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UNREBUTTED WARNER-JENKINSON PRESUMPTION BARS DOCTRINE OF EQUIVALENTS

Where *Warner-Jenkinson* presumption is applicable, *i.e.*, where reason for amendment is unclear from analysis of prosecution history and unrebutted by patentee, prosecution history estoppel is total and completely bars application of doctrine of equivalents to amended limitation. *Sextant Avionique v. Analog Devices Inc.*, No. 98-1063 (Fed. Cir. Feb. 26, 1999) 1

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EDITED BY VINCE KOVALICK

Unrebutted *Warner-Jenkinson* Presumption Bars Doctrine of Equivalents

Vince Kovalick

[Judges: Lourie (author), Smith (concurring-in-part and dissenting-in-part), and Gajarsa]

The Federal Circuit, in *Sextant Avionique, S.A. v. Analog Devices Inc.*, No. 98-1063 (Fed. Cir. Feb. 26, 1999), held that in circumstances where the presumption of *Warner-Jenkinson v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997) applies, *i.e.*, where the reason for an amendment is unclear from an analysis of the prosecution history record and unrebutted by the patentee, the prosecution history estoppel arising therefrom is total and completely bars the application of the doctrine of equivalents (“DOE”) as to the amended limitation.

Sextant Avionique, S.A. (“Sextant”) owns U.S. Patent No. 4,663,972 (“the ‘972 patent”) and U.S. Patent No. 4,711,128 (“the ‘128 patent”), which covers electronic accelerometers. Although the two patents are not genealogically related and were examined by different patent examiners, the Federal Circuit and the district court considered their prosecution histories together. The claimed accelerators include certain capacitive plates defined as “metalizations.” The district court had construed the term “metalization” to require a deposited metallic material, noting that during prosecution Applicants had distinguished the claims from “doping” techniques. The district court had also granted summary judgment (“SJ”) of no literal infringement because the accused devices did not use a deposited metallic layer. Rather, they used a doped polycrystalline silicon layer. Finally, the district court had ruled as a matter of law that prosecution history estoppel barred the application of the DOE.

Although the district court had made findings on other claim limitations, on appeal, the Federal Circuit focused exclusively on the “metalization” limitation because it was dispositive.

As to the ‘972 patent, the Federal Circuit concluded that the claim amendments made during prosecution were clearly responsive to the Examiner’s prior art rejection such that prosecution history applied. The Court’s analysis of the ‘128 patent, however, was not as straightforward.

Sextant argued that the claim amendments made to the ‘128 patent had been made in response to a rejection under 35 U.S.C. § 112, second paragraph. The Federal Circuit disagreed, noting that in *Warner-Jenkinson*, the Supreme Court did not resolve the issue whether an amendment made in response to a § 112 rejection is an amendment made for “reasons of patentability” that give rise to prosecution history estoppel. Rather, the Federal Circuit concluded, the prosecution history of the ‘128 patent did not disclose the reasons for the addition of the “metalization” limitation. The Federal Circuit concluded that the “metalization” limitation could not have been made to distinguish over the prior art because the prior art had disclosed a metalization arrangement. Rather, according to the Court, Applicants had argued patentability based on the “location” of the metalization.

Finding that the prosecution history did not reveal the reasons for the “metalization” amendment, the Federal Circuit concluded that, under *Warner-Jenkinson*, it must rebuttably presume that the limitation was added for a reason “related to patentability,” and ruled that Sextant had failed to rebut this presumption.

The Federal Circuit then addressed the question of the scope of the estoppel. According to the Federal Circuit, in *Warner-Jenkinson*, the Supreme Court announced a very restrictive rule when any unrebutted presumption arises. In particular, the Federal Circuit held:

In circumstances in which the *Warner-Jenkinson* presumption is applicable, *i.e.*, where the reason for an amendment is unclear from an analysis of the prosecution history record, and unrebutted by the patentee, the prosecution history estoppel arising therefrom is total and completely ‘bars’ the application of the doctrine of equivalents as to the amended limitation.

Sextant, slip op. at 26.

The Court noted that reasonable competitors assessing the file history of the ‘128 patent would be puzzled as to the scope of any potential estoppel; therefore, it would be logical and fair that the *Warner-Jenkinson* presumption allow the DOE “no room to operate.” *Sextant*, slip op. at 26. Accordingly, the Federal Circuit affirmed the district court judgment.

Judge Smith dissented with the holding as to the ‘128 patent, finding that the reasons the

“metalization” limitation had been added was to distinguish prior art. Thus, the *Warner-Jenkinson* presumption should not apply. He concluded that in *Bai v. L & L Wings, Inc.*, 160 F.3d 1350 (Fed. Cir. 1998), the Federal Circuit had rejected the logic relied on by the majority, *i.e.*, that because a limitation is disclosed in the prior art, it was not added for a reason related to patentability, and concluded that this panel was bound by *Bai*. He also concluded:

From this point on, litigants will have to worry about the *Warner-Jenkinson* presumption being applied for the first time on appeal, and their claims being limited to their literal terms, because [the Federal Circuit] disagrees with the trial court on the reason a claim was amended. This development cannot be welcomed by anyone.

Sextant, Smith (Smith, J., concurring-in-part and dissenting-in-part), slip op. at 6.

Noninfringing Licensee Waives Opportunity for Reimbursement of Royalty Payments

John Yim

[Judges: Clevenger (author), Mayer, and Archer]

In *Engel Industries, Inc. v. Lockformer Co.*, No. 98-1294 (Fed. Cir. Feb. 3, 1999), the Federal Circuit affirmed a district court’s finding that it lacked jurisdiction to consider a motion for refund of payments under a patent license where the Federal Circuit had previously ruled that Engel Industries, Inc. (“Engel”), the accused infringer and licensee, did not infringe the patent but had also found the patent license valid.

In 1985, Appellant Engel and several cross-Appellants including the Lockformer Co., (collectively, “Lockformer”) entered into a license agreement under Lockformer’s U.S. Patent No. 4,466,641 (“the ‘641 patent”) relating to a heating and air conditioning “duct” connecting system. After protracted litigation and several

appeals to the Federal Circuit, the Federal Circuit held on the third appeal that Engel’s accused product did not infringe the ‘641 patent and that the license agreement was not an unlawful misuse of patent rights. (*Engel Indus., Inc. v. Lockformer Co.*, 96 F.3d 1398 (Fed. Cir. 1996) (“*Engel III*”).)

After the *Engel III* decision, Engel filed a motion in the district court contending that it was entitled to a reimbursement of royalty payments. Lockformer continued with a motion alleging that Engel had engaged in misconduct at trial and on appeal and that it was entitled to relief under Fed. R. Civ. P. 60(b)(3).

The district court stated that the *Engel III* court’s finding of validity of the license agreement implicitly had decided that Engel was not entitled to a recoupment. Further, because the *Engel III* court did not return a mandate of the issue of recoupment to the district court, it was prevented from deciding the issue. The district court also denied Lockformer’s Rule 60(b)(3) motion.

Affirming the district court’s decision, the Federal Circuit stated that Engel’s liability under the license agreement was within the scope of the appeal in the *Engel III* decision. Engel’s failure to specifically appeal the issue of recoupment in the *Engel III* case did not change the fact that the issue had been disposed of by the decision and the mandate of the *Engel III* court. The Court noted that Engel had appealed from a judgment in *Engel III* that expressly ruled that Engel must continue to make royalty payments under the license agreement.

The Federal Circuit stated that it was entitled to assume that all issues important on appeal had been raised by the Appellant in the *Engel III* case, and unless remanded, all issues within the appealed judgment are deemed incorporated in the mandate. Since the *Engel III* court had affirmed a judgment that obligated Engel to pay royalties under the license agreement, the district court lacked jurisdiction to decide whether Engel could recoup payment made under the license agreement.

Also, applying Eighth Circuit law, the Federal Circuit ruled that the district court had not abused its discretion in finding that Lockformer had failed to show clear and convincing evidence of a fraud or misrepresentation under Rule 60(b)(3).

Specification Fails to Deliver on Claim's Promise of Ideal Result

Margo A. Bagley

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

In *National Recovery Technologies, Inc. v. Magnetic Separation Systems, Inc.*, No. 98-1134 (Fed. Cir. Feb. 4, 1999), the Federal Circuit affirmed a district court's grant of summary judgment ("SJ") to Magnetic Separation Systems, Inc. and Garry R. Kenny (collectively, "MSS") holding claim 1 of U.S. Patent No. 5,260,576 ("the '576 patent") invalid for lack of enablement under 35 U.S.C. § 112, paragraph 1.

National Recovery Technologies, Inc. ("NRT") sued MSS in district court for infringement of several of its patents relating to the automatic classification and separation of recyclable plastic materials using electromagnetic radiation. MSS defended, claiming that the patents at issue were invalid under 35 U.S.C. § 112. Eventually the parties stipulated that only certain claims of the '576 patent remained at issue and dropped the other patents and claims from the litigation.

Claim 1 of the '576 patent defines a method of distinguishing and separating items having different levels of absorption of penetrating electromagnetic radiation by measuring the amount of penetrating electromagnetic radiation passing through each item and generating process signals therefrom. The method includes the step of selecting for processing those of said process signals that do not pass through irregularities in the bodies of said material items.

The district court had held that the written description of the '576 patent did not meet the strictures of § 112, paragraph 1, because one skilled in the art could not "select for processing those of said signals which do not pass through irregularities in the bodies of said material items" without undue experimentation because the specification did not explain how to distinguish between signals that passed through irregular portions of the items and those that did not.

On appeal, NRT argued that the district court had erred in two respects: (1) in its construction of the term "selecting" in claim 1, and (2) by erroneously requiring the claimed invention to work perfectly under all circumstances. The Federal Circuit disagreed with both con-

tentions. According to NRT, "select" means that only those signals that do not pass through irregularities are to be "preferred" to those signals that do not. In construing claim 1 *de novo*, the Federal Circuit, noting the plain language of the claim and specification and both parties' agreement to the use of the dictionary definition of "select," concluded that the plain meaning of the term does not merely require a "preference" for certain signals, but requires that certain signals be specifically chosen based on whether they pass through irregularities in the items.

The Federal Circuit concluded that the district court had sufficient evidence, including the testimony of one of the inventors, from which to find that NRT had failed to determine where irregularities existed in the items, and to conclude that the specification merely instructed one of ordinary skill in the art to select those signals with the highest transmission measurements, not to select those signals that did not pass through irregularities, as required by claim 1.

As to NRT's argument that the district court erred by requiring the disclosed embodiment to work perfectly under all circumstances, while agreeing that a claim is not invalid for lack of operability simply because the invention does not work perfectly under all conditions, the Federal Circuit stated that NRT had been incorrect in its characterization of the district court's ruling as requiring perfect operation.

According to the Federal Circuit, claim 1 is a classic example of a claim broader than the enablement taught in the specification. The specification instructs one of ordinary skill in the art to use only those measurements of highest transmission rate through the item. It states that these measurements are a good proxy for intensity measurements that do not pass through irregularities, but recognizes that equipment limitations make an actual determination of the location of regular and irregular portions of items infeasible. The Federal Circuit ruled, however, that enabling a proxy for the claimed invention is not the same as enabling the claimed invention itself.

Consequently, because the specification of the '576 patent does not enable one of ordinary skill in the art to practice the invention in claim 1 without undue experimentation, the Federal Circuit affirmed the grant of MSS's motion for SJ that the claims asserted were not enabled and were invalid under 35 U.S.C. § 112, paragraph 1.

Shingle Design Unenforceable

Elizabeth A. Hurley

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

In *Elk Corp. of Dallas v. GAF Building Materials Corp.*, No. 98-1369 (Fed. Cir. Feb. 11, 1999), the Federal Circuit affirmed a district court's holding that a design patent was unenforceable for inequitable conduct by the patent Applicants and their attorney. The Federal Circuit found that a letter requesting a patentability search and a memo discussing the results of the search, written by one of the patent Applicants and forwarded to the patent attorney, revealed two patents that were material and that had not been disclosed to the Patent and Trademark Office ("PTO"). The Court also found that the district court's findings of the Applicants' knowledge of the materiality of the undisclosed patents and intent to deceive the PTO was not clearly erroneous, and therefore the patent was unenforceable.

In the late 1980s, employees of Elk Corporation of Dallas ("Elk") began developing a new roofing shingle, the subject of U.S. Patent No. Des. 344,144 ("the '144 patent"). In a letter requesting a patentability search on this new shingle, one of the inventors, Casimir Weaver, stated that the shingle's construction was similar to that of a laminated roofing shingle described in U.S. Patent No. 3,921,358 ("the Bettoli patent"). Mr. Weaver wrote a memo to a coinventor concerning the search results, stating that a patent cited in the search report, U.S. Patent No. 2,036,329 ("the Giles patent"), was of "special interest." The search report and the memo were forwarded to Elk's patent attorney.

Neither the Bettoli patent nor the Giles patent had been disclosed to the PTO, even though it was the standard practice of Elk's patent attorney to disclose to the PTO all references cited in a search report. None of the references that had been disclosed to the PTO during the prosecution of the '144 patent mentioned the Bettoli or Giles patents. The Bettoli and Giles patents were disclosed to the PTO, however, in a continuation of the '144 patent. The Federal Circuit noted that responsibility for prosecuting the '144 patent application changed hands during its prosecution.

In affirming the district court's decision, the Federal Circuit rejected Elk's contention that the

Bettoli and Giles patents were not material because they were merely cumulative of other references before the PTO.

The Court further found that the district court's findings of the materiality of the Bettoli and Giles patents and the Applicants' knowledge of that materiality were supported by a number of other factors. Regarding the Bettoli patent, these factors included evidence that the Applicants' new shingle design was an improved Bettoli-type laminated roofing shingle; Mr. Weaver's letter requesting the search report, which indicated that the Applicants knew that their shingle was very similar to that disclosed in the Bettoli patent; and the testimony of Elk's patent attorney, which indicated a strong likelihood that he was also aware of the materiality of the Bettoli patent. Regarding the Giles patent, these factors included the fact that the search report, which had been reviewed by both Mr. Weaver and Elk's patent attorney, listed and discussed the Giles patent; and the fact that Mr. Weaver's memo to a coinventor had acknowledged the importance of the Giles patent.

Noting that the element of intent to deceive must generally be inferred from the facts and circumstances surrounding an applicants' overall conduct, the Court found that the district court's finding of intent to deceive was not clearly erroneous, particularly in view of the high degree of materiality of the withheld references.

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PTO Cannot "Dispose" of Disposable Diaper Claims

Vince Kovalick

[Judges: Friedman (author), Newman, and Rader (concurring)]

The Federal Circuit, in *In re Robertson*, No. 98-1270 (Fed. Cir. Feb. 25, 1999), reversed a decision of the Board of Patent Appeals and Interferences ("Board"), finding that the appealed claim was not anticipated by or obvious in view of the prior art.

The appealed claim concerns fastening and disposal systems for diapers. In particular, the claim provides for two mechanical fastening means to attach a diaper to a wearer and a third such means for securing the diaper for disposal.

The Board had concluded that certain prior art (“Wilson”) anticipated the claim under principles of inherency because a skilled artisan would know to use the secondary closure of Wilson, not with its mate, but with one of Wilson’s primary snap fasteners. Thus, the Board affirmed the rejection of the claims as being anticipated or obvious over Wilson.

The Federal Circuit disagreed and ruled that, in finding inherent anticipation, the Board had ignored its precedent that inherency may not be established by mere probabilities or possibilities. The Court concluded that the Board’s theory that the two fastening devices in Wilson were capable of being intermingled to perform the same function as the claimed first and third fastening elements was insufficient to show inherency.

The Federal Circuit refused to sustain the Board’s obviousness rejection because it simply affirmed the Examiner’s rejection without explanation and raised a new ground of rejection.

In concurring, Judge Rader concluded that the claim does not require the third fastening means to be a separate fastening means. He concluded, however, that Wilson had failed to show two other claim limitations not addressed by the majority.

lation time. The agreement further provided that, with respect to related assays developed or acquired later by CDI, BMC enjoyed an exclusive right to license such new tests. If, however, the new test was a thrombolytic assay and BMC declined a license, CDI would be entitled to use its technology in connection with such assays.

Subsequently, in 1995, the Agreement was amended as a result of a dispute over the scope of CDI’s rights to use certain technology. The amendment, among other things, granted CDI the right, with no limitation, to practice assay systems as long as they were sold to customers using blood equipment that met specific terms. In return, BMC received the right to use its license royalty free.

The lawsuit arose when BMC expressed its belief that CDI’s systems infringed two patents BMC had acquired. CDI sought a declaratory judgment that it did not infringe the patents based on the terms of the 1995 amendment. Agreeing with the court below, the Federal Circuit found that the amendment conferred an implied license to CDI to practice BMC’s patents. Because CDI practiced its technology consistent with the conditions set forth in the amendment, according to the Federal Circuit, under the amendment CDI could do so without limitation. Therefore, to the extent CDI’s permitted conduct implicated the BMC patents, CDI had an implied license to practice them.

Regarding its state law claims, CDI argued that the district court had erred by failing to provide proper notice in converting BMC’s motion to dismiss to a motion for SJ. In rejecting this contention, The Federal Circuit followed the law of the regional circuit, which does not require that the court give notice where, as here, the conversion was obvious.

In addition, CDI argued that, because BMC owed it a fiduciary duty, BMC should not have been allowed to invoke a release clause in the amendment to avoid the violations alleged in the state law claims. The Federal Circuit observed that, under applicable state law, a relationship between mutually interdependent businesses with equal bargaining positions who dealt at arms length does not normally give rise to a fiduciary relationship. Given the parties’ sophistication, relatively equal bargaining positions, and representation by counsel, no fiduciary duty existed. Thus, BMC’s exercise of the release clause was not improper.

Implied License Prevents Infringement Claims

Michael V. Kruljac

[Judges: Bryson (author), Michel, and Clevenger]

In *Cardiovascular Diagnostics, Inc. v. Boehringer Mannheim Corp.*, No. 98-1190 (Fed. Cir. Feb. 1, 1999) (nonprecedential decision), the Federal Circuit affirmed a district court decision granting a declaratory judgment of noninfringement for Cardiovascular Diagnostics, Inc. (“CDI”) because it had an implied license to practice two patents of Boehringer Mannheim Corp. (“BMC”). In addition, the Federal Circuit affirmed the lower court’s summary judgment (“SJ”) ruling in favor of BMC and rejected CDI’s state law claims based on alleged misappropriation and disclosure of CDI’s technology.

In 1989, the parties entered into a licensing agreement (“Agreement”) granting BMC exclusive rights to practice technology developed by CDI directed to assays for testing blood coagu-

Equities Cannot Save Redesigned Toner Cartridge

Vince Kovalick

[Judges: Plager, Bryson, and Gajarsa
(*per curiam*)]

In *Ricoh Co. v. Nashua Corp.*, No. 97-1344 (Fed. Cir. Feb. 18, 1999) (nonprecedential decision), the Federal Circuit affirmed a district court's conclusion that Nashua Corp.'s ("Nashua") redesigned toner cartridge infringes certain claims of Ricoh Co.'s ("Ricoh") U.S. Patent No. 4,878,603 ("the '603 patent"). The Federal Circuit further affirmed the district court's conclusion that the '603 patent was not invalid for failure to disclose the best mode and that Ricoh was not barred from recovery by equitable estoppel, intervening rights, or patent misuse.

Ricoh's '603 patent covers a toner cartridge for copiers. Ricoh and Nashua had been parties to a contract, which provided that Nashua would distribute Ricoh copiers and toner cartridges worldwide. After Nashua began to offer its own version of a Ricoh toner cartridge, Ricoh identified U.S. Patent No. 4,611,730 ("the '730 patent") to Nashua and asserted that it covered various Nashua toner cartridges. Nashua, after consulting a patent attorney, redesigned its toner cartridge, sent Ricoh a prototype of the redesigned cartridge, and subsequently marketed that redesigned toner cartridge.

Ricoh, however, having an application in the '730 patent's genealogy still pending, broadened its claims to encompass the Nashua redesign. The broadened claims issued in the '603 patent. When Ricoh brought the broadened claims to Nashua's attention, Nashua refused to review the documents. Ricoh brought suit on both the '603 and the '730 patents, but later dropped the '730 patent by stipulation.

On appeal, Nashua argued that it was entitled to intervening rights for the products it had developed during the pendency of the '603 patent application, which broadened the claims of the '730 patent over two years after the issuance of the '730 patent, thus, impermissibly circumventing the statutory mandates of a reissue proceeding. The Federal Circuit rejected this argument, however, given its precedent recognizing the practice of filing continuation

applications to broaden claims to encompass a competitor's product.

Absent congressional indication that intervening rights are to be applied in the context of continuation applications, we rejected Nashua's argument that we should judicially adopt equitable safeguards, in contravention of an established precedent, when Congress itself has declined to do so.

Ricoh, slip op. at 6.

Moreover, because Ricoh's '603 patent had not issued, but was only pending during the period for which Nashua had asserted "misleading inaction" by Ricoh, equitable estoppel did not apply. Because the '603 patent had not issued, Ricoh could not object to Nashua's design, and therefore could not be estopped for failing to speak up.

The Federal Circuit also rejected Nashua's best mode defense, ruling that the inventor's un rebutted testimony demonstrated that the preferred implementation of the invention was the implementation disclosed in the patent, not the method implementation of the commercial product, which had only been done to reduce manufacturing costs.

Finally, the Federal Circuit rejected Nashua's misuse claims because Nashua could not show that unpatented bulk toner and the patented cartridges could be sold separately. The Court also found that Ricoh's conditional sales of its patented toner cartridge were "no more than a savvy marketing scheme designed to generate savings from shipping in large quantities at regular intervals." *Id.*, slip op. at 12.

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At Preliminary Injunction Stage Patentee Cannot Rest on Presumption of Validity

Jill E. DeMello

[Judges: Schall (author), Smith, and Bryson]

In *Novo Nordisk v. Eli Lilly & Co.*, No. 98-1312 (Fed. Cir. Feb. 23, 1999) (nonprecedential decision), the Federal Circuit affirmed a district court's decision denying Novo Nordisk's ("Novo") motions for preliminary injunctions in two separate cases. The Federal Circuit agreed

that although Novo's patents were entitled to a presumption of validity, the nonmovants had successfully raised a substantial question concerning the validity of the asserted claims, which Novo failed to rebut.

Novo's patents relate to a pen-shaped insulin injection system with a thirty-gauge needle. The higher the gauge number, the smaller the diameter of the needle. Novo alleged that the Defendants, Eli Lilly and Co. ("Eli Lilly") and Becton Dickinson and Co. ("Becton"), had infringed the patents by marketing injection systems, replacement needles, and replacement insulin cartridges.

The district court denied Novo's motions for preliminary injunctions, determining that Novo had failed to carry its burden of showing a likelihood of success on the merits because Becton and Eli Lilly had raised substantial questions as to the validity of the patents and Novo had failed to establish that the defense of invalidity lacked substantial merit.

In challenging the district court's rulings, Novo argued that the district court had erred as a matter of law when it stated that the patents were not, at the preliminary injunction stage, entitled to the presumption of validity afforded by 35 U.S.C. § 282. The Federal Circuit found that Novo was correct that the district court had misstated the law on this point, but found the error harmless.

The Court ruled that if a party opposing a request for a preliminary injunction raises a substantial question concerning the validity of a patent, in order to prevail, the party seeking the injunction must respond by establishing that the defense lacks substantial merit. The non-movant cannot rest on the presumption of validity. The Federal Circuit agreed with the district court's conclusion that Novo had failed to carry its burden of showing that Eli Lilly's and Becton's claims of invalidity were without substantial merit.

The Federal Circuit declined Becton's invitation to rule on the validity of the patents, since the record had not been fully developed on the

validity issue and the district court had not made a determination on the matter.

Resilient Subfloor Claims Cannot "Stand Up" to Prior Art

Vince Kovalick

[Judges: Newman (author), Cowen, and Archer]

In *In re Duvé*, No. 97-1095 (Fed. Cir. Feb. 26, 1999) (nonprecedential decision), the Federal Circuit affirmed the Board of Patent Appeals and Interferences ("Board") finding of obviousness.

The Duvé patent concerns an elastomeric membrane used as an intermediate subfloor material for placement over a base surface, such as concrete, and under a rigid veneer finishing layer. The Examiner rejected the claims as being obvious in view of a published brochure describing a rubberized asphaltic membrane material for use as an intermediate underlay of roadways and bridges, the material having the brand name Petrotac[®]. The Petrotac reference was relied on alone or in combination with several other references. Although the Federal Circuit found some differences in the characteristics of the claimed product and the Petrotac material, it concluded that the Examiner had made a *prima facie* case of obviousness.

The characteristic differences primarily concerned the thickness and hardness of the prior art product and the claimed product. Although the Applicant had provided some test results to support his contention that the differences were meaningful, according to the Federal Circuit, the test results did not relate to the properties or performance features serving to distinguish the claimed product from the prior art. The Federal Circuit also found the evidence inadequate to link the commercial success of Duvé's product to the claimed features.

Made in Taiwan, Sued in U.S.

Julia A. Matheson

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

In *Precor Inc. v. Keys Fitness Products*, No. 98-1408 (Fed. Cir. Feb. 5, 1999) (nonprecedential decision), the Federal Circuit vacated the district court's dismissal for lack of personal jurisdiction of a patent infringement suit against a Taiwanese corporation and remanded the case to the district court for a reevaluation of the jurisdictional considerations under governing statutory and constitutional standards.

Plaintiff, Precor Inc. ("Precor"), filed suit in its home district of Washington state against several parties, including Macro Process ("Macro"), the foreign Defendant in question, for infringement of its patent for stationary exercise equipment. Although Macro is a Taiwanese corporation with a principal place of business in Taiwan, Precor alleged that jurisdiction was properly based upon Macro's manufacture and shipment of infringing merchandise to local distributors for subsequent sale and distribution in the district. Precor alleged in accompanying affidavits that Macro and at least one of the Defendant distributors were under common ownership or control or enjoyed a partnership or agency relationship.

Following Precor's dismissal of its claim against the distributions pursuant to a settlement agreement, Macro moved to dismiss the claims against it for, *inter alia*, lack of personal jurisdiction. The district court granted Macro's motion and dismissed the action, concluding that the burden imposed on the nonresident Defendant to defend the suit in a foreign jurisdiction far outweighed any limited interest of the state in adjudicating the case, making the exercise of personal jurisdiction over the Defendant unreasonable.

Relying upon the Supreme Court's decision in *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 477 (1985), the Federal Circuit emphasized that a foreign corporation cannot defeat the exercise of jurisdiction based solely upon its status as a foreign entity forced to defend in an inconven-

ient forum. Rather, a defendant is required to present a "compelling" case that the presence of other considerations would render the court's exercise of jurisdiction "unreasonable" including: (1) the burdens the defendant would bear if forced to defend itself in the foreign jurisdiction (*i.e.*, defendant's size, financial resources, or prior experience of dealing with the U.S. legal system); (2) the forum state's interest in adjudicating the dispute; (3) the plaintiff's interest in obtaining convenient and effective relief; (4) the interstate judicial system's interest in obtaining the most efficient resolution of controversies; and (5) the states' shared interests in furthering "fundamental substantive policies." *Precor*, slip op. at 5 (citations omitted).

The Federal Circuit found that Macro had failed to make out the necessary "compelling case" before the district court. Macro had failed to offer evidence of the particular burdens it would bear if required to defend itself in the Western District of Washington. It had failed to counter the state of Washington's significant interest in having a local district court hear a patent infringement suit brought by a locally based Plaintiff relative to activities and injuries occurring within the state. It had failed to override the interest of the Plaintiff in having its infringement suit heard in the state in which it primarily transacts business and operates corporate offices. It had failed to counter the clear efficiencies of having the suit continue in the forum in which it commenced. In short, Macro had simply relied upon its foreign corporate status to make its case for the unreasonableness of in personam jurisdiction, which the Federal Circuit found improper.

While the Federal Circuit concluded that it would *not* be unreasonable for the district court to assert personal jurisdiction over the Defendant (and vacated the district court's contrary decision), it offered no opinion on whether the district court's exercise of personal jurisdiction would comport with constitutional due process requirements or the constraints of the State's governing long arm statute. Indeed, the Court remanded the case for "full consideration" of these "threshold" constitutional and statutory standards.

Claim Language “Cuts Against” Food Slicer Patent

Lawrence F. Galvin

[Judges: Bryson (author), Michel, and Gajarsa]

In *Le-Jo Enterprises, Inc. v. Lincoln Food Service Products, Inc.*, No. 98-1394 (Fed. Cir. Feb. 8, 1999)(nonprecedential decision), the Federal Circuit affirmed a district court’s grant of summary judgment (“SJ”) of noninfringement regarding Le-Jo, Enterprises’s U.S. Patent No. 4,569,280 (“the ‘280 patent”) for a food preparation implement.

Le-Jo Enterprises, Inc., and Milton Industries, Inc., (collectively, “Le-Jo”) had brought suit in the United States District Court for the Eastern District of Pennsylvania against several Defendants (collectively, “Lincoln”). The suit alleged that a food preparation device made by Lincoln infringed the ‘280 patent, which discloses a produce slicer typically used to cut onions for “blooming onion” appetizers.

Lincoln moved for SJ of noninfringement. Based upon its construction of the asserted claim, the district court held that Le-Jo had failed to point out any material, factual dispute regarding infringement and, therefore, granted SJ. Le-Jo moved for reconsideration, arguing infringement both literally and under the doctrine of equivalents (“DOE”). The district court, however, denied the motion for reconsideration without addressing the DOE issue. Le-Jo then appealed.

On appeal, the Federal Circuit analyzed the literal infringement issue by construing the key means-plus-function language in the asserted claim that required the produce to be sliced into “sections.” The Court found that the claim language and prosecution history supported the district court’s interpretation that the term “sections” dictated that the produce be divided into unconnected pieces. Because a positive “stop” prevents the Lincoln device from cutting produce into completely unconnected pieces, the Court affirmed the SJ as to literal infringement.

The Court declined to consider the DOE issue because Le-Jo had failed to preserve it for review. Specifically, Le-Jo did not raise the DOE

issue in its response to the SJ motion or during the hearing on that motion.

Patentee Fails to “Connect” on Assertion of Electrical Connector Patent

Barry D. Biddle

[Judges: Rich (author), Mayer, and Michel]

In *Berg Technology, Inc. v. Foxconn International, Inc.*, No. 98-1324 (Fed. Cir. Feb. 23, 1999)(nonprecedential decision), the Federal Circuit affirmed a district court’s decision granting summary judgment of noninfringement of U.S. Patent Nos. 5,324,204 and 5,401,176 (“the ‘204 patent” and “the ‘176 patent,” respectively) for electrical connectors sold by Foxconn International (“Foxconn”).

The claims at issue concern an electrical connector device used to connect storage devices, such as memory cards or hard disk drive packages, to a computer. The claims require upper and lower storage spaces, separated by a shallow guide member, capable of receiving memory cards in either space or a hard disk drive occupying both spaces. The shallow guide member separates the spaces, but does not intrude far into the storage space, thereby allowing the spaces to receive a hard disk.

The issue of noninfringement turned on the proper construction of the claim limitations “contact arrays being adapted” and “storage spaces of said housing being substantially uninterrupted.” The district court held that the word “adapted” indicated something not known in the prior art, and that Foxconn’s pre-existing contact array, therefore, could not infringe. The Federal Circuit rejected this notion as neither the claims nor the specification required a novel contact array, and found that the Foxconn device did meet this claim limitation.

The Federal Circuit held, however, that the district court did not err in finding that Foxconn’s connector housing was not “substantially uninterrupted.” On appeal, Berg Technologies (“Berg”) argued that “substantially uninterrupted” means that the guide member does not interrupt the storage spaces so as

to prevent the spaces from receiving a hard disk drive. Foxconn's connector has a member that extends from one side wall to the other side wall thereby defining the storage spaces. The Federal Circuit found that the plain language of "substantially uninterrupted" means the lack of some type of structurally defined interruption and held that nothing in the claim required the functional language argued by Berg. Moreover, the Federal Circuit found that during prosecution, Berg defined a guide that extended completely from one side wall to the other as completely interrupting the storage space and distinguished the claimed invention from such a configuration. Accordingly, the Federal Circuit held that Foxconn's connector lacked the "substantially uninterrupted" limitation and could not infringe Berg's patents.

Plastic Resin Blend Found Obvious

Erik R. Puknys

[Judges: Schall (author), Clevenger, and Smith (concurring)]

The Federal Circuit, in *In re Romenesko*, No. 98-1211 (Fed. Cir. Feb. 9, 1999) (nonprecedential decision), affirmed a decision of the Patent and Trademark Office ("PTO") Board of Patent Appeals and Interferences ("Board") rejecting all of the appealed claims.

Romenesko's Application disclosed and claimed a rubber composition consisting essentially of (i) poly(phenylene) ether ("PPE") and (ii) silicone rubber, the silicone rubber powder of the claims consisting essentially of polydiorganosiloxane gum ("POS") and a silica filler. The POS and silica filler are combined to form the silicone rubber powder prior to being added to the PPE.

These claims were rejected by the PTO as being obvious over U.S. Patent No. 3,373,479 to Haaf ("Haaf") in view of U.S. Patent No. 3,824,208 to Link. Haaf discloses a composition comprising PPE, POS, and other optional components such as polystyrene and/or silica filler. However, the silica filler and POS of Haaf are not combined before being added to the PPE. According to the Board, Link discloses a process for producing powder mixtures of POS and a silica filler and one of ordinary skill would

have dispersed the mixture of Link in the composition described by Haaf to arrive at the claimed invention.

On appeal, Romenesko conceded that the Board had established a *prima facie* case of obviousness. Romenesko argued, however, that the Board had failed to consider data contained in the originally filed specification that purportedly demonstrated the unexpected results of Romenesko's claimed invention. The data presented in Romenesko's Application compared the claimed invention with composition containing only PPE and POS. The Board insisted, however, that a comparison demonstrating the unexpected results of the invention required Romenesko to compare the claimed invention with an example in Haaf that disclosed a composition including not only PPE and POS, but also a carbon black filler.

Romenesko argued that the Board had incorrectly cited that example as being closest to the claimed composition. Instead, Romenesko asserted that the closest prior art composition was another example in Haaf that disclosed a combination of PPE and POS (without polystyrene or silica filler). Romenesko concluded that because the application data had already demonstrated superior results over a combination of PPE and POS, Romenesko had overcome the *prima facie* showing of obviousness.

Rejecting Romenesko's argument, the Federal Circuit noted that the example cited by Romenesko actually taught a composition containing PPE, POS, and titania (the titania was added as a filler). Because Romenesko did not compare the claimed invention with a composition containing PPE, POS, and a filler (whether it was the carbon black filler of the Board's preferred example, or the titania filler of Romenesko's preferred example), the Federal Circuit held that Romenesko had failed to draw the appropriate comparison and consequently had failed to rebut the *prima facie* case of obviousness.

Romenesko also argued that some of Haaf's examples would suggest that the claimed invention produced unexpected results, such as higher impact strength and the ability to extrude at lower temperatures and soften at higher temperatures. The Federal Circuit dismissed these additional arguments as being merely attorney's arguments not supported by facts in the record.

Food Steamer Patent “Runs out of Steam”

Kathleen A. Daley

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

In *Rival Co. v. Sunbeam Corp.*, No. 98-1198 (Fed. Cir. Feb. 23, 1999) (nonprecedential decision), the Federal Circuit affirmed the district court’s construction of the claims of Rival Co.’s (“Rival”) patent relating to a food steaming device and held that the district court did not err in granting summary judgment that Sunbeam’s food steamers do not infringe Rival’s patent.

The Federal Circuit agreed with the district court’s claim construction, including the construction of the claim limitations “a boiling water reservoir defined by the base” and “a condensate trough, defined by the base.” The Federal Circuit concluded that the district court had correctly construed those limitations to mean that the base creates or forms the outline of the shape of both the condensate trough and the boiling water reservoir. The Court noted that this construction is consistent with the specification’s use of the term “define” and the standard dictionary definition of that term, and covers the preferred embodiment disclosed in the specification.

The Federal Circuit also agreed that the Sunbeam food steamers do not literally infringe because they do not have a boiling water reservoir that is defined by the base, as claimed. The Court stated that while Sunbeam’s boiling water reservoir, which includes a water reservoir, drain tube, and flow through heater, it is mounted in the base, not “defined by the base,” as that term has been construed.

On the question of infringement under the doctrine of equivalents (“DOE”), the district court had found that Sunbeam’s food steamers did not infringe because the “function of steaming the food is completed in extremely different manners” from that in the patent. *Rival Co.*, slip op. at 6 (citation omitted). The Federal Circuit agreed that the district court’s analysis raised the question as to whether, contrary to the Supreme Court’s decision in *Warner-Jenkinson Co. v. Hilton Davis Chemical*

Co., 520 U.S. 17 (1997), the district court had compared the patented invention to the accused product as a whole. Nonetheless, the Federal Circuit held that the district court’s decision of no infringement under the DOE was correct as a matter of law. The court explained that any equivalence argument renders the distinction between the claim’s “defined by the base” and “mounted in the base” limitations meaningless.

Court Affirms Nonenablement Rejection

Vince Kovalick

[Judges: Plager, Rader, and Bryson (per curiam)]

In *In re Thorne*, No. 98-1329 (Fed. Cir. Feb. 10, 1999) (nonprecedential decision), the Federal Circuit affirmed a rejection based on nonenablement.

The application claims covered a method for obtaining a biologically pure culture strain of a fungus which produces a high molecular weight, nonpigmented, polysaccharide pullulan. The Court affirmed the Board of Patent Appeals and Interferences (“Board”) rejection under 35 U.S.C. § 112, paragraph one, agreeing that the claims did not recite certain modifications disclosed in the written description that the Board had found essential to practicing the claimed invention.

The Federal Circuit rejected a second nonenablement rejection, however, concluding that the Board’s finding on this issue was inconsistent with certain other Board findings.

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