplier factories in China, but instead grouped the steps generally); (3) the district court would not be bound by the advisory jury determination of the number of repaired LFFPs; and (4) the district court instructed the

2329. 394 F.3d 1368, 73 U.S.P.Q.2d (BNA) 1678 (Fed. Cir. 2005).

2330. *Id.* at 1370-71, 73 U.S.P.Q.2d (BNA) at 1680-81.

2331. *Id.* at 1371, 73 U.S.P.Q.2d (BNA) at 1681.

2332. *Id.* at 1370-71, 73 U.S.P.Q.2d (BNA) at 1680-81.

2333. *Id.* at 1371, 73 U.S.P.Q.2d (BNA) at 1681.

2334. *Id.*, 73 U.S.P.Q.2d (BNA) at 1681.

2335. *Id.*, 73 U.S.P.Q.2d (BNA) at 1681.

2336. *Id.*, 73 U.S.P.Q.2d (BNA) at 1681.

2337. 394 F.3d 1371, 73 U.S.P.Q.2d (BNA) at 1681.

jury that plaintiff had not sought an order before the ITC or the district court compelling discovery in the Chinese factories.<sup>2338</sup>

After trial, the jury determined that: defendants had infringed defendant's patents by refurbishing nearly forty million LFFPs, willfully infringed the patents by selling more than 1.2 million newly-made LFFPs, and that defendants owed a reasonable royalty of \$0.56 per LFFP. The district court then considered the repair, reconstruction issue, as well as the exhaustion issue.<sup>2339</sup> The district court determined that the nineteen steps defendants acknowledged were "effectively sub-steps of the eight steps . . . previously deemed permissible repair."<sup>2340</sup> The court then determined that three of the eight Chinese factories performed the nineteen steps, as defendants had presented evidence on only three of the eight factories.<sup>2341</sup> In doing so, the court rejected defendants' proposed inference that its evidence represented the refurbishing activities of all eight factories, and found that ten percent of the LFFPs were permissibly repaired.<sup>2342</sup> Turning its analysis to the foreign LFFP sales, the district court interpreted the Federal Circuit precedent from the appeal of the ITC action as holding that "only first sales in the United States would serve as the appropriate basis for the repair affirmative defense."<sup>2343</sup> Based on "evidence presented by both parties" the district court determined that 9.5% of defendant's refurbished LFFPs derived from United States first sales, and that 9.5% of the total of potentially permissibly repaired cameras were attributable to United States first sales.<sup>2344</sup> The district court also denied defendants' motion for JMOL challenging the jury's findings of willfulness, inducement and the reasonable royalty rate. The district court denied the motion, finding substantial evidence supported the jury's verdict, but the district court declined to enhance damages for willful infringement.<sup>2345</sup> On appeal, defendants challenged the district court's finding that defendants failed to provide sufficient evidence of all eight Chinese factories performing the nineteen repair steps, the district court's application of the exhaustion doctrine, and the jury's finding of inducement, willfulness, and the reasonable royalty.<sup>2346</sup> Plaintiff cross-

---

2338. *Id.* at 1371-72, 73 U.S.P.Q.2d (BNA) at 1681-82.

2339. *Id.* at 1372, 73 U.S.P.Q.2d (BNA) at 1682.

2340. *Id.*, 73 U.S.P.Q.2d (BNA) at 1682.

2341. *Id.*, 73 U.S.P.Q.2d (BNA) at 1682.

2342. *Id.*, 73 U.S.P.Q.2d (BNA) at 1682.

2343. *Id.*, 73 U.S.P.Q.2d (BNA) at 1682.

2344. *Id.*, 73 U.S.P.Q.2d (BNA) at 1682.

2345. *Id.*, 73 U.S.P.Q.2d (BNA) at 1682.

2346. *Id.* at 1373, 73 U.S.P.Q.2d (BNA) at 1682.

appealed, and argued that the defendants failed to sufficiently prove that ten percent of its refurbished LFFPs fell within the repair safe harbor, as well as the district court's refusal to enhance damages and its denial of a permanent injunction.<sup>2347</sup> The Federal Circuit affirmed the district court's conclusions.

First, the Federal Circuit determined whether defendants had met their burden of persuasion on the affirmative defense of repair. In doing so, the Federal Circuit reviewed the district court's factual findings for clear error, and reviewed its JMOL determination and interpretation of the parties' stipulations without deference.<sup>2348</sup> The Federal Circuit rejected defendants' argument that the district court was bound by the jury's determination that each of the eight Chinese factories performed the permissible repair steps. The court reasoned that the parties' own stipulation "rendered the jury's determination of repaired LFFPs advisory. Thus, the district court retained the right to make its own determination."<sup>2349</sup> The court saw no error in the district court's honoring of the parties' stipulation.<sup>2350</sup> In addressing the district court's factual determinations, the Federal Circuit found no clear error in the district court's determinations. The court determined that because no

representative [of defendants] had personal knowledge of the refurbishing acts performed at five Chinese factories, this court cannot form a 'definite and firm conviction that a mistake has been committed' in the district court's holding that [defendant] did not meet its burden of proving the repair defense

...  
[A]s the district court found, [defendant] provided only incomplete evidence. This court detects no clear error in the district court's assessment of the insufficiency of [defendants'] proof.<sup>2351</sup>

The court also determined, in plaintiff's cross-appeal, that the district court did not clearly err in finding that ten percent of the LFFPs were permissibly repaired. The Federal Circuit determined that plaintiff had not sought to compel discovery from the eight Chinese factories, and "cannot now complain that [defendant's] evidence is not verifiable in the absence of any effort on its own part to seek verifying discovery."<sup>2352</sup> The court also noted that:

---

2347. *Id.*, 73 U.S.P.Q.2d (BNA) at 1682.

2348. *Id.*, 73 U.S.P.Q.2d (BNA) at 1682.

2349. *Id.* at 1375, 73 U.S.P.Q.2d (BNA) at 1684.

2350. *Id.*, 73 U.S.P.Q.2d (BNA) at 1684.

2351. *Id.* at 1374, 73 U.S.P.Q.2d (BNA) at 1684.

2352. *Id.* at 1375, 73 U.S.P.Q.2d (BNA) at 1684.

In sum, the district court walked an evidentiary tight rope. On one side, the trial court refused to credit Jazz's evidence as representative of all eight factories. On the other, it found that evidence credible for the three factories for which Jazz presented some direct testimony. Further, the district court faced the difficulty of determining the number of LFFPs both first sold in the United States and permissibly repaired in one of the three factories. In the absence of any direct evidence on the number of United States sales, the district court permissibly used circumstantial evidence to calculate the total repaired LFFPs. Upon review of the entire record, this court finds no clear error in any of the district court's findings.<sup>2353</sup>

The Federal Circuit also rejected plaintiff's argument that that the district court misapplied the exhaustion doctrine, or that the effect of the exhaustion doctrine holding from the appeal of the ITC proceeding should be purely prospective. The court rejected both arguments. First, the court noted that the holding from *Jazz*<sup>2354</sup> did not limit the exhaustion principle to unauthorized sales, as defendant argued. Thus, the defendant could not "escape application of the exhaustion principle because [plaintiff] or its licensees authorized the international first sales of these LFFPs."<sup>2355</sup> The court reasoned that

The patentee's authorization of an international first sale does not affect exhaustion of that patentee's rights in the United States. Moreover, the "solely foreign provenance" language does not negate the exhaustion doctrine when either the patentee or its licensee sells the patented article abroad.

Read in full context, this court in *Jazz* stated that only LFFPs sold within the United States under a United States patent qualify for the repair defense under the exhaustion doctrine. Moreover, Fuji's foreign sales can never occur under a United States patent because the United States patent system does not provide for extraterritorial effect. In *Jazz*, therefore, this court expressly limited first sales under the exhaustion doctrine to those occurring within the United States. Accordingly, the district court correctly applied this court's exhaustion precedent.<sup>2356</sup>

---

2353. *Id.* at 1375-76, 73 U.S.P.Q.2d (BNA) at 1685 (citation omitted).

2354. *Jazz Photo Corp. v. Int'l Trade Comm'n*, 264 F.3d 1094, 59 U.S.P.Q.2d (BNA) 1907 (Fed. Cir. 2001).

2355. 394 F.3d at 1376, 73 U.S.P.Q.2d (BNA) at 1685.

2356. *Id.*, 73 U.S.P.Q.2d (BNA) at 1685.

The court also rejected defendants' prospective application argument as waived, because defendant did not raise the issue "in a form that requested or required a decision from the district court."<sup>2357</sup>

#### IV. INEQUITABLE CONDUCT AND OTHER DEFENSES

##### A. *Inequitable Conduct*

In *Bruno Independent Living Aids, Inc. v. Acorn Mobility Services, Ltd.*,<sup>2358</sup> the plaintiff sued the defendant, alleging infringement of a patent directed towards a "stairlift," a device that allows persons with impaired mobility to "ascend and descend stairways on a chair that travels along a rail."<sup>2359</sup> The defendant produced numerous disclosures of prior art stairlifts that had not been disclosed to the PTO during prosecution of the patent.<sup>2360</sup> The defendant moved for summary judgment of noninfringement and invalidity following discovery, and the plaintiff admitted that the asserted claims were invalid in light of the prior art that the defendant had identified.<sup>2361</sup> The motion for summary judgment of invalidity was granted, and the defendant then "accused [the plaintiff] of having intentionally withheld [the] invalidating prior art from the PTO, and asked the district court to declare the case 'exceptional' for the purpose of awarding attorney fees under [35 U.S.C.] § 285."<sup>2362</sup> The district court found that the defendant had engaged in inequitable conduct before the PTO while prosecuting the patent, and declared the case exceptional.<sup>2363</sup>

The district court based its inequitable conduct determination on its finding that the plaintiff had failed to disclose to the PTO information about several invalidating stairlifts that it had disclosed to the FDA when it sought approval to sell a stairlift covered by the patent.<sup>2364</sup> Because the FDA disclosure was concurrent with the prosecution of the patent before the PTO, and because the plaintiff did not have a credible, good faith explanation for not disclosing the information to the PTO, the district court inferred that the plaintiff

---

2357. *Id.* at 1377, 73 U.S.P.Q.2d (BNA) at 1685.

2358. 394 F.3d 1348, 73 U.S.P.Q.2d (BNA) at 1593 (Fed. Cir. 2005).

2359. *Id.* at 1350, 73 U.S.P.Q.2d (BNA) at 1594.

2360. *Id.*, 73 U.S.P.Q.2d (BNA) at 1594-95.

2361. *Id.*, 73 U.S.P.Q.2d (BNA) at 1595.

2362. *Id.*, 73 U.S.P.Q.2d (BNA) at 1595.

2363. *Id.*, 73 U.S.P.Q.2d (BNA) at 1595.

2364. *Id.*, 73 U.S.P.Q.2d (BNA) at 1595.

withheld the information with the requisite deceptive intent for inequitable conduct.<sup>2365</sup>

The Federal Circuit noted that inequitable conduct “can arise from a failure to disclose information material to patentability, coupled with an intent to deceive or mislead the PTO.”<sup>2366</sup> The Federal Circuit found no error in the district court’s treatment of a stairlift as prior art subject to the duty of disclosure.<sup>2367</sup> The Federal Circuit reasoned that the record supported that the plaintiff had actual knowledge of the prior art and that it knew or should have known of its materiality, because a letter that the plaintiff had sent to the FDA seeking approval discussed the prior art stairlift as a stairlift “similar in design and function” to the plaintiff’s stairlift.<sup>2368</sup> This description of the stairlift had been included in a section of the letter labeled “Substantial Equivalence.”<sup>2369</sup>

Both the district court and Federal Circuit rejected the plaintiff’s argument that its claim of “substantial equivalence” was relevant only to seeking FDA approval for its stairlift device. The Federal Circuit reasoned:

This distinction is disingenuous in light of what the record reflects: the FDA submission was prepared by William Belson, who was also involved in the prosecution of the ‘405 patent and had asked [the plaintiff’s] patent attorney to conduct a prior art search in preparation for filing the patent application. More importantly, [the plaintiff’s] distinction is not persuasive because “an applicant who knew of the art or information cannot intentionally avoid learning of its materiality . . . it may be found that the applicant ‘should have known’ of that materiality.” Accordingly, we are not persuaded that the district court clearly erred in charging [the plaintiff] with knowledge of the [the prior art’s] materiality.<sup>2370</sup>

The Federal Circuit also rejected the plaintiff’s argument that the prior art stairlift was not material prior art because it was cumulative to the information submitted to the PTO.<sup>2371</sup> The court pointed out that the definition of materiality promulgated in 37 C.F.R. § 1.56, which was active at the time the plaintiff prosecuted the patent, was that information was material to patentability when it “refutes, or is inconsistent with, a position the applicant takes in . . . asserting an

---

2365. *Id.* at 1350-51, 73 U.S.P.Q.2d (BNA) at 1595.

2366. *Id.* at 1351, 73 U.S.P.Q.2d (BNA) at 1595 (citing *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1178, 33 U.S.P.Q.2d (BNA) 1823, 1826 (Fed. Cir. 1995)).

2367. *Id.* at 1351-52, 73 U.S.P.Q.2d (BNA) at 1596.

2368. *Id.* at 1352, 73 U.S.P.Q.2d (BNA) at 1596 (internal quotation marks omitted).

2369. *Id.*, 73 U.S.P.Q.2d (BNA) at 1596.

2370. *Id.*, 73 U.S.P.Q.2d (BNA) at 1596 (internal citations omitted).

2371. *Id.*, 73 U.S.P.Q.2d (BNA) at 1596.

argument of patentability.”<sup>2372</sup> Reasoning that the plaintiff would not have touted a feature of an “off center pivot that was proximate to the front edge of the seat” as a point of novelty in an amendment to a claim had the examiner been made aware of the prior art stairlift,<sup>2373</sup> the Federal Circuit did not consider the district court’s finding of materiality to be clearly erroneous.

With respect to the deceptive intent prong of the inequitable conduct analysis, the Federal Circuit also found that the district court did not clearly err in finding that the plaintiff acted with deceptive intent in withholding the prior art stairlift from the PTO. The Federal Circuit noted that the plaintiff’s disclosure of the prior art to the FDA, but not the PTO, supported a “finding of deceptive intent to withhold the disclosure from the PTO.”<sup>2374</sup>

The Federal Circuit also pointed to the plaintiff’s failure to offer a credible explanation for the non-disclosure, and reasoned that “an inference of deceptive intent may fairly be drawn in the absence of such an explanation.”<sup>2375</sup> The Federal Circuit found no clear error in the district court’s finding of deceptive intent, and affirmed that court’s finding that the case was exceptional under 35 U.S.C. § 285.<sup>2376</sup>

*Frazier v. Roessel Cine Photo Tech, Inc.*<sup>2377</sup> involved an appeal from the district court’s finding that a patent for an aerial image photo lens was unenforceable for inequitable conduct, given the patentee’s submission of a misleading video to the examiner during prosecution.<sup>2378</sup> On appeal, the Federal Circuit affirmed the district court’s finding, which had explained that the patentee submitted “video containing footage shot with lenses other than that claimed in the [asserted patent] . . . .”<sup>2379</sup> The Federal Circuit rejected the patentee’s argument that there was no evidence that the examiner relied on the submitted footage, explaining that the patentee’s arguments “overlook the fact that the mere submission of the video with footage shot with other than the claimed invention constituted a sufficiently material misrepresentation without regard to whether the [claimed] lens could create the same shots.”<sup>2380</sup>

---

2372. *Id.*, 73 U.S.P.Q.2d (BNA) at 1596 (quoting 37 C.F.R. § 1.56(b)(2)) (emphasis omitted).

2373. *Id.* at 1353, 73 U.S.P.Q.2d (BNA) at 1597.

2374. *Id.* at 1354, 73 U.S.P.Q.2d (BNA) at 1598.

2375. *Id.*, 73 U.S.P.Q.2d (BNA) at 1598.

2376. *Id.* at 1355, 73 U.S.P.Q.2d (BNA) at 1598.

2377. 417 F.3d 1230, 75 U.S.P.Q.2d (BNA) 1822 (Fed. Cir. 2005).

2378. *Id.* at 1232, 75 U.S.P.Q.2d (BNA) at 1823.

2379. *Id.* at 1234, 75 U.S.P.Q.2d (BNA) at 1825.

2380. *Id.* at 1235, 75 U.S.P.Q.2d (BNA) at 1825-26.



Regarding intent, the Federal Circuit again affirmed the district court's findings, explaining that the patentee failed to inform the PTO that portions of the video were not shot with the claimed lens system even though the patentee was fully aware of that fact when the video was submitted to the PTO.<sup>2381</sup> The Federal Circuit also credited the district court's finding that the patentee's "claimed lack of intent to mislead was not credible based on his repeatedly testifying to different versions of events under oath."<sup>2382</sup>

*Pharmacia Corp. v. Par Pharm., Inc.*<sup>2383</sup> involved an appeal from a district court's holding that a patent for a topical medication for glaucoma was unenforceable due to inequitable conduct. Another patent, for the same drug, remained enforceable.<sup>2384</sup> The district court found that the patentees' declaration to the PTO contained material misrepresentations, which they submitted in order to overcome an obviousness rejection.<sup>2385</sup> In particular, the patentees' declaration was inconsistent with prior work and research conducted by the declarant.<sup>2386</sup>

On appeal, the Federal Circuit affirmed the district court's finding of inequitable conduct, explaining that:

Paragraph 10 [of the declaration] conflicts with the prior [declarant's] article and supporting Japanese articles, which were never disclosed to the PTO. On the point of materiality, the applicants submitted these statements in support of patentability over the sole prior art reference relied upon by the Examiner. Thus these misleading declarations go to the very point of novelty. The district court properly found paragraph 10 highly material.<sup>2387</sup>

The Federal Circuit found the district court correctly concluded that the declarant possessed an intent to deceive because of the significantly material nature of the submitted material and because the declarant neglected to submit a conflicting article that he had co-authored.<sup>2388</sup>

Next, the Federal Circuit addressed the issue of whether the district court properly concluded that a terminal disclaimer was not, without more, sufficient to render another unrelated patent unenforceable as well.<sup>2389</sup> Affirming the district court's holding that the unrelated

---

2381. *Id.*, 75 U.S.P.Q.2d (BNA) at 1826.

2382. *Id.*, 75 U.S.P.Q.2d (BNA) at 1826.

2383. 417 F.3d 1369, 75 U.S.P.Q.2d (BNA) 1949 (Fed. Cir. 2005).

2384. *Id.* at 1370-71, 75 U.S.P.Q.2d (BNA) at 1950.

2385. *Id.* at 1371, 75 U.S.P.Q.2d (BNA) at 1950.

2386. *Id.* at 1372, 75 U.S.P.Q.2d (BNA) at 1951.

2387. *Id.* at 1373, 75 U.S.P.Q.2d (BNA) at 1952.

2388. *Id.*, 75 U.S.P.Q.2d (BNA) at 1952.

2389. *Id.* at 1374, 75 U.S.P.Q.2d (BNA) at 1953.

patent was not unenforceable by mere virtue of the terminal disclaimer, the Federal Circuit first noted that “a terminal disclaimer ties the affected patents together; they expire on the same date and are enforceable only during periods in which they are owned by the same person.”<sup>2390</sup> The Federal Circuit went on to explain that, “[b]eyond their shared expiration date, however, two disclaimed patents maintain significant attributes of individuality.”<sup>2391</sup> The court then clarified:

For example, Pharmacia pays two sets of maintenance fees—one for each of the ‘368 and ‘504 patents. If Pharmacia does not pay the maintenance fee on one of the patents, that oversight would have no effect on the validity or enforceability of the other patent. This individuality between terminally disclaimed patents indicates something more than a naked terminal disclaimer is required.<sup>2392</sup>

The Federal Circuit concluded that the “specific terminal disclaimer in this case illustrates that the two patents retain individual attributes. The language of the terminal disclaimer in this case emphasizes that validity doctrines will apply separately to the two patents that share an expiration date.”<sup>2393</sup>

Finally, the Federal Circuit acknowledged case law in which inequitable conduct with respect to a single claim of a patent renders the remaining claims of the same patent unenforceable.<sup>2394</sup> The court reasoned that its “inequitable conduct cases do not extend inequitable conduct in one patent to another patent that was not acquired through culpable conduct. In other words, these cases simply do not apply to the facts of this case, which involve two separate patents.”<sup>2395</sup>

---

2390. *Id.*, 75 U.S.P.Q.2d (BNA) at 1953 (quoting DONALD S. CHISUM, CHISUM ON PATENTS, § 9.04[5] at 9-107 (2003)).

2391. *Id.*, 75 U.S.P.Q.2d (BNA) at 1953.

2392. *Id.*, 75 U.S.P.Q.2d (BNA) at 1953.

2393. *Id.*, 75 U.S.P.Q.2d (BNA) at 1953. The terminal disclaimer provided:

In making the above disclaimer, petitioner does not disclaim the terminal part of any patent granted on the instant application that would extend to the expiration date of the full statutory term as defined in 35 U.S.C. §§ 154 to 156 and 173 of the prior patent as presently [shortened] by any terminal disclaimer, in the event that it later: *expires for failure to pay a maintenance fee, is held unenforceable, is found invalid by a court of competent jurisdiction, is statutorily disclaimed in whole or terminally disclaimed under 37 C.F.R. 1.321, has all claims canceled by a reexamination certificate, or is in any manner terminated prior to the expiration of its full statutory term* as shortened by any terminal disclaimer.

*Id.*, 75 U.S.P.Q.2d (BNA) at 1953 (emphasis in original).

2394. *Id.* at 1375, 75 U.S.P.Q.2d (BNA) at 1953.

2395. *Id.*, 75 U.S.P.Q.2d (BNA) at 1953.

*Warner-Lambert Company v. Teva Pharmaceuticals USA, Inc.*<sup>2396</sup> involved an appeal from a district court's finding that a patent was not unenforceable due to inequitable conduct despite the patentee's failure to disclose a third-party's drug product to the PTO during prosecution of the disputed patent.<sup>2397</sup> The defendant argued that the district court "failed to appreciate the difference between what the [disputed] patent disclose[d] and what it claim[ed]."<sup>2398</sup> In particular, the defendant contended that the patentees knew that their claims were broader than the disclosure and that such claims covered the third-party's drug product.<sup>2399</sup> Therefore, the defendant asserted that the patentees intentionally did not disclose the third-party drug product to the PTO.<sup>2400</sup> In doing so, the defendant argued that:

an inference of intent to deceive the PTO is warranted . . . [because] a "patentee facing a high level of materiality and clear proof that it knew or should have known of that materiality, can expect to find it difficult to establish 'subjective good faith' sufficient to prevent the drawing of an inference to mislead."<sup>2401</sup>

The Federal Circuit determined that the record was insufficient to show that the district court erred in finding the absence of inequitable conduct.<sup>2402</sup> The Federal Circuit recognized "that '[d]irect evidence of intent or proof of deliberate scheming is rarely available in instances of inequitable conduct,' and that 'intent may [therefore] be inferred from the surrounding circumstances.'"<sup>2403</sup> The Federal Circuit continued, observing "that '[t]he more material the omission or the misrepresentation, the lower the level of intent required to establish inequitable conduct . . . .' However, determining whether there was intent to deceive is still a contextual exercise, and 'materiality does not presume intent, which is a separate and essential component of inequitable conduct.'"<sup>2404</sup> After acknowledging the difficulty the patentee will have in demonstrating

---

2396. 418 F.3d 1326, 75 U.S.P.Q.2d (BNA) 1865 (Fed. Cir. 2005).

2397. *Id.* at 1343, 75 U.S.P.Q.2d (BNA) at 1876.

2398. *Id.* at 1345, 75 U.S.P.Q.2d (BNA) at 1878.

2399. *Id.*, 75 U.S.P.Q.2d (BNA) at 1878.

2400. *Id.*, 75 U.S.P.Q.2d (BNA) at 1878.

2401. *Id.* at 1345, 75 U.S.P.Q.2d (BNA) at 1878 (quoting *Critikon, Inc. v. Becton Dickinson Vascular Access, Inc.*, 120 F.3d 1253, 1257, 43 U.S.P.D.2d (BNA) 1666, 1669 (Fed. Cir. 1987)).

2402. *Id.* at 1346, 75 U.S.P.Q.2d (BNA) at 1879.

2403. *Id.* at 1346, 75 U.S.P.Q.2d (BNA) at 1879 (quoting *Critikon, Inc. v. Becton Dickinson Vascular Access, Inc.*, 120 F.3d 1253, 1256, 43 U.S.P.D.2d (BNA) 1666, 1668 (Fed. Cir. 1987)).

2404. *Id.* at 1346, 75 U.S.P.Q.2d (BNA) at 1879 (quoting *GFI, Inc. v. Franklin Corp.*, 265 F.3d 1268, 1274, 60 U.S.P.Q.2d (BNA) 1141, 1144 (Fed. Cir. 2001)).

“subjective good faith” to rebut the allegation of misleading the PTO, the Federal Circuit admitted that the possibility was not foreclosed.

Therefore, while “smoking gun” evidence is not required in order to find intent to deceive, “the involved conduct, viewed in light of all the evidence, *including evidence indicative of good faith*, must indicate sufficient culpability to require a finding of intent to deceive.”<sup>2405</sup>

The Federal Circuit then reasoned that while the third-party drug was highly material to the case, the evidence showed that the inventors did not disclose it when filing the patent because

they simply did not think it had any relevance to their application . . . and consequently had no intent to deceive the PTO in not disclosing [the third-party drug]. In keeping within our role as an appellate court of review, we cannot say that the district court committed clear error in making these findings.<sup>2406</sup>

In *Syntex (U.S.A.) LLC v. Apotex, Inc.*, the Federal Circuit affirmed the district court’s determination that no inequitable conduct existed.<sup>2407</sup> During prosecution, the applicant for the patent submitted a declaration stating that the surfactant octoxynol 40 is satisfactory for use in the claimed formulation while octoxynols 3 and 5 were not.<sup>2408</sup> Syntex, however, knew that octoxynol 40 did not outperform another surfactant, octoxynol 12.5, but this was not included in the applicant’s declaration.<sup>2409</sup>

In explaining the law of inequitable conduct, the court stated that “[m]ateriality<sup>2410</sup> and intent to deceive are distinct factual inquiries, and each must be shown by clear and convincing evidence.”<sup>2411</sup> The court reasoned that “[i]n making the ultimate determination of inequitable conduct, the trial court ‘must conduct a balancing test between the levels of materiality and intent, with a greater showing of

---

2405. *Id.*, 75 U.S.P.Q.2d (BNA) at 1879 (emphasis in original) (quoting *Kingsdown Med. Consultants Ltd. v. Hollister, Inc.*, 863 F.2d 867, 876, 9 U.S.P.Q.2d (BNA) 1384, 1392 (Fed. Cir. 1988) (*en banc*)).

2406. *Id.* at 1347-48, 75 U.S.P.Q.2d (BNA) at 1879-80.

2407. 407 F.3d 1371, 1384, 74 U.S.P.Q.2d (BNA) 1823, 1833 (Fed. Cir. 2005).

2408. *Id.* at 1375, 1382-83, 74 U.S.P.Q.2d (BNA) at 1826, 1832.

2409. *Id.* at 1375, 1383, 74 U.S.P.Q.2d (BNA) at 1826, 1832.

2410. Because the application for the patent in suit was filed on December 7, 1990, and issued on May 5, 1992, the Federal Circuit used the standard of materiality in place prior to March 16, 1992, namely that an inequitable conduct determination required a showing that “a reasonable examiner would have considered such [data] important in deciding whether to allow the patent application.” *Id.* at 1384, 74 U.S.P.Q.2d (BNA) at 1833 (quoting *Dayco Prods. v. Total Containment, Inc.*, 329 F.3d 1358, 1363, 66 U.S.P.Q.2d (BNA) 1801, 1804 (Fed. Cir. 2003)).

2411. *Id.*, 74 U.S.P.Q.2d (BNA) at 1833 (quoting *Life Techs., Inc. v. Clontech Lab., Inc.*, 224 F.3d 1320, 1324, 56 U.S.P.Q.2d (BNA) 1186, 1189 (Fed. Cir. 2000)).

one factor allowing a lesser showing of the other.”<sup>2412</sup> While the Federal Circuit disagreed with the district court and ultimately found the omission of octoxynol 12.5 material to the case, it found no error with the district court’s finding that no intent to deceive the patent examiner existed.<sup>2413</sup> In addressing the testimony of the inventors, the Federal Circuit reiterated that trial, not appellate, courts are best suited to determine issues of fact and credibility.<sup>2414</sup> The Federal Circuit refused to substitute its judgment for that of the district court where credibility was concerned, noting that the defendant could not point to any material evidence ignored by the district court.<sup>2415</sup> The Federal Circuit therefore affirmed the district court’s finding of no inequitable conduct.<sup>2416</sup>

In *Purdue Pharma L.P. v. Endo Pharmaceuticals Inc.*,<sup>2417</sup> the Federal Circuit affirmed the district court’s determination that the patent was unenforceable due to inequitable conduct before the PTO.<sup>2418</sup> Purdue filed suit against Endo alleging infringement of its patent based on Endo’s proposed generic version of OxyContin®.<sup>2419</sup> At issue was Purdue’s statements in the patent specification and the prosecution history that its claimed controlled release of oxycodone control pain over a narrower dosage range than prior art compositions was “surprisingly discovered.”<sup>2420</sup> The district court concluded that these repeated representations misled the PTO into thinking that the invention was supported by scientific evidence when in fact it was based only on “insight,” and that such representations constituted “a clear pattern of intentional misrepresentation.”<sup>2421</sup>

The Federal Circuit first agreed with the district court’s determination that the lack of scientific evidence was a material fact.<sup>2422</sup> The lower court also held that Purdue failed to disclose material information because it had represented to the PTO that it “discovered” the invention while withholding the fact that the discovery was not based on scientific evidence.<sup>2423</sup> The Federal Circuit detailed Purdue’s “consistent representations” to the PTO, which

---

2412. *Id.* at 1384, 74 U.S.P.Q.2d (BNA) at 1833.

2413. *Id.*, 74 U.S.P.Q.2d (BNA) at 1833.

2414. *Id.*, 74 U.S.P.Q.2d (BNA) at 1833.

2415. *Id.*, 74 U.S.P.Q.2d (BNA) at 1833.

2416. *Id.*, 74 U.S.P.Q.2d (BNA) at 1833.

2417. 410 F.3d 690, 75 U.S.P.Q.2d (BNA) 1109 (Fed. Cir. 2005).

2418. *Id.* at 693, 75 U.S.P.Q.2d (BNA) at 1110.

2419. *Id.*, 75 U.S.P.Q.2d (BNA) at 1110.

2420. *Id.* at 694, 75 U.S.P.Q.2d (BNA) at 1111.

2421. *Id.* at 695, 75 U.S.P.Q.2d (BNA) at 1112.

2422. *Id.* at 696, 75 U.S.P.Q.2d (BNA) at 1112-13.

2423. *Id.* at 696-97, 75 U.S.P.Q.2d (BNA) at 1113.

included the inventor's declaration describing the difficulty of predicting the pharmacological characteristics of opioids, explaining the importance of basing conclusions on the results of therapeutic evaluations, and highlighting the "clinical significance" of the claimed invention.<sup>2424</sup> Likewise, Purdue's representations led the examiner to believe that it had conducted clinical trials when it had not and linked the features of the claimed invention to the controlled, four-fold release of the drug.<sup>2425</sup> "In light of Purdue's consistent representations of the four-fold dosage range for controlled release oxycodone as a 'surprising discovery' and the context in which that statement was repeatedly made, [the Federal Circuit could not] say the trial court's finding that Purdue failed to disclose material information was clearly erroneous."<sup>2426</sup> The Federal Circuit agreed that, although Purdue did not expressly say that its invention was based on scientific evidence, "that conclusion was clearly to be inferred from the language used by Purdue in both the patents and prosecution history."<sup>2427</sup>

The Federal Circuit explained that "[i]n the absence of any statements indicating the true origin of its 'surprising discovery,' Purdue's arguments to the PTO provide enough of a suggestion that clinical trials had been performed that failure to tell the PTO the discovery was based on [the inventor's] insight and not scientific proof was a failure to disclose material information."<sup>2428</sup>

The Federal Circuit rejected Purdue's argument that the examiner, in allowing the claims, could have relied on arguments other than those relied upon by the district court, explaining that "[e]ven if the examiner did not necessarily rely on Purdue's discovery of a four-fold dosage range, however, that would not be inconsistent with a finding of materiality."<sup>2429</sup> Likewise, the Federal Circuit dismissed Purdue's argument that the district court improperly construed the claims to require the four-fold dosage that resulted from the discovery.<sup>2430</sup> The Federal Circuit explained that "[u]nder the PTO's current materiality standard, information may be material if it refutes or is inconsistent with the applicant's patentability arguments, which may be independent of the claims."<sup>2431</sup> Furthermore, the Federal Circuit was

---

2424. *Id.* at 698, 75 U.S.P.Q.2d (BNA) at 1114.

2425. *Id.*, 75 U.S.P.Q.2d (BNA) at 1114.

2426. *Id.*, 75 U.S.P.Q.2d (BNA) at 1114.

2427. *Id.*, 75 U.S.P.Q.2d (BNA) at 1114.

2428. *Id.*, 75 U.S.P.Q.2d (BNA) at 1114.

2429. *Id.*, 75 U.S.P.Q.2d (BNA) at 1114.

2430. *Id.* at 699, 75 U.S.P.Q.2d (BNA) at 1114.

2431. *Id.*, 75 U.S.P.Q.2d (BNA) at 1114.

not persuaded by Purdue's argument that the four-fold dosage range was merely "a benefit of the claimed invention and therefore not material because the examiner would have given it little weight."<sup>2432</sup> Instead, the controlled, four-fold dosage range "was one of the key arguments Purdue made consistently and repeatedly during prosecution to overcome prior art cited by the examiner in an obviousness rejection."<sup>2433</sup>

Finally, the Federal Circuit clarified that a discovery can be made by insight or experiment, and that pharmaceutical discovery does not have to be supported by clinical results.<sup>2434</sup> In this case, however, the existence of scientific results was implied when in fact those results did not exist.<sup>2435</sup> The Federal Circuit explained that:

the trial court's finding in this case was not based on Purdue's failure to provide scientific proof of its "surprising discovery," but on its claim to have made a surprising medical discovery without disclosing the evidentiary basis for it, i.e., that the alleged "discovery" under these circumstances was based on insight and was without an empirical basis.<sup>2436</sup>

The Federal Circuit next addressed the district court's conclusion that Purdue intended to deceive the PTO. The Federal Circuit determined that intent to mislead the PTO could be inferred in this case because Purdue's "carefully chosen language" suggests that its discovery was based on scientific evidence rather than insight, and that this suggestion was left unclarified.<sup>2437</sup> The court found "a clear pattern of misdirection throughout prosecution" of Purdue's patents, and that "Purdue continued to describe its discovery in terms of 'results,' using precise, quantitative, and comparative language."<sup>2438</sup> Accordingly, the Federal Circuit concluded that "[t]he consistent and repetitive nature of Purdue's communications with the PTO fully supports the trial court's conclusion that Purdue made a deliberate decision to withhold and thus misrepresent the origin of its 'discovery' to the PTO."<sup>2439</sup>

The Federal Circuit in *TAP Pharmaceutical Products, Inc. v. OWL Pharmaceuticals, L.L.C.*,<sup>2440</sup> reviewed the lower court's denial of the defendant's argument that the plaintiff's patent was unenforceable

---

2432. *Id.*, 75 U.S.P.Q.2d (BNA) at 1114.

2433. *Id.*, 75 U.S.P.Q.2d (BNA) at 1115.

2434. *Id.*, 75 U.S.P.Q.2d (BNA) at 1115.

2435. *Id.* at 699-700, 75 U.S.P.Q.2d (BNA) at 1115.

2436. *Id.* at 700, 75 U.S.P.Q.2d (BNA) at 1115.

2437. *Id.* at 701, 75 U.S.P.Q.2d (BNA) at 1116.

2438. *Id.*, 75 U.S.P.Q.2d (BNA) at 1116.

2439. *Id.*, 75 U.S.P.Q.2d (BNA) at 1116.

2440. 419 F.3d 1346, 76 U.S.P.Q.2d (BNA) 1126 (Fed. Cir. 2005).

due to its alleged inequitable conduct.<sup>2441</sup>

In the lower court, the defendant argued that the plaintiff exercised inequitable conduct when it failed to timely apprise the patent examiner of a published European patent application ("Kent application"),<sup>2442</sup> and when it misled the patent examiner.<sup>2443</sup> During the prosecution in the United States of U.S. Patent No. 4,728,721 ("721 patent"), the plaintiff received notification of the Kent application in a European search report.<sup>2444</sup> The search report listed the Kent application as "technical background," related to the plaintiff's European application for '721's European counterpart.<sup>2445</sup> The plaintiff filed the search report with the PTO as a supplemental Information Disclosure Statement within one month of receiving the report,<sup>2446</sup> although, it was after the plaintiff had received the notice of allowance for '721.<sup>2447</sup> The defendant argued that the Kent application, and the Boswell patent described in the Kent application, was material, and its suppression constituted inequitable conduct.<sup>2448</sup> The Federal Circuit disagreed.<sup>2449</sup>

It began its analysis by explaining that information is "material" when a reasonable examiner would attach importance to the information in making her decision to issue a patent.<sup>2450</sup> It further stated that information is not material when it is cumulative "in light of other references considered by the examiner."<sup>2451</sup> The Federal Circuit found that the Kent application was in fact cumulative in view of other materials submitted by the plaintiff to the examiner.<sup>2452</sup> The plaintiff submitted the Nevin patent, which explicated the use of polymers in a manner that more closely resembled the technology of the plaintiff's invention than the Kent application did.<sup>2453</sup>

Additionally, the plaintiff submitted an article ("Pitt article"), which described the same method of purification as described in the Boswell patent.<sup>2454</sup> The defendant argued the Pitt article was insufficient, as it only disclosed the relevant polymer, and it failed to

2441. *Id.* at 1350, 76 U.S.P.Q.2d (BNA) at 1130.

2442. *Id.*, 76 U.S.P.Q.2d (BNA) at 1130.

2443. *Id.* at 1352, 76 U.S.P.Q.2d (BNA) at 1131-32.

2444. *Id.* at 1350, 76 U.S.P.Q.2d (BNA) at 1130.

2445. *Id.*, 76 U.S.P.Q.2d (BNA) at 1130.

2446. *Id.* at 1352, 76 U.S.P.Q.2d (BNA) at 1132.

2447. *Id.* at 1350, 76 U.S.P.Q.2d (BNA) at 1130.

2448. *Id.* at 1350-51, 76 U.S.P.Q.2d (BNA) at 1130.

2449. *Id.* at 1352, 76 U.S.P.Q.2d (BNA) at 1131.

2450. *Id.* at 1351, 76 U.S.P.Q.2d (BNA) at 1130.

2451. *Id.*, 76 U.S.P.Q.2d (BNA) at 1130.

2452. *Id.* at 1352, 76 U.S.P.Q.2d (BNA) at 1131.

2453. *Id.* at 1351, 76 U.S.P.Q.2d (BNA) at 1131.

2454. *Id.*, 76 U.S.P.Q.2d (BNA) at 1131.



discuss the relevant purification method.<sup>2455</sup> The Federal Circuit found that even if the lower court erred in finding the Kent application cumulative in view of the Nevin patent, it was harmless error, as the Kent application was cumulative in view of the Pitt article.<sup>2456</sup> Consequently, the Federal Circuit affirmed the lower court's finding that the Kent application was immaterial.<sup>2457</sup>

The Federal Circuit also agreed with the lower court that no clear and convincing evidence existed supporting the defendant's argument that the plaintiff misled the patent examiner.<sup>2458</sup> The defendant argued that the plaintiff misled the patent examiner in two ways.<sup>2459</sup> First, the plaintiff intentionally suppressed disclosure of the Kent application until after it had received the notice of allowance.<sup>2460</sup> Second, the plaintiff's attorney misled the examiner by stating the Kent application did not disclose any technique in respect to purifying polymers.<sup>2461</sup> The defendant argued the Kent application disclosed such a technique in its reference to the Boswell patent.<sup>2462</sup> The lower court did not find sufficient evidence to support the claim that the plaintiff intentionally misled the patent examiner.<sup>2463</sup> It cited the following three factors as influencing its decision: (1) the search report indicated the European Patent Office did not believe the Kent application was material, (2) the plaintiff submitted the search report to the patent examiner within one month of receiving it, and (3) the "significant evidence" produced by the plaintiff suggested it did not believe the Kent application to be material.<sup>2464</sup> The Federal Circuit found no evidence suggesting the lower court considered these factors and evidence in clear error, and therefore, affirmed the lower court's "ruling that the . . . patents are not unenforceable for inequitable conduct."<sup>2465</sup>

### *B. Estoppel*

In *SanDisk Corp. v. Memorex Products, Inc.*,<sup>2466</sup> the Federal Circuit vacated the district court's grant of summary judgment to the

2455. *Id.* at 1352, 76 U.S.P.Q.2d (BNA) at 1131.

2456. *Id.*, 76 U.S.P.Q.2d (BNA) at 1131.

2457. *Id.*, 76 U.S.P.Q.2d (BNA) at 1131.

2458. *Id.* at 1352, 76 U.S.P.Q.2d (BNA) at 1131.

2459. *Id.*, 76 U.S.P.Q.2d (BNA) at 1131-32.

2460. *Id.*, 76 U.S.P.Q.2d (BNA) at 1131.

2461. *Id.*, 76 U.S.P.Q.2d (BNA) at 1131-32.

2462. *Id.*, 76 U.S.P.Q.2d (BNA) at 1131-32.

2463. *Id.*, 76 U.S.P.Q.2d (BNA) at 1132.

2464. *Id.* at 1352-53, 76 U.S.P.Q.2d (BNA) at 1132.

2465. *Id.* at 1353, 76 U.S.P.Q.2d (BNA) at 1132.

2466. 415 F.3d 1278, 75 U.S.P.Q.2d (BNA) 1475 (Fed. Cir. 2005), *cert. denied*, 126 S. Ct. 829 (2005).

defendants. The district court found that the defendants did not infringe on the plaintiff's patent, which involved electrically erasable programmable read only memory ("EEPROM") that improved the efficiency over prior art.<sup>2467</sup> Specifically, the patent introduced two new technologies.<sup>2468</sup> First, it arranged memory cells into sectors in a novel way that allowed for the erasing of information on either just one EEPROM chip or multiple sectors at the same time.<sup>2469</sup> Second, these sectors portioned into at least two components, consisting of "user data" and "overhead."<sup>2470</sup>

Three years before SanDisk Corp. ("SanDisk") filed suit against the defendants, it prevailed in a suit against another alleged infringer of the same patent ("the Lexar suit").<sup>2471</sup> On appeal to the Federal Circuit, the defendant, Ritek, argued that SanDisk's arguments during the Lexar suit and the preliminary injunction proceeding in the instant action were contrary to the plaintiff's current position, and therefore the court should apply judicial estoppel.<sup>2472</sup> In considering the defendant's argument, the Federal Circuit defined judicial estoppel and the factors a court must consider in its application.<sup>2473</sup> The court described judicial estoppel as "an equitable doctrine that prevents a litigant from 'perverting' the judicial process by, after urging and prevailing on a particular position in one litigation, urging a contrary position in a subsequent proceeding—or at a later phase of the same proceeding—against one who relied on the earlier position."<sup>2474</sup> Additionally, courts must consider the three following factors before applying judicial estoppel:

[T]he party's later position must be "clearly inconsistent" with the earlier position; (2) the party must have succeeded in persuading a court to adopt the earlier position in the earlier proceeding; and (3) the courts consider "whether the party seeking to assert an inconsistent position would derive an unfair advantage or impose an unfair detriment on the opposing party if not estopped."<sup>2475</sup>

---

2467. *Id.* at 1280, 75 U.S.P.Q.2d (BNA) at 1477.

2468. *Id.*, 75 U.S.P.Q.2d (BNA) at 1477-78.

2469. *Id.*, 75 U.S.P.Q.2d (BNA) at 1477-78.

2470. *Id.* at 1282, 75 U.S.P.Q.2d (BNA) at 1478.

2471. *Id.*, 75 U.S.P.Q.2d (BNA) at 1479 (citing *SanDisk Corp. v. Lexar Media, Inc.*, No. C 98-01115 CRB, 1999 WL 129512, at \*2 (N.D. Cal. Mar. 4, 1999)).

2472. *Id.* at 1290, 75 U.S.P.Q.2d (BNA) at 1484-85.

2473. *Id.* at 1290-91, 75 U.S.P.Q.2d (BNA) at 1484-85.

2474. *Id.* at 1290, 75 U.S.P.Q.2d (BNA) at 1485 (citing *Hamilton v. State Farm Fire & Cas. Co.*, 270 F.3d 778, 782 (9th Cir. 2001)).

2475. *Id.* at 1290-91, 75 U.S.P.Q.2d (BNA) at 1485 (quoting *New Hampshire v. Maine*, 532 U.S. 742, 751 (2001)).

After considering these three factors, the Federal Circuit refused to apply judicial estoppel.<sup>2476</sup> As to the first factor, the court reasoned that because the Lexar suit involved a different issue, the plaintiff's arguments in that case were not "clearly inconsistent" with its current arguments.<sup>2477</sup> Additionally, the court found that the plaintiff's arguments at the preliminary injunction proceedings mirrored those made to the Federal Circuit, and thus were not "clearly inconsistent."<sup>2478</sup> The Federal Circuit further reasoned that because the plaintiff's arguments differed in the Lexar suit, the lower court "cannot be said to have adopted such a position at SanDisk's urging[]"—thereby denying the applicability of the second factor of judicial estoppel.<sup>2479</sup> The Federal Circuit also rejected factor three's applicability.<sup>2480</sup> The court reasoned that equity compels courts to allow arguments to evolve during the period after a preliminary injunction proceeding, as "a preliminary construction made without full development of the record or issues should be open to revision."<sup>2481</sup>

## V. REMEDIES

### A. Preliminary Injunction

In *Pfizer, Inc., v. Teva Pharmaceuticals USA, Inc.*,<sup>2482</sup> the Federal Circuit affirmed the district court's grant of preliminary injunction to the plaintiff, Pfizer, Inc. ("Pfizer"). The Federal Circuit outlined the four elements needed for a grant of preliminary injunction.<sup>2483</sup> These elements are "(1) [A] reasonable likelihood of success on the merits; (2) the prospect of irreparable harm to the patent owner in the absence of the injunction; (3) that this harm would exceed harm to the alleged infringer when subject to the injunction; and (4) that granting the injunction is in the public interest."<sup>2484</sup>

The Federal Circuit addressed the first element in terms of claim construction and literal infringement.<sup>2485</sup> As to the second element,

2476. *Id.* at 1291-92, 75 U.S.P.Q.2d (BNA) at 1485.

2477. *Id.* at 1291, 75 U.S.P.Q.2d (BNA) at 1485.

2478. *Id.*, 75 U.S.P.Q.2d (BNA) at 1485.

2479. *Id.*, 75 U.S.P.Q.2d (BNA) at 1485.

2480. *Id.*, 75 U.S.P.Q.2d (BNA) at 1486.

2481. *Id.*, 75 U.S.P.Q.2d (BNA) at 1486 (citing *Gillette Co. v. Energizer Holdings, Inc.*, 405 F.3d 1367, 1375, 74 U.S.P.Q.2d (BNA) 1586, 1593 (Fed. Cir. 2005)).

2482. 429 F.3d 1364, 77 U.S.P.Q.2d (BNA) 1257 (Fed. Cir. 2005).

2483. *Id.* at 1372, 77 U.S.P.Q.2d (BNA) at 1261.

2484. *Id.*, 77 U.S.P.Q.2d (BNA) at 1261 (citing *Jeneric/Pentron, Inc. v. Dillon Co.*, 205 F.3d 1377, 1380, 54 U.S.P.Q.2d (BNA) 1086, 1088 (Fed. Cir. 2000)).

2485. The court did find that the plaintiff had a reasonable likelihood of succeeding on the merits. *See supra* Parts III.A.1 and III.C.

the Federal Circuit affirmed the district court's finding that Pfizer would suffer irreparable harm absent an injunction.<sup>2486</sup> The defendants advanced several arguments. First, the defendants argued that the lower court erred by presuming irreparable harm, as "the loss of the statutory right to exclude alone does not constitute irreparable harm."<sup>2487</sup> The Federal Circuit rejected this argument and explained that courts should presume that patent owners will suffer irreparable harm if evidence suggests that the defendant is infringing a valid and enforceable patent.<sup>2488</sup> Additionally, the Federal Circuit observed that exceptions to this general rule include instances where future infringement is unlikely, the patent owner relegated his statutory right to exclude by licensing the patent, or when the patentee delayed bringing suit.<sup>2489</sup> Second, the defendants argued that Pfizer granted a license under its patent and that the company does not have market exclusivity.<sup>2490</sup> The Federal Circuit rebuffed this argument and pointed to evidence provided by Pfizer that the sales of its products "dwarf" those of generic providers, and that the license it granted under its patent was for moexipril, and not its Accupril®-related products.<sup>2491</sup> Lastly, the defendant Ranbaxy pointed out that it provided Pfizer with a paragraph IV certification letter stating why its product did not infringe Pfizer's patent.<sup>2492</sup> The defendants argued that the Federal Circuit should consider Pfizer's failure to respond or file suit within forty-five days of receiving Ranbaxy's letter, as doing so would have triggered a thirty-day stay of the FDA's approval of Ranbaxy's ANDA.<sup>2493</sup> The Federal Circuit accepted Pfizer's explanation that it did not file suit within forty-five days because another defendant, Teva, had first filed an ANDA, and thus precluded the FDA from filing a later ANDA.<sup>2494</sup> Additionally, the Federal Circuit commented that patent owners need not take advantage of the statutory stay—as there is no extra benefit for doing so and no penalty for failing to do so.<sup>2495</sup> Accordingly, the Federal Circuit did not find that the district court erred in finding irreparable harm.<sup>2496</sup>

---

2486. 429 F.3d at 1380-82, 77 U.S.P.Q.2d (BNA) at 1267-69.

2487. *Id.* at 1380, 77 U.S.P.Q.2d (BNA) at 1267.

2488. *Id.* at 1381, 77 U.S.P.Q.2d (BNA) at 1268.

2489. *Id.*, 77 U.S.P.Q.2d (BNA) at 1268.

2490. *Id.* at 1380, 77 U.S.P.Q.2d (BNA) at 1267.

2491. *Id.* at 1380-81, 77 U.S.P.Q.2d (BNA) at 1268.

2492. *Id.* at 1371, 77 U.S.P.Q.2d (BNA) at 1260.

2493. *Id.* at 1381, 77 U.S.P.Q.2d (BNA) at 1267-68.

2494. *Id.* at 1381-82, 77 U.S.P.Q.2d (BNA) at 1268.

2495. *Id.* at 1382, 77 U.S.P.Q.2d (BNA) at 1268.

2496. *Id.*, 77 U.S.P.Q.2d (BNA) at 1269.

The Federal Circuit also affirmed the lower court's holding that Pfizer's harm would exceed that of the defendants' and that the injunction would serve the public interest.<sup>2497</sup> Ranbaxy argued that absent an injunction, it would suffer greater harm than Pfizer because a preliminary injunction would force Ranbaxy to remove its product from the market.<sup>2498</sup> Consequently, Ranbaxy would lose its market share and customer relationships.<sup>2499</sup> The Federal Circuit disregarded Ranbaxy's argument and stated that "an alleged infringer's loss of market share and customer relationships, without more, does not rise to the level necessary to overcome the loss of exclusivity experienced by a patent owner due to infringing conduct."<sup>2500</sup>

The district court held that the public interest is greater served by protecting a valid patent against an infringer because this encourages innovation.<sup>2501</sup> Agreeing with the district court, the Federal Circuit stated that "[s]elling a lower priced product does not justify infringing a patent."<sup>2502</sup> However, the Federal Circuit recognized that the statutory framework, under which Ranbaxy filed its ANDA, supports lower cost drugs without infringing valid patents.<sup>2503</sup> Accordingly, the Federal Circuit found that all preliminary injunction elements had been satisfied and thus affirmed the district court's grant to Pfizer.<sup>2504</sup>

### B. Damages

In *Group One Ltd v. Hallmark Cards, Inc.*,<sup>2505</sup> the district court decided not to award prejudgment interest for infringement of one of the patents in suit. The Federal Circuit explained that 35 U.S.C. § 284 "leaves the court some discretion in awarding prejudgment interest."<sup>2506</sup> The Federal Circuit further explained that the prejudgment interest can be limited because the award must have some relationship to the prejudgment interest.<sup>2507</sup> Thus, the Federal

2497. *Id.*, 77 U.S.P.Q.2d (BNA) at 1269.

2498. *Id.*, 77 U.S.P.Q.2d (BNA) at 1269.

2499. *Id.*, 77 U.S.P.Q.2d (BNA) at 1269.

2500. *Id.*, 77 U.S.P.Q.2d (BNA) at 1269.

2501. *Id.*, 77 U.S.P.Q.2d (BNA) at 1269.

2502. *Id.*, 77 U.S.P.Q.2d (BNA) at 1269 (quoting *Payless Shoesource, Inc. v. Reebok Int'l Ltd.*, 998 F.2d 985, 991, 27 U.S.P.Q.2d (BNA) 1516, 1521 (Fed. Cir. 1993)).

2503. *Id.*, 77 U.S.P.Q.2d (BNA) at 1269.

2504. *Id.* at 1983, 77 U.S.P.Q.2d (BNA) at 1269.

2505. 407 F.3d 1297, 1307, 74 U.S.P.Q.2d (BNA) 1759, 1767 (Fed. Cir. 2005).

2506. *Id.* at 1307, 74 U.S.P.Q.2d (BNA) at 1767 (quoting *Gen. Motors Corp. v. Devex Corp.*, 461 U.S. 648, 656-57 (1983)).

2507. *Id.*, 74 U.S.P.Q.2d (BNA) at 1767 (quoting *Radio Steel & Mfg. Co. v. MTD Prods., Inc.*, 788 F.2d 1554, 1557-58, 229 U.S.P.Q. 431, 434 (Fed. Cir. 1986)).

Circuit rejected several of the trial court's justifications for awarding prejudgment interest. Specifically, the court rejected the following arguments:

(1) that [the inventor] had not built a machine based upon his patent; (2) that [the inventor] had not been successful in marketing, selling, or licensing his patent; (3) that the Hallmark machines include features not disclosed in Group One's patents; (4) that neither party conducted market studies to determine a reasonable royalty; (5) that [a different patent in suit] went uncorrected for over seven years; (6) that [a different patent in suit] had been held invalid due to an on-sale bar, a ruling that was reversed by this court; and (7) that Group One delayed filing suit on [a different patent in suit].<sup>2508</sup>

The Federal Circuit noted that the latter three grounds are not related to the right to receive interests on damages for infringement.<sup>2509</sup> Moreover, the Federal Circuit noted that a reversed district court opinion was not sufficient grounds for denying prejudgment interests.<sup>2510</sup>

The patent at issue had been reinstated after a lapse for failure to pay the requisite maintenance fees to the Patent Office.<sup>2511</sup> The Federal Circuit affirmed the trial court's decision not to award prejudgment interest during the lapse period because the appellant, Group One, could not initiate suit for patent infringement when the patent had expired.<sup>2512</sup>

In *Imonex Services, Inc. v. W.H. Munzprufer Dietmar Trenner GmbH*,<sup>2513</sup> the Federal Circuit reviewed the district court's exclusion of Imonex's expert testimony on the entire market value rule. This rule allows the plaintiff to calculate damages based on the value of the entire device where the patent-related feature is the source for customer demand.<sup>2514</sup> The Federal Circuit determined that the record contained no evidence that the patented features (coin selectors) were the basis for customer demand for the laundry machines as a whole.<sup>2515</sup> Thus, the Federal Circuit affirmed the trial court's exclusion of the testimony.<sup>2516</sup>

---

2508. *Id.* at 1308 n.8, 74 U.S.P.Q.2d at 1767 n.8.

2509. *Id.*, 74 U.S.P.Q.2d at 1767 n.8.

2510. *Id.*, 74 U.S.P.Q.2d at 1767 n.8.

2511. *Id.*, 74 U.S.P.Q.2d at 1767 n.8.

2512. *Id.*, 74 U.S.P.Q.2d at 1767 n.8.

2513. 408 F.3d 1374, 1379, 74 U.S.P.Q.2d (BNA) 1936, 1941 (Fed. Cir. 2005).

2514. *Id.*, 74 U.S.P.Q.2d (BNA) at 1941 (citing *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1549, 35 U.S.P.Q.2d 1065, 1072 (Fed. Cir. 1995)).

2515. *Id.*, 74 U.S.P.Q.2d (BNA) at 1941.

2516. *Id.*, 74 U.S.P.Q.2d (BNA) at 1941.

Imonex also challenged the district court's finding that the record did not support the jury's damages verdict.<sup>2517</sup> The Federal Circuit applied the law of the Fifth Circuit to affirm the district court's decision.<sup>2518</sup> The Federal Circuit affirmed the district court and concluded that the jury must have based its damages calculation on a misleading chart shown to the jury by Imonex's attorney.<sup>2519</sup>

### 1. Reasonable royalty

*Harris Corp. v. Ericsson Inc.* presented the issue of what constitutes the effective date of first infringement for purposes of a reasonable royalty analysis.<sup>2520</sup> The Federal Circuit explained that precedent mandates that it consider a hypothetical negotiation on the date of first infringement.<sup>2521</sup> However, it is not required to exclude evidence from subsequent events.<sup>2522</sup> Further, the Federal Circuit explained that it would apply the applicable royalty rate based on the period during which damages are available.<sup>2523</sup>

### 2. Attorneys fees and costs

In *Brooks Furniture Manufacturing, Inc. v. Dutalier International, Inc.*,<sup>2524</sup> the plaintiff brought an action in the U.S. District Court for the Eastern District of Tennessee for declaratory judgment that the defendant's design patent was invalid and not infringed. The defendant filed a suit in the U.S. District Court for the District of Delaware, asserting infringement, Lanham Act and common law unfair competition, and deceptive trade practices under state consumer protection law.<sup>2525</sup> When the defendant's attempt to transfer the Tennessee action to Delaware was unsuccessful, it dismissed the Delaware action and filed equivalent counterclaims in Tennessee.<sup>2526</sup> After the district court granted summary judgment of non-infringement, the plaintiff voluntarily dismissed its invalidity and patent mismarking claims.<sup>2527</sup> The defendant voluntarily dismissed its

---

2517. *Id.*, 74 U.S.P.Q.2d (BNA) at 1941.

2518. *Id.*, 74 U.S.P.Q.2d (BNA) at 1941 (relying on *Vogler v. Blackmore*, 352 F.3d 150, 154 (5th Cir. 2003)).

2519. *Id.*, 74 U.S.P.Q.2d (BNA) at 1941.

2520. 417 F.3d 1241, 1257, 75 U.S.P.Q.2d (BNA) 1705, 1717 (Fed. Cir. 2005).

2521. *Id.*, 75 U.S.P.Q.2d (BNA) at 1717 (alluding to *Wang Lab. v. Toshiba Corp.*, 993 F.2d 858, 869, 26 U.S.P.Q.2d (BNA) 1767, 1777 (Fed. Cir. 1993)).

2522. *Id.*, 75 U.S.P.Q.2d (BNA) at 1717.

2523. *Id.*, 75 U.S.P.Q.2d (BNA) at 1717.

2524. 393 F.3d 1378, 73 U.S.P.Q.2d (BNA) 1457 (Fed. Cir. 2005).

2525. *Id.* at 1380, 73 U.S.P.Q.2d (BNA) at 1459.

2526. *Id.*, 73 U.S.P.Q.2d (BNA) at 1459.

2527. *Id.*, 73 U.S.P.Q.2d (BNA) at 1459.

counterclaims for infringement. The district court found that the case was exceptional and awarded attorney fees.<sup>2528</sup>

On appeal, the Federal Circuit considered whether the case was exceptional. The Federal Circuit noted that “[a]bsent misconduct in conduct of the litigation or in securing the patent, sanctions may be imposed against the patentee only if both (1) the litigation is brought in subjective bad faith, and (2) the litigation is objectively baseless.”<sup>2529</sup> The plaintiff argued that the district court correctly found the case exceptional, based on its findings that the defendant had acted in bad faith in sending a cease and desist letter and in filing the action in Delaware, and in considering the defendant’s behavior in the market place and its policy of suing and acquiring competitors, most of whom were significantly smaller than the defendant.<sup>2530</sup> The Federal Circuit disagreed that the litigation was brought in subjective bad faith.<sup>2531</sup> The Federal Circuit reasoned that “[t]here is a presumption that the assertion of infringement of a duly granted patent is made in good faith. Thus, the underlying improper conduct and characterization of the case as exceptional must be established by clear and convincing evidence.”<sup>2532</sup>

The district court had found that the opinions of counsel upon which the defendant based its cease and desist letter were inadequate and their conclusions unreasonable because the opinions failed to address two differences between the two designs at issue.<sup>2533</sup> The Federal Circuit disagreed with the district court’s conclusions, reasoning that:

The legal criterion for infringement of a design patent is substantial identity, whereby “in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.”<sup>2534</sup>

Addressing the opinions relied upon by the defendant, the Federal Circuit held:

The fact that an infringement opinion may not have mentioned every detail of the patented or the accused design does not

---

2528. *Id.* at 1379, 73 U.S.P.Q.2d (BNA) at 1459.

2529. *Id.* at 1381, 73 U.S.P.Q.2d (BNA) at 1460.

2530. *Id.* at 1382, 73 U.S.P.Q.2d (BNA) at 1460.

2531. *Id.*, 73 U.S.P.Q.2d (BNA) at 1460.

2532. *Id.*, 73 U.S.P.Q.2d (BNA) at 1460.

2533. *Id.* at 1383, 73 U.S.P.Q.2d (BNA) at 1461.

2534. *Id.*, 73 U.S.P.Q.2d (BNA) at 1461 (citing *Gorham Mfg. Co. v. White*, 81 U.S. (14 Wall.) 511, 528 (1871)).



necessarily render the opinion wrong or unreliable. The district court described the attorney's opinion as appearing to be "reasonable, comprehensive and competent." Such an opinion cannot be transformed into the opposite extreme of unreliability and incompetence, simply because the court reached a different conclusion on the merits of infringement. Bringing an infringement action does not become unreasonable in terms of '285 if the infringement can reasonably be disputed. Infringement is often difficult to determine, and a patentee's ultimately incorrect view of how a court will find does not of itself establish bad faith. The several opinions of counsel and other expert opinions obtained by Dutilier are not charged with having been obtained for specious "cosmetic" purposes, and their analysis of the designs is not unreasonable. We conclude that there was not clear and convincing evidence of bad faith by Dutilier in charging Brooks with infringement and in pressing this charge in litigation.<sup>2535</sup>

The Federal Circuit also considered the district court's other grounds for finding the case exceptional, and dismissed them. The Federal Circuit reasoned that "[a] duly granted patent is a grant of the right to exclude all infringers, not just those of comparable size."<sup>2536</sup> The Federal Circuit held that the difference in size between the defendant and the plaintiff was not a factor indicative of bad faith, and vacated the district court's judgment.<sup>2537</sup>

In *Evident Corporation v. Church & Dwight Co.*,<sup>2538</sup> the Federal Circuit reviewed whether the district court properly found that the case was exceptional and whether the district court abused its discretion in awarding attorney fees to the defendant-appellant. The patentee argued that the district court erred in imposing joint and several liability for the attorney fee award, and should have apportioned the award.<sup>2539</sup> The Federal Circuit disagreed, finding that the district court did not err in finding the case exceptional because of the underlying inequitable conduct of the patentee.<sup>2540</sup> The Federal Circuit agreed with the defendant that because the patentee was a partnership, the issue of its liability for the inequitable conduct had to be considered under the Uniform Partnership Act, which New Jersey had adopted.<sup>2541</sup> The Uniform Partnership Act provides that "a

2535. *Id.* at 1384, 73 U.S.P.Q.2d (BNA) at 1462.

2536. *Id.*, 73 U.S.P.Q.2d (BNA) at 1462.

2537. *Id.* at 1384-85, 73 U.S.P.Q.2d (BNA) at 1462.

2538. 399 F.3d 1310, 1315, 73 U.S.P.Q.2d (BNA) 1910, 1913 (Fed. Cir. 2005).

2539. 399 F.3d at 1315, 73 U.S.P.Q.2d (BNA) at 1913.

2540. *See id.*, 73 U.S.P.Q.2d (BNA) at 1913 (citing *Evident Corp. v. Church & Dwight Co., Inc.*, 78 Fed. Appx. 113 (Fed. Cir. 2003)).

2541. *Id.* at 1316, 73 U.S.P.Q.2d (BNA) at 1914 (citing N.J. STAT. § 42:1A-3 (2004)).

partner's knowledge, notice or receipt of a notification of a fact relating to the partnership is effective immediately as knowledge by, notice to or receipt of, a notification by the partnership . . . .<sup>2542</sup> The Federal Circuit analogized the partnership's liability for inequitable conduct to the principal that every member of a partnership is liable for torts committed by a member acting in the scope of the firm business.<sup>2543</sup> The Federal Circuit held that the principle of joint responsibility applied since inequitable conduct is a tort.<sup>2544</sup> It held Peroxydent liable because the close relationship between its partners, the Evident shareholders, and the inventors negated any possibility of innocence.<sup>2545</sup>

The Federal Circuit found that the district court did not clearly err in finding the case exceptional, and did not abuse its discretion in awarding attorney fees or in holding the patentee and its licensee jointly and severally liable for the fee award.<sup>2546</sup>

In *Junker v. Eddings*, the Federal Circuit vacated the district court's award of attorney fees and remanded for further proceedings.<sup>2547</sup> The actual attorney fees that the plaintiff incurred in its design patent infringement action totaled \$126,712.50.<sup>2548</sup> However, the district court awarded a fee award of \$275,000 and provided no explanation for why it granted the larger award or why the larger award was reasonable.<sup>2549</sup> The Federal Circuit found insufficient support on the record to justify the reward and thus vacated it as unreasonable.<sup>2550</sup>

In *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, the Federal Circuit reversed the lower court's grant of attorney's fees to the defendant, Amazon.com.<sup>2551</sup> The district court entered final judgment on August 27, 2004.<sup>2552</sup> Subsequently, on September 13, 2004, the defendant filed a motion seeking attorney fees under 28 U.S.C. § 1927, Federal Rule of Civil Procedure 11,<sup>2553</sup> and 35 U.S.C. § 285.<sup>2554</sup> Although the plaintiff, IPXL Holdings, filed a motion arguing that any award of attorney fees must comport with Federal Rule of Civil Procedure

2542. *Id.*, 73 U.S.P.Q.2d (BNA) at 1914 (citing N.J. STAT. § 42:1A-3 (2004)).

2543. *Id.*, 73 U.S.P.Q.2d (BNA) at 1914 (citing *Malanga v. Manufacturers Cas. Ins. Co.*, 28 N.J. 220, 146 A.2d 105, 108 (1958)).

2544. *Id.*, 73 U.S.P.Q.2d (BNA) at 1914.

2545. *Id.*, 73 U.S.P.Q.2d (BNA) at 1914.

2546. *Id.*, 73 U.S.P.Q.2d (BNA) at 1914.

2547. 396 F.3d 1359, 1365, 73 U.S.P.Q.2d 1850, 1855 (Fed. Cir. 2005).

2548. *Id.*, 73 U.S.P.Q.2d at 1855.

2549. *Id.*, 73 U.S.P.Q.2d at 1855.

2550. *Id.*, 73 U.S.P.Q.2d at 1855.

2551. 430 F.3d 1377, 1386, 77 U.S.P.Q.2d 1140, 1147 (Fed. Cir. 2005).

2552. *Id.* at 1384, 77 U.S.P.Q.2d at 1145-46.

2553. FED. R. CIV. P. 11.

2554. *IPXL*, 430 F.3d at 1384, 77 U.S.P.Q.2d at 1146.

54(d)(2)(B), which requires that a motion for attorney fees be filed within 14 days after entry of judgment,<sup>2555</sup> the lower court awarded attorney fees under 35 U.S.C. § 285.<sup>2556</sup> The lower court reasoned that the fourteen day limit imposed by Federal Rule of Civil Procedure 54(d)(2)(B) did not govern 35 U.S.C. § 285.<sup>2557</sup> Further, the lower court asserted that even if Federal Rule of Civil Procedure 54(d)(2)(B) did govern, the lower court retained discretion to accept the defendant's filing at any time.<sup>2558</sup> The district court subsequently awarded Amazon.com attorney fees finding the case exceptional.<sup>2559</sup>

The Federal Circuit reversed the district court's ruling, finding that awarding fees under § 285 requires compliance with Federal Rule of Civil Procedure 54(d)(2)(B), with which Amazon.com did not comply.<sup>2560</sup> The Federal Circuit reasoned that nothing in § 285 allows the award of attorney fees when the defendant does not comply with Federal Rule of Civil Procedure 54(d)(2)(B).<sup>2561</sup> Therefore, since Amazon.com filed its motion for attorney fees after the fourteen day time limit, the Federal Circuit concluded that the lower court abused its discretion in granting Amazon.com's motion.<sup>2562</sup>

In *MEMC Electronic Materials, Inc. v. Mitsubishi Materials Silicon Corporation*,<sup>2563</sup> the Federal Circuit affirmed the lower court's denial of attorney fees, even though it noted the issue was neither ripe nor proper, as there was no prevailing party in the lower court's proceedings.<sup>2564</sup> The lower court granted the defendants' motion for summary judgment of non-infringement, and the defendants motioned for an award of attorney fees under 35 U.S.C. § 285, Rule 11 of the Federal Rules of Civil Procedure, and 28 U.S.C. § 1927.<sup>2565</sup> The defendants argued that the plaintiff failed to sufficiently investigate its infringement claim prior to filing suit.<sup>2566</sup> In its investigation, the plaintiff's attorneys reviewed the patent, construed the claims "consistent with the standard canons of claim construction," and compared the plaintiff's silicon wafers with those

---

2555. FED. R. CIV. P. 54(d)(2)(B).

2556. *IPXL*, 430 F.3d at 1384, 77 U.S.P.Q.2d at 1146.

2557. FED. R. CIV. P. 54(d)(2)(B).

2558. *IPXL*, 430 F.3d at 1385, 77 U.S.P.Q.2d at 1146 (citing Transcript of Motions Hearing at 4, *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, No. 04-CV-70 (E.D. Va. Sept. 24, 2004)).

2559. *Id.*, 77 U.S.P.Q.2d at 1146.

2560. *Id.* at 1386, 77 U.S.P.Q.2d at 1146.

2561. *Id.*, 77 U.S.P.Q.2d at 1146.

2562. *Id.*, 77 U.S.P.Q.2d at 1146.

2563. 420 F.3d 1369, 76 U.S.P.Q.2d (BNA) 1276 (Fed. Cir. 2005).

2564. *Id.* at 1371, 76 U.S.P.Q.2d (BNA) at 1277-78.

2565. *Id.* at 1380-81, 76 U.S.P.Q.2d (BNA) at 1285.

2566. *Id.* at 1381, 76 U.S.P.Q.2d (BNA) at 1285.

of the defendants.<sup>2567</sup> The lower court denied the award of attorney fees finding the plaintiff's pre-filing investigation "not ideal," but that it did "not rise to the level of sanctionable conduct . . . ."<sup>2568</sup>

The Federal Circuit agreed with the lower court's assessment and found that the plaintiff performed its pre-filing investigation in good faith and compared its product with the accused silicon wafer in an "informed" manner.<sup>2569</sup> Accordingly, the Federal Circuit affirmed the lower court's denial of attorney fees.<sup>2570</sup>

### 3. *Marking*

In *Clonetech Labs., Inc. v. Invitrogen Corp.*,<sup>2571</sup> the Federal Circuit dealt with the issue of false marking under 35 U.S.C. § 292(a). Clonetech alleged that Invitrogen marked its cDNA library products and kits with four patents even though it knew that the products did not meet a "substantially no RNase H activity" limitation required by the patents.<sup>2572</sup> The Federal Circuit, finding no cases that substantively discussed § 292(a), stated that "this case presents us with virtually an issue of first impression."<sup>2573</sup>

Section 292(a) provides for a civil fine for false marking of articles, and in particular for marking an unpatented article with the word "patent" or other indicia indicating that the article is patented, for the purpose of deceiving the public.<sup>2574</sup> The Federal Circuit observed that "[w]hen the statute refers to an 'unpatented article' the statute means that the article in question is not covered by at least one claim of each patent with which the article is marked." Thus, according to the Federal Circuit, "in order to determine if an article is 'unpatented' for the purposes of section 292, it must be first determined whether the claims of a patent cover the article in question,"<sup>2575</sup> i.e., by construing the claims in question and ascertaining whether the claims reads on the article.

Assuming the article is mismarked, the next question is whether the article was mismarked with the intent to deceive the public.<sup>2576</sup> The Federal Circuit observed that "[i]ntent to deceive is a state of mind arising when a party acts with sufficient knowledge that what it

---

2567. *Id.*, 76 U.S.P.Q.2d (BNA) at 1285.

2568. *Id.*, 76 U.S.P.Q.2d (BNA) at 1285.

2569. *Id.* at 1382, 76 U.S.P.Q.2d (BNA) at 1286.

2570. *Id.* at 1383, 76 U.S.P.Q.2d (BNA) at 1286.

2571. 406 F.3d 1347, 74 U.S.P.Q.2d (BNA) 1598 (Fed. Cir. 2005).

2572. *Id.* at 1350, 74 U.S.P.Q.2d (BNA) at 1601.

2573. *Id.* at 1352, 74 U.S.P.Q.2d (BNA) at 1602.

2574. *Id.*, 74 U.S.P.Q.2d (BNA) at 1602.

2575. *Id.*, 74 U.S.P.Q.2d (BNA) at 1602.

2576. *Id.*, 74 U.S.P.Q.2d (BNA) at 1602.

is saying is not so and consequently that the recipient of its saying will be misled into thinking that the statement is true.”<sup>2577</sup> To elaborate on the standard of proof, the Federal Circuit explained that the intent to deceive is established by “objective criteria.”<sup>2578</sup> Thus, to establish the requisite intent to deceive, a court must find: (1) an actual misrepresentation and (2) proof that the party accused of false marking had knowledge of its falsity.<sup>2579</sup> However, for the plaintiff to establish knowledge of falsity they must prove by a preponderance of the evidence that the accused did not reasonably believe that the articles were properly marked or else no liability ensues.<sup>2580</sup>

The district court had determined that the tests Invitrogen performed on its products put Invitrogen on notice that its products were not covered by the patents with which those products were marked.<sup>2581</sup> In reviewing the district court’s decision, “[t]he question of whether conduct rises to the level of statutory deception is a question of fact, and when that question is resolved as here in a bench trial, [the Federal Circuit] review[s] the decision of the trial court for clear error.”<sup>2582</sup> The Federal Circuit analyzed the testimony of one of the inventors on Invitrogen’s patents and an expert that testified for Invitrogen and concluded that “[t]he testimony Clonetech elicited from [the inventor] did not address the complete results of the experiments, and there is no indication that Clonetech was able to impeach or otherwise discredit [Intvitrogen’s expert’s] reasoned explanation of the full scope of the tests and results.”<sup>2583</sup> In light of this evidence, the Federal Circuit found clear error in the district court’s determination that Invitrogen did not have an honest good faith belief in marking its products.<sup>2584</sup> Accordingly, the Federal Circuit concluded that “the evidence adduced by Clonetech to show false marking fails to meet the required test of preponderance.”<sup>2585</sup>

The Federal Circuit rejected an argument by Invitrogen that “section 292 does not require a good faith belief that the marked article falls within the subject matter defined by at least one claim of each patent with which the article is marked.”<sup>2586</sup> Essentially, Invitrogen argued that the statute allowed for marking products with

---

2577. *Id.*, 74 U.S.P.Q.2d (BNA) at 1602.

2578. *Id.*, 74 U.S.P.Q.2d (BNA) at 1602.

2579. *Id.*, 74 U.S.P.Q.2d (BNA) at 1602.

2580. *Id.* at 1352-53, 74 U.S.P.Q.2d (BNA) at 1602-03.

2581. *Id.* at 1353, 74 U.S.P.Q.2d (BNA) at 1603.

2582. *Id.*, 74 U.S.P.Q.2d (BNA) at 1603.

2583. *Id.* at 1355, 74 U.S.P.Q.2d (BNA) at 1604.

2584. *Id.*, 74 U.S.P.Q.2d (BNA) at 1604.

2585. *Id.*, 74 U.S.P.Q.2d (BNA) at 1604.

2586. *Id.* at 1356, 74 U.S.P.Q.2d (BNA) at 1605.

additional patents that do not cover the articles because that would give the public more information than the law requires.<sup>2587</sup> The Federal Circuit rejected Invitrogen's reasoning and found it to be contrary to Supreme Court precedent. Specifically, the Federal Circuit concluded that "*Wine Ry.*"<sup>2588</sup> and "*Bonito Boats*"<sup>2589</sup> explain that Congress intended the public to rely on marking as 'a ready means of discerning the status of intellectual property embodied in an article of manufacture or design. . . .'"<sup>2590</sup> and that "*Lear*"<sup>2591</sup> articulates federal patent policy, recognizing an 'important public interest in permitting full and free competition in the use of ideas which are in reality a part of the public domain.'"<sup>2592</sup> The Federal Circuit explained that "[this] interest is clearly injured by false marking because the act of false marking misleads the public into believing that a patentee controls the article in question . . . and increases the cost to the public of ascertaining whether a patentee [] controls the intellectual property embodied in the article."<sup>2593</sup>

Invitrogen raised several other arguments including an argument that the articles might be covered by method of manufacture claims of the patents for which the articles were marked.<sup>2594</sup> The Federal Circuit determined that "[t]hese suggestive statements do not constitute persuasive argument, particularly where, as here, there is little indication that they were raised in a manner that required the trial court to decide them."<sup>2595</sup> Thus, "[f]or the purposes of this appeal, Invitrogen has effectively waived these arguments by failing to raise them in a form that required a decision by the trial court."<sup>2596</sup>

In *Showmaker v. Advanta USA, Inc.*,<sup>2597</sup> the Federal Circuit addressed the issue of false marking under the Plant Variety Protection ACT ("PVPA").<sup>2598</sup> Advanta sold seed to farmers such as Showmaker under

---

2587. *Id.*, 74 U.S.P.Q.2d (BNA) at 1605.

2588. *Wine Ry. Appliance Co. v. Enter. Ry. Equip. Co.*, 297 U.S. 387, 397, 28 U.S.P.Q. (BNA) 299, 301 (1936).

2589. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 162, 9 U.S.P.Q.2d (BNA) 1847, 1856 (1989).

2590. 406 F.3d at 1356, 74 U.S.P.Q.2d (BNA) at 1605.

2591. *Lear, Inc. v. Adkins*, 395 U.S. 653, 670, 162 U.S.P.Q. (BNA) 1, 8 (1969).

2592. 406 F.3d at 1356, 74 U.S.P.Q.2d (BNA) at 1605.

2593. *Id.* at 1356-57, 74 U.S.P.Q.2d (BNA) at 1605. The Federal Circuit further noted that false markings would cause members of the public to incur the cost of ascertaining whether the patents are valid and enforceable in order to avoid being found guilty of willful infringement. *Id.* at 1357, 74 U.S.P.Q.2d (BNA) at 1605-06 n.6 (internal citation omitted).

2594. *Id.* at 1357, 74 U.S.P.Q.2d (BNA) at 1606.

2595. *Id.*, 74 U.S.P.Q.2d (BNA) at 1606.

2596. *Id.* at 1357-58, 74 U.S.P.Q.2d (BNA) at 1606.

2597. 411 F.3d 1366, 75 U.S.P.Q.2d (BNA) 1210 (Fed. Cir. 2005).

2598. 7 U.S.C. § 2568 (2000).

contract terms that included that “[b]uyer will not resell or supply any of this seed to any other person or entity. Furthermore, Buyer is strictly prohibited from saving or selling, for seed purposes, any grain products from this seed.”<sup>2599</sup> Showmaker filed suit on behalf of a class of farmers that had purchased the seed, claiming false marking under the PVPA.<sup>2600</sup> The district court granted Advanta’s motion to dismiss for failure to state a claim upon which relief can be granted.<sup>2601</sup>

The Federal Circuit explained that section 2568(a) of the PVPA prohibits use of the words “U.S. Protected Variety” or any word or number importing that the seed was protected by the PVPA certificate, and also prohibits use of either the phrase “Unauthorized Propagation Prohibited” or “Unauthorized Seed Multiplication Prohibited” or similar phrases when that seed is not in fact protected by the PVPA.<sup>2602</sup> The Federal Circuit further explained that “the phrases ‘Unauthorized Propagation Prohibited’ and ‘Unauthorized Seed Multiplication Prohibited’ are terms of art used throughout the statute to notify prospective users that the PVPA’s protections apply.”<sup>2603</sup> Moreover, “[t]he legislative history confirms the importance of these precise statutory terms.”<sup>2604</sup> Accordingly, the “similar phrases” language in § 2568(a) “does not permit a wide variance from ‘Unauthorized Propagation Prohibited’ or ‘Unauthorized Seed Multiplication Prohibited.’”<sup>2605</sup> Because Advanta’s contractual language did not use either of those phrases, or any confusingly similar phrase, the Federal Circuit affirmed the district court’s dismissal for failure to state a claim. In conclusion, the Federal Circuit observed that

[u]nlike these terms of art, Advanta’s contract language did not put the potential purchaser or the public on notice of a plant variety owner’s rights. Rather, the agreement merely restricts some activities of the buyer. Like any contract, these terms bind only the parties. Thus, Advanta does not engage in false marking.<sup>2606</sup>

---

2599. *Showmaker*, 411 F.3d at 1367, 75 U.S.P.Q.2d (BNA) at 1211.

2600. *Id.*, 75 U.S.P.Q.2d (BNA) at 1211.

2601. *Id.*, 75 U.S.P.Q.2d (BNA) at 1211.

2602. *Id.* at 1368, 75 U.S.P.Q.2d (BNA) at 1212.

2603. *Id.*, 75 U.S.P.Q.2d (BNA) at 1212.

2604. *Id.* at 1369, 75 U.S.P.Q.2d at 1212.

2605. *Id.*, 75 U.S.P.Q.2d at 1212.

2606. *Id.*, 75 U.S.P.Q.2d at 1212-13.