

Last month at

The Federal Circuit

Month at a Glance



Washington, DC
202-408-4000

Palo Alto
650-849-6600

Atlanta
404-653-6400

Tokyo
011-813-3431-6943

Brussels
011-322-646-0353

COURT "SEALS" NONINFRINGEMENT OF ENVELOPE PATENT
A structure failing the 35 U.S.C. § 112, ¶ 6 test under the "way" or "result" prong must fail the doctrine of equivalents test for the same reasons. *Kemco Sales, Inc. v. Control Papers Co.*, No. 99-1349 (Fed. Cir. April 7, 2000)1

PTO UNREASONABLE IN HANDLING "OBVIOUS" ADMINISTRATIVE ERRORS
Filing errors, compounded by PTO's errors, were correctable under PCT guidelines. *Helfgott & Karas, P.C. v. Dickenson*, No. 99-1308 (Fed. Cir. April 14, 2000)1

EXPERT OPINION RAISES FACTUAL ISSUES TO DEFEAT SUMMARY JUDGMENT OF NONINFRINGEMENT
Expert's declaration raises factual issues concerning insubstantial differences between claims and accused products. *Optical Disc Corp. v. Del Mar Avionics*, No. 99-1225 (Fed. Cir. April 7, 2000)2

SALE OF LACROSSE STICK INVALIDATES PATENT
Preamble language not an affirmative limitation; therefore, invention was ready for patenting at time of offer. *STX, LLC v. Brine, Inc.*, No. 99-1341 (Fed. Cir. April 13, 2000)3

BAFFLE MEANS LIMITATION "BAFFLES" DISTRICT COURT
Additional structural limitations remove means limitation from 35 U.S.C. § 112, ¶ 6. *Envirco Corp. v. Clestra Cleanroom, Inc.*, No. 99-1111 (Fed. Cir. April 18, 2000)4

FEDERAL CIRCUIT "LAYS TO REST" PATENTEE'S ASSERTION OF BED PATENT
Court affirms district court's claim construction and judgment of noninfringement. *Hill-Rom Co. v. Kinetic Concepts, Inc.*, No. 99-1314 (Fed. Cir. April 14, 2000)5

FEDERAL CIRCUIT "MOWS DOWN" SUMMARY JUDGMENT OF INVALIDITY OF LAWN MOWER CONTROL PATENT
On summary judgment, district court erroneously drew inferences against non-movant concerning motivation to combine references. *Ransomes, Inc. v. Great Dane Power Equip., Inc.*, No. 98-1504 (Fed. Cir. April 4, 2000) (nonprecedential decision)6

BREACH OF PROMISE REQUIRES LINK TO DAMAGES
Alleged inventor failed to present evidence at trial linking an alleged breach of a promise to be named as an inventor to damages actually suffered. *Sign-A-Way, Inc. v. Mechtronics Corp., Inc.*, No. 98-1491 (Fed. Cir. April 5, 2000)(nonprecedential decision)6

CLAIMS ADDED DURING REISSUE INVALID AS UNSUPPORTED BY WRITTEN DESCRIPTION
Written description describing one configuration and emphasizing differences over prior art fails to support claims broader than disclosed configuration. *Toro Co. v. Ariens Co.*, No. 99-1285 (Fed. Cir. April 27, 2000) (nonprecedential decision)7

EDITED BY VINCE KOVALICK

Court “Seals” Noninfringement of Envelope Patent

Kenneth M. Lesch

[Judges: **Lourie (author), Plager, and Clevenger**]

In *Kemco Sales, Inc. v. Control Papers Co.*, No. 99-1349 (Fed. Cir. April 7, 2000), the Federal Circuit affirmed a district court’s decision granting Control Papers Co., Inc.’s (“CP”) motion for partial summary judgment that it did not infringe claim 27 of U.S. Patent No. 5,405,197 (“the ‘197 patent”) either literally or under the doctrine of equivalents (“DOE”), and denying Kemco Sales, Inc.’s (“Kemco”) corresponding cross-motion and motion for reconsideration and entry of final judgment.

The ‘197 patent is directed to plastic security envelopes that are “tamper-evident,” *i.e.*, they indicate when a thief has breached the integrity of the envelope. Claim 27, the only claim at issue, employs two sealing means, one serving as the primary closing mechanism of the envelope, and the other evidencing tampering of the envelope. The claim also recites a “plastic envelope closing means” secured to the plastic envelope material to close the opening and to form a closed pocket.

Concerning the “plastic envelope closing means,” the Federal Circuit agreed that this limitation is in means-plus-function format falling under 35 U.S.C. § 112, ¶ 6 because the claim fails to recite sufficient structure to rebut that presumption. The Federal Circuit also agreed with the district court that the disclosed structure corresponding to the “closing means” is a plastic flap that folds over the envelope’s opening and secures to the outside of one or both panes of the envelope.

Kemco argued that the structure in the written description corresponding to the “closing means” does not include a fold-over flap, and thus the district court had misconstrued the claim and altered the recited function. The Federal Circuit disagreed, however, stating that the patent disclosure describes at length how the flap functioned. Kemco also argued that the district court had erred in construing “secured to the plastic envelope material” to mean secured to the outside of the plastic envelope. Because of the district court’s proper claim construction of “closing means,” however, the Federal Circuit held that the district court had not unnecessarily read any limitations from the disclosure into claim 27.

Kemco further argued that the district court had erred in requiring the disclosed flap to fold over the opening because, unlike other claims, claim 27 does not explicitly require that the flap be

“placed over” the opening. Again, because of the district court’s proper claim construction of “closing means,” the Federal Circuit held that the district court did not unnecessarily read any limitations from the disclosure into claim 27, regardless of any claim differentiation.

CP’s envelopes do not use a plastic flap that folds over an envelope’s opening and secures to the outside of one or both panes of the envelope. Instead, their envelopes have two lips that adhere to each other internally to close the envelope. Thus, the Federal Circuit agreed with the district court’s holding that CP’s dual-lip structure is not identical to the fold-over flap structure corresponding to the “closing means.”

The Federal Circuit concluded that, unlike the disclosed flap that closes by folding over the envelope, CP’s dual-lip structure closes the envelope in a different way by meeting together and binding via the internal adhesive. This difference in the way the two structures operate also yields a substantially different result, according to the Court. The primary closing mechanism in the ‘197 patent is attached to the outside of the envelope, where CP’s primary closing mechanism is internally attached to the two lips of the dual-lip structure.

Based on this analysis, the Federal Circuit agreed with the district court that CP does not infringe claim 27 under the DOE, and that no reasonable jury could find otherwise.

PTO Unreasonable in Handling “Obvious” Administrative Errors

Vince Kovalick

[Judges: **Clevenger (author), Plager, and Schall**]

In *Helfgott & Karas, P.C. v. Dickenson*, No. 99-1308 (Fed. Cir. April 14, 2000), the Federal Circuit vacated a decision of U.S. Patent and Trademark Office (“PTO”) Commissioner, Todd Dickenson, dismissing the Plaintiff’s petition to correct an erroneous Demand for International Preliminary Examination (“Demand”) because the decision was arbitrary and capricious.

The circumstances of this case should give pause to those who engage in the complex yet crucial administrative process known as patent prosecution before the United States Patent and Trademark Office (“the PTO”). Mistakes are inevitable, much as all those involved try to minimize their possibility.

Even if total elimination of mistakes is an illusory goal, their reasonable mitigation should not be. Sound judgment, flexibility, and the careful following of considered processes are critical to ensuring that small mistakes do not become large ones, and that mistakes of form do not overwhelm the correctness of substance. Unfortunately, in this case, at least some of these elements were lacking from both parties to this dispute, leaving it to us to ascertain error, and assign responsibility for it.

Helgott & Karas, slip op. at 2.

In 1996, the law firm of Helgott & Karas, P.C. (“Helgott”) filed two international patent applications with the PTO claiming priority dates of March 1995, based on earlier filings made in Israel. The applications were filed under the provisions of the Patent Cooperation Treaty (“PCT”). Helgott then filed a Demand with certain errors. Specifically, the Demand included the application number, filing date, and priority date for the first of the two international applications, but listed the title, applicants, and agent’s file reference number for the second application. The PTO interpreted the Demand as requesting preliminary examination of the first application based on the international patent application number typed on the Demand. With clarity of hindsight, the Federal Circuit concluded, it was clear that the Demand was intended to relate to the second application only, the Court pointing out that, unbeknownst to the PTO, the first application was ordered abandoned by its inventors one week after the Demand had been filed.

In due course, the PTO sent out a paper styled “Invitation to Correct Defects in the Demand” (“the Invitation”) relating to the first application, including the agent’s file reference number for the first application, even though the Demand included the agent’s file reference number for the second application. Personnel at Helgott simply deposited the Invitation into the “dead” file of the then abandoned first application. Over the next nine months, the PTO sent Helgott four other documents relating to the first application, including an opinion on patentability, and a preliminary examination report.

As the date for transmittal to the various member nations for the second application neared, Helgott realized that it had not received any communications from the PTO with respect to the second application. Believing that the PTO had failed to respond to its Demand, Helgott filed a petition for expedited action. The PTO rejected this petition

as being untimely. Helgott then asked the Assistant Commissioner of Patents to look into the matter in the interest of justice and equity pursuant to 37 C.F.R. § 1.183. The PTO responded that the demand work had been provided for the first application and “it would be improper to do this work again.” *Helgott*, slip op. at 8. Helgott’s further requests for reconsideration were all denied. Accordingly, Helgott sued the Commissioner in district court.

The district court ruled that the Commissioner’s actions were reasonable.

On appeal, Helgott argued that while it bore no small amount of blame for the circumstances, the Commissioner was also a primary contributor and should have accordingly exercised his discretion in this situation. The Federal Circuit agreed, holding that the Commissioner had misapplied the PCT rules in denying Helgott’s petition under 37 C.F.R. § 1.183. PCT Rule 91.1 allows correction of “obvious errors” in a filing, and the Court rejected the Commissioner’s argument that such a change would not have been “obvious.”

The Federal Circuit noted its concern with the Commissioner’s approach because applicants who mistakenly transpose digits in application numbers placed on filed documents would be at risk that the Commissioner would adopt the wooden position that the application number cannot later be changed. Where an applicant points out an obvious error upon which there is no disagreement, and an obvious remedy for that error, the Federal Circuit ruled, Rule 91.1 authorizes the entry of such corrections. Moreover, the Federal Circuit pointed out that the argument for the exercise of discretion would appear to be especially strong in this case, where the harmful actions of the PTO were in contravention of the PCT guidelines, which require that the applicant be given notice whenever documents filed with the PTO are altered.

Expert Opinion Raises Factual Issues to Defeat Summary Judgment of Noninfringement

Charles W. Chesney

[Judges: Schall (author), Plager, and Gajarsa]

In *Optical Disc Corp. v. Del Mar Avionics*, No. 99-1225 (Fed. Cir. April 7, 2000), the Federal Circuit affirmed in part a district court’s grant of summary judgment of no literal infringement for certain

claims, but reversed and remanded the district court's grant of SJ of no infringement under the doctrine of equivalents ("DOE") for the remaining claims. In so doing, the Federal Circuit relied on the Plaintiff's expert's opinion concerning the insubstantiality of any differences between the claims and the accused products to find that genuine issues of material fact existed.

In 1997, Optical Disc Corp. ("ODC") brought a suit against Del Mar Avionics ("Del Mar") for infringement of U.S. Patent No. 5,297,129 ("the '129 patent"), which is directed toward a system and method for improving the quality of compact discs ("CDs").

Certain claims of the '129 patent recite a method and system for creating a master CD where a modulator drive signal has ramped trailing edges ("the Trailing Edge" claims), and certain other claims recite a method and system where the modulator drive signal decreases the time the signal is above a threshold ("the Time Above Threshold" claims).

With regard to the Trailing Edge claims, the specification recited that by using a modulator signal with ramped trailing edges, the invention of the '129 patent is able to create master CDs having pits with symmetrically tapered trailing edges. Further, the specification stated that such CDs are an improvement over conventional CDs that have blunt trailing edges because some CD players have difficulty playing CDs with blunt trailing edges. In addition, the specification distinguished the invention recited in the Trailing Edge claims from a system using a stepped modulator drive signal that provided pits with a blunt trailing edge.

Del Mar developed a product called the "FireTrac" CD mastering system that, like the invention of the '129 patent, is used for creating master CDs. The FireTrac system uses a modulator drive signal with a double-step at the trailing edge. On October 16, 1997, Del Mar moved for SJ of noninfringement.

While Del Mar's motion was pending, an expert for ODC conducted an inspection of the FireTrac system and submitted a declaration concluding that the FireTrac system met all limitations of the asserted claims either literally or under the DOE.

In granting Del Mar's SJ motion, the district court had stated that the claims were not literally infringed because the FireTrac system did not use a ramped signal, but rather used a two-step signal. The district court had further reasoned that because ODC specifically touted the advantages of their ramped signal as superior to the step signal of the

prior art, its attempt now to argue that the ramp shape is not a requirement was unpersuasive.

On appeal, ODC argued that the district court had erred in granting SJ of noninfringement under the DOE, and in particular, pointed to ODC's experts opinion that FireTrac's double-step drive pulses are equivalent to the ramped trailing edge signal disclosed in the '129 patent. Del Mar responded that FireTrac's stepped signal could be equivalent to the ramped trailing edge waveform because such a theory of equivalents would write an essential limitation out of the claims.

The Federal Circuit affirmed the district court's grant of SJ of no literal infringement concerning the Trailing Edge claims. With regard to the DOE, and the Time Above Threshold claims, however, the Federal Circuit reversed, finding an issue of material fact as to whether the claim limitation of "ramped trailing edges" is met in the FireTrac system by an equivalent. In so holding, the Federal Circuit pointed to ODC's expert's report and stated that, based on this report, a reasonable fact finder could find the differences between the FireTrac system and the claimed invention to be insubstantial.

Sale of Lacrosse Stick Invalidates Patent

Robert J. McManus

[Judges: Mayer (author), Lourie, and Schall]

In *STX, LLC v. Brine, Inc.*, No. 99-1341 (Fed. Cir. April 13, 2000), the Federal Circuit affirmed a district court's summary judgment ("SJ") of invalidity under 35 U.S.C. § 102(b) of U.S. Patent No. 5,556,947 ("the '947 patent").

The parties compete for sales of lacrosse equipment. STX, LLC ("STX") owns the '947 patent, which covers a head frame for a lacrosse stick having an open sidewall construction. STX sued Brine, Inc. ("Brine"); Warrior Lacrosse, Inc. ("Warrior"); and other lacrosse equipment manufacturers for infringement of its '947 patent. Warrior responded that the '947 patent was invalid because the invention had been offered for sale two days before the critical date. Brine alleged additional invalidity arguments based on the indefiniteness of certain claim language contained in the preamble of the asserted claim.

Both Brine and Warrior moved for SJ. The district court granted Warrior's motion for SJ based on section 102(b) and made a conditional ruling that if

the disputed preamble language was a limitation, which it did not think it was, the language made the claim invalid for indefiniteness.

On appeal, the Federal Circuit first examined whether there had been an actual offer for sale of the patented product prior to the critical date. The Court found that on September 18, 1984, two days prior to the critical date, STX had received its first shipment of the Excalibur head from its molder. These heads were the commercial embodiment of the '947 patent. Further, a STX salesperson had sold 112 units of Excalibur sticks to a sporting goods store that same day.

STX's denial of the commercial nature of the transaction was also "implausible" based upon preparations made by STX for a lacrosse equipment trade show set to occur one week after the sale and by steps taken in May 1984, to approve the design embodied by the '947 patent with the United States Intercollegiate Lacrosse Association's Rules Committee ("the Rules Committee").

STX also argued that preamble language stating that the Excalibur head "would improve playing and handling" characteristics had been unproven as of September 18, 1984, and thus, there could not have been a sale of the invention. The Federal Circuit rejected the premise of this argument, namely that the statement was a claim limitation. The Federal Circuit agreed with the trial court that claim 1, the lone independent claim, was a self-contained description that could stand alone, with or without the preamble.

The Federal Circuit then examined the second requirement of the on-sale bar that the invention be ready for patenting at the time of the offer to sell. The Court dispatched with STX's claims that the invention was not sufficiently developed, pointing out that the "undisputed record" showed that the product had been sufficiently developed prior to the sale to obtain design approval from the Rules Committee and then to produce models that were used at the trade show one week after the sale. That the first models may have been altered or "fine tuned" to exhibit "improved playing or handling" did not vitiate the conclusion that they were ready for patenting at the time of sale.

Baffle Means Limitation "Baffles" District Court

John P. Musone

[Judges: Rader (author), Mayer, and Lourie]

In *Envirco Corp. v. Clestra Cleanroom, Inc.*, No. 99-1111 (Fed. Cir. April 18, 2000), the Federal

Circuit vacated a district court's grant of summary judgment ("SJ") of noninfringement in favor of Clestra Cleanroom, Inc. ("Clestra") because the district court had erred in construing the claims under 35 U.S.C. § 112, ¶ 6.

Envirco Corp. ("Envirco") owns U.S. Patent No. 4,560,395 ("the '395 patent"). The claims of the '395 patent cover a compact fan and filter assembly for use in a clean room. The claimed invention comprises a housing, a blower fan means, a first baffle means, a second baffle means, and a high efficiency particulate arresting filter means. The claimed elements are arranged so that the unit efficiently creates a laminar airflow.

The parties agreed that the accused infringing product, Clestra's Fantom fan ("Fantom"), has a housing, a blower fan, a first baffle, and a high efficiency particulate arresting filter covered by the claims in the '395 patent. At issue was whether the sound dampening material of the Fantom constitutes or is equivalent to the second baffle means element of the asserted patent claims.

The district court had construed the term "second baffle means" as a means-plus-function claim element under 35 U.S.C. § 112, ¶ 6 and then looked to the specification for corresponding structure. It focused on one of the preferred embodiments, which included a "continuous arcuate surface." The district court had therefore limited the "second baffle means" element to having an arcuate surface even though other disclosed embodiments included angular baffles. Under this claim construction, the district court had performed its infringement analysis and granted Clestra SJ of non-infringement, both literally and under the doctrine of equivalents, because the Fantom's sound dampening material is L-shaped and not arcuate.

The Federal Circuit focused on the district court's claim construction and, specifically, whether or not the "second baffle means" element is a means-plus-function claim element. The Federal Circuit also considered if the district court had properly applied the "arcuate" structural limitation from the written description to define the scope of the claims.

In construing the term "second baffle means," the Federal Circuit determined that it recites sufficient structure to rebut the section 112, ¶ 6 presumption. Referencing a dictionary, the Federal Circuit explained that the term "baffle" itself is a structural term, meaning a surface which deflects air. Moreover, the claims further describe the claimed baffle structure as having "inner surfaces for directing airflow . . . radially outward . . . and thereafter . . . between the first baffle means and the air filter means."

Based upon this analysis, the Federal Circuit concluded that the "second baffle means" element is not limited to the structure corresponding to the

claimed function as described in the specification and equivalents thereof, but that standard claim construction rules apply. The “second baffle means” therefore covers a surface for deflecting air, with the “second baffle means” being located inside the top and sides of the housing, or disposed radially outward of the centrifugal fan. Further, although arcuate shapes are within the scope of the claims, the claims are not limited to arcuate shapes, and the claims also include angular shapes.

With this new interpretation of “second baffle means,” the Federal Circuit remanded the case.

Federal Circuit “Lays to Rest” Patentee’s Assertion of Bed Patent

Gregory A. Chopskie

[Judges: Bryson (author), Plager, and Lourie]

In *Hill-Rom Co. v. Kinetic Concepts, Inc.*, No. 99-1314 (Fed. Cir. April 14, 2000), the Federal Circuit affirmed the district court’s claim construction and judgment of noninfringement.

Hill-Rom Co., Inc. (“Hill-Rom”) charged Kinetic Concepts, Inc. (“KCI”) with infringing certain claims of U.S. Patent No. 5,586,346 (“the ‘346 patent”). The ‘346 patent claims a hospital bed that, in lieu of a mattress, includes two layers of inflatable cushions, one on top of the other. The upper layer cushion is divided into zones that can be independently inflated or deflated. The lower layer cushion can be inflated or deflated so that the patient can be rotated or can turn from side to side.

KCI’s allegedly infringing beds also include two layers of cushions. The upper layer includes multi-zoned low-air-loss cushions while the lower layer includes inflatable longitudinal bladders used to rotate the patient. When not being used to rotate the patient, the lower layer bladders remain deflated.

After construing the claims, the district court had entered summary judgment of no literal infringement on certain claims. Following a bench trial on the remaining claims, the district court had ruled that neither of the accused KCI products infringed the ‘346 patent and granted judgment in favor of KCI. The district court rejected KCI’s affirmative defenses of invalidity.

On appeal, Hill-Rom asserted that KCI’s accused products infringed claims 1 and 10 of the

‘346 patent, arguing primarily that the district court had erred in construing the term “cushion.” The district court’s construction of the term “cushion” required that, when inflated, the cushion provide basic support and comfort. Hill-Rom asserted on appeal that the term “cushion” should be interpreted more broadly to mean an enclosure or bag capable of being inflated.

The Federal Circuit held that the district court had correctly construed the term “cushion” to mean a structure that provides basic support and comfort. As an initial matter, the Federal Circuit observed that the district court’s interpretation of the term “cushion” was consistent with the ordinary dictionary meaning of the term. Considering the intrinsic evidence of the ‘346 patent, the Federal Circuit observed that the district court had correctly considered the abstract of the patent, which emphasizes the support and comfort features of the bed as claimed in the ‘346 patent. Moreover, the Federal Circuit stressed that the specification of the ‘346 patent consistently recites the support and comfort feature of the claimed cushion.

Having adopted the district court’s claim construction, the Federal Circuit considered the lower court’s infringement analysis. The Federal Circuit held that the bladders of the accused beds were not designed to and did not function to provide basic support and comfort to the patient even when inflated. On the contrary, the bladders of the accused beds function solely to rotate the patient in the bed. Since the bladders of the accused bed lack the crucial limitation of support and comfort, the Federal Circuit upheld the district court’s finding that the accused beds did not literally infringe the ‘326 patent.

Hill-Rom also contended that the accused beds infringed claim 10 under the doctrine of equivalents (“DOE”). The Federal Circuit disagreed, affirming the district court’s finding that the bladders in the accused bed did not serve the same function of comfort and support and thus did not infringe the ‘346 patent under the DOE.

Finally, the Federal Circuit refused to consider the merits of KCI’s request that the district court’s finding regarding validity be vacated. The Federal Circuit observed that the district court’s judgment did not, nor did it need to in light of the finding of noninfringement, address invalidity because it was merely an affirmative defense, rather than a counterclaim. As such, the finding of validity lacked any collateral estoppel effect.

Federal Circuit “Mows Down” Summary Judgment of Invalidity of Lawn Mower Control Patent

Geoffrey Mason

[Judges: Clevenger (author), Rader, and Gajarsa]

In *Ransomes, Inc. v. Great Dane Power Equipment, Inc.*, No. 98-1504 (Fed. Cir. April 4, 2000) (nonprecedential decision) the Federal Circuit reversed a grant of summary judgment that the asserted claim of U.S. Patent No. 5,323,678 (“the ‘678 patent”), directed to a lawn mower control device, was invalid for obviousness.

The Federal Circuit ruled that the district court had erred by inferring, against the nonmovant, that there was a specific teaching, suggestion, or motivation that would have led one skilled in the art to combine a number of references to yield the invention of the ‘678 patent claim. The Federal Circuit found that such an inference had been made because the district court’s opinion only contained very unspecific, legally inadequate findings that the combination would have been obvious in light of the prior art.

The Federal Circuit also ruled that the district court had erred by finding that the nonmovant had presented evidence of commercial success, albeit evidence the district court had considered inadequate to overcome the prima facie case of obviousness of the ‘678 patent claim. The Federal Circuit found the evidence of lawn mower sales inadequate because there was no demonstration of any nexus between the sales and the patented lawn mower controls.

Breach of Promise Requires Link to Damages

Cheryl A. Liljestrand

[Judges: Schall (author), Michel, and Rader]

In *Sign-A-Way, Inc. v. Mechtronics Corp.*, No. 98-1491 (Fed. Cir. April 5, 2000) (nonprecedential decision), the Federal Circuit reversed a district court’s holding in favor of Sign-A-Way, Inc. (“Sign-A-Way”) on certain unjust enrichment claims and vacated the damage award to Sign-A-Way. The Court also affirmed a judgment and damages in favor of Mechtronics Corp.’s (“Mechtronics”) counterclaims

for unjust enrichment based on theft of trade secrets.

At the district court, a jury had found that Mechtronics had breached a promise to Ms. Donna Stearns, principal of Sign-A-Way, to name her as an inventor on an application that led to U.S. Patent No. 5,529,274 (“the ‘274 patent”). Sign-A-Way claimed that Ms. Stearns was the actual inventor of the subject matter of the ‘274 patent because she had been the first to conceive of the system for suspending signs from ceilings in retail stores and the first to reduce this system to practice.

On appeal, Mechtronics argued that it was entitled to judgment as a matter of law (“JMOL”) because Sign-A-Way had failed to present evidence at trial linking the alleged breach of promise to damages suffered by Ms. Stearns. The Federal Circuit agreed.

To be entitled to damages for breach of contract, the Court ruled, a plaintiff must establish that it suffered harm as a result of the defendant’s actions. Sign-A-Way argued that Ms. Stearns would have blocked the patent application by refusing to sign a declaration. The Federal Circuit pointed out that under 35 U.S.C. § 116, an application can still be filed with a factual showing of the omitted inventor’s refusal to sign. Thus, Sign-A-Way had failed to establish a link between Mechtronics’s breach of its promise to Ms. Stearns and any damages she may have suffered because, regardless of the breach, section 116 would have prevented Ms. Stearns from blocking the filing of the application. Ms. Stearns could not compel Mechtronics to provide compensation in exchange for her signature on a declaration.

Sign-A-Way also argued that Mechtronics was able to file its patent application at an “early stage,” thus blocking any patent that Sign-A-Way or Ms. Stearns may have filed. The Court noted that there was nothing that prevented Ms. Stearns from (i) filing her own application, which she did in 1996; (ii) filing a protest under 37 C.F.R. § 1.291 alleging fraud or incorrect inventorship; or (iii) filing suit in federal district court under 35 U.S.C. § 256 for correction of inventorship of the ‘274 patent.

Finally, Sign-A-Way argued that Ms. Stearns would have patented and marketed her own sign had there been no promise of inventorship made by Mechtronics. However, the Federal Circuit found no evidence that Ms. Stearns had been pursuing her own patent on a sign suspension system before she consulted Mechtronics, in fact she testified that her system was not ready for patenting.

The Federal Circuit concluded that there was no evidence in the record to support a finding of

causation and a jury award for damages based on Mechtronics's breach of its promise to Ms. Stearns.

Finally, the Federal Circuit affirmed the district court's JMOL in favor of Sign-A-Way on Mechtronics's claim of unjust enrichment based on Ms. Stearns having provided a third party with Mechtronics's signage device. A finding of unjust enrichment requires a finding of both an unjust enrichment to one party and a detriment to the other party. The jury had found only a detriment to Mechtronics by Ms. Stearns actions, but no benefit to Sign-A-Way. The district court had made a finding of fact that there was no benefit to Sign-A-Way, and this finding was reviewed under a clearly erroneous standard. The Federal Circuit, having reviewed the entire record, was not left with a firm conviction that a mistake had been committed. Therefore, the Court affirmed the district court's limited judgment in favor of Mechtronics on its unjust enrichment counterclaim against Sign-A-Way.

page | 07

Claims Added During Reissue Invalid as Unsupported by Written Description

Vince Kovalick

[Judges: Lourie (author), Friedman, and Gajarsa]

In *Toro Company v. Ariens Company*, No. 99-1285 (Fed. Cir. April 27, 2000) (nonprecedential decision), the Federal Circuit found certain claims of U.S. Patent No. Re. 33,726 ("the '726 patent") invalid for lack of adequate written description. The Federal Circuit also affirmed the district court's holdings that one other claim was not invalid under 37 C.F.R. § 1.175 and that none of the claims were willfully infringed.

The '726 patent covers a single-stage snow thrower with an improved impeller and an improved impeller housing combination. Ariens Company ("Ariens") contended that the patent holder, the Toro Company ("Toro"), was only in possession of snow throwers with a curved impeller and that the '726 patent's description does not support claims

directed to a snow thrower without such an impeller. Therefore, certain claims, claims 36-41, of the '726 patent were invalid under 35 U.S.C. § 112, ¶ 1.

The Federal Circuit agreed that for claims 36-41 Toro had broadened those claims beyond what the original claims recited and the written description disclosed. The written description describes only a curved impeller and emphasizes the key role of this shape in the function of the snow thrower, emphasizing its efficiency over prior art, straight pedal impellers, in collecting and throwing snow. Thus, the Federal Circuit ruled, Toro used the reissue process to obtain claims that were unsupported by the narrow disclosure in the written description. The Federal Circuit rejected Ariens's argument that claim 42 was invalid because Toro had failed to explain the differences between reissue claim 42 and the original claims under 37 C.F.R. § 1.175, given that the undisclosed differences were only minor.

The Federal Circuit also agreed with the district court's conclusion that summary judgment of noninfringement for two asserted claims was proper, given the differences between the accused device and certain claim limitations that require a pedal portion of a rotatable impeller to extend "over at least approximately one-half of the impeller means' total length." The accused impeller extended less than one-quarter of the total length of the impeller. Because there was no infringement and certain claims were found invalid, the Federal Circuit agreed with the district court's conclusion that there was no willful infringement.

DISCLAIMER:

The case summaries reflect the understanding of the authors only and are not meant to convey legal opinions or advice of any kind. The firm disclaims any liability for any errors or omissions in these summaries. This promotional newsletter does not establish any form of attorney-client relationship with our firm or with any of our attorneys.