

Last month at

The Federal Circuit



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Disclaimer in Specification Restricts Claim Scope

Robert L. Burns

[Judges: Bryson (author), Plager, and Dyk (concurring)]

In *SciMed Life Systems, Inc. v. Advanced Cardiovascular Systems, Inc.*, No. 99-1499 (Fed. Cir. Mar. 14, 2001), the Federal Circuit affirmed a district court's claim construction and grant of SJ of noninfringement based on disclosure in the specifications of the patents at issue disclaiming embodiments like those now accused of infringing.

SciMed Life Systems, Inc. ("SciMed") owns three U.S. patents drawn to features of balloon dilatation catheters. SciMed filed suit against Advanced Cardiovascular Systems, Inc. ("ACS") in the United States District Court for the Northern District of California, charging ACS with infringing each of the three patents. On ACS's motion for SJ, the district court ruled that ACS had not infringed the disputed patents.

SciMed argued on appeal that the district court had improperly read an element (coaxial lumens) from the written description into the claims, where the claims themselves contained no such limitation. The Federal Circuit disagreed. The Court found that at various points in the common specification (including in the abstracts) of the three patents, the disclosed invention uses coaxial rather than side-by-side lumens, *i.e.*, the guide wire lumen is contained within the inflation lumen and the inflation lumen is annular. According to the Court, when read together, the common portions of the specification lead to the inescapable conclusion that the references in the asserted claims to an inflation lumen "separate from" the guide wire lumen must be understood as referring to coaxial lumens and, thus, that the asserted claims read only on catheters having coaxial lumens.

The Court explained that one purpose for examining the specification is to determine if the patentee has limited the scope of the claims. Where the specification makes clear that the invention does not include a particular feature, that feature is deemed to be outside the reach of the claims of the patent, even though the language of the claims, read without reference to the specification, might be considered broad enough to encompass the feature in question. Moreover, when the preferred embodiment is described as the invention itself, the patent claims are not entitled to a broader scope than that embodiment. Because ACS's device utilized a dual-lumen configuration, the Court affirmed SJ of no literal infringement.

The Federal Circuit also agreed that infringement could not exist under the DOE because the

common specification criticized and distinguished prior art catheters using dual-lumen configurations. Accordingly, SciMed was prohibited from invoking the DOE to embrace a structure that was excluded from the claims.

In a concurring opinion, Judge Dyk explained that while he agreed with the result reached by the majority, he cautioned that the decisions of the Federal Circuit failed to provide adequate guidance as to when it is appropriate to look to the specification to narrow the claim by interpretation and when it is not appropriate to do so.

Hope of Success Is Insufficient to Establish Conception

Deborah V. Katz

[Judges: Michel (author), Linn, and Dyk]

In *Hitzeman v. Rutter*, No. 99-1604 (Fed. Cir. Mar. 21, 2001), the Federal Circuit affirmed the Board's decision awarding priority in two interferences to William Rutter and three other inventors (collectively "Rutter") for inventions concerning a hepatitis B vaccine produced by a genetically altered yeast.

The first interference, No. 102,416, was between Ronald Hitzeman and coworkers' (collectively "Hitzeman") U.S. Patent No. 4,803,164 and Rutter's patent application 07/209,504. The second interference was between Rutter's U.S. Patent No. 4,769,238 and Hitzeman's patent application 07/248,863. Because the issues raised on appeal were very similar in each interference, the Federal Circuit addressed them together.

Both parties had claimed a component of a vaccine for hepatitis B, specifically a protein called the S-protein or HBsAg. Both parties had produced HBsAg in yeast, which allows the protein to form a 22 nm particle that is able to confer immunity. Previously, when the protein was produced in bacteria, it did not assemble into a 22 nm particle and so was not useful as a vaccine. The counts in both interferences reflected the importance of this size and sedimentation rate by reciting a DNA expression vector which produces HBsAg "in particle form having a sedimentation rate which is virtually identical to that of the authentic 22 nm hepatitis surface antigen particles."

Hitzeman, the junior party to the interference, claimed that he had a complete conception of the invention by February 3, 1981. He presented evidence that on that date he had the materials to produce HBsAg in yeast and a "hope" that immunogenic particles would be produced. Hitzeman actually produced 22 nm particles in yeast on July 20, 1981, after alleged due diligence

from his asserted date of conception. Rutter was able to produce 22 nm HBsAg particles in yeast by June 30, 1981.

In awarding priority to Rutter, the Board had determined that the particle size and sedimentation rates were material limitations of the counts and that Hitzeman was required to show that he envisioned these limitations when he conceived of the invention. The Board found that Hitzeman's "hope" of producing such particles in yeast, on February 3, 1981, was not corroborated and even if it had been, a hope is not conception, but only a research plan or a general goal. Therefore, the Board concluded that Hitzeman had failed to show earlier conception than Rutter.

Hitzeman argued on appeal that the Board should not have required him to show that he had conceived of the sedimentation rate and size of the particle, because these were properties inherent to production in yeast. He further asserted that because he possessed the materials to produce HBsAg particles in yeast, he had demonstrated conception of them. The Federal Circuit disagreed.

The Court described "rare and special occasions" when a limitation might be deemed inherent and therefore might not have to be demonstrated, even though it was recited in the count. For instance, if a count recited the molecular weight of a compound, a party who did not know the molecular weight, but did know other identifying characteristics, such as water content and infrared spectrograph, would have sufficiently demonstrated it was in possession of a compound. In that instance, the molecular weight would add nothing to the demonstration that the compound was in the party's possession. The Court ruled that to invoke the inherent conception rule, the inventor needs to show that the allegedly inherent property adds nothing to the count beyond the other recited limitations and is redundant to the count. In the instant case, though, the Court found that the size and sedimentation rates were central to the patentability and utility of the claimed invention and provided the basis for distinguishing Hitzeman's claims from the prior art. Therefore, Hitzeman needed to show that he knew the size and sedimentation rate in order to demonstrate conception.

Hitzeman also asserted that his "hope" that particles of the correct size would be produced demonstrated conception. Because it was well known that only 22 nm particles were effective as vaccines and that previous attempts to produce such particles in bacteria had failed, Hitzeman argued that his "hope" was the only sensible route to producing an immunogenic protein. In rejecting this argument, the Court reiterated that conception is a definite and permanent idea of the complete and operative invention that could be conveyed to another skilled in the art, not a general goal or research plan.

The Court found that Hitzeman's hope and resulting research plan to produce the correct particles in yeast were not sufficient to be conception. Furthermore, the Court found that Hitzeman did not even have a reasonable expectation that yeast would produce the particles. The lack of a reasonable expectation of the limitations was evident in Hitzeman's own publications, written after his alleged conception, in which he postulated that yeast may not, in fact, be able to produce 22 nm particles. Therefore, even after producing the particles, Hitzeman did not know of the mechanism by which they were made and so could not have predicted that they would be made.

Prior Invention Leaves Insecticidal Gene Patent Invalid

Walter W. Brown

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

In *Mycogen Plant Science, Inc. v. Monsanto Co.*, No. 00-1001 (Fed. Cir. Mar. 12, 2001), the Federal Circuit affirmed a district court verdict of noninfringement based on patent invalidity due to prior invention under 35 U.S.C. § 102(g).

Mycogen Plant Science, Inc. and Agrigenetics, Inc. (collectively "Mycogen") sued Monsanto Company, DeKalb Genetics Corporation, and Delta and Pine Land Company (collectively "Monsanto") for infringement of Mycogen's U.S. Patent Nos. 5,567,600 ("the '600 patent") and 5,637,862 ("the '862 patent"). A jury found no infringement and invalidity based on Monsanto's prior invention.

Arising from the same parent application, the '600 and '862 patents, both entitled "Synthetic Insecticidal Crystal Protein Gene," are directed to genetically engineered plant genes. Specifically, the relevant patent claims involve genetic engineering for the expression of Bt proteins, pesticides naturally produced by certain bacteria, in a variety of plants. Expression of the gene allows plants to make their own insecticides. To successfully integrate the native Bt gene into plants, the gene's DNA sequences were modified for improved expression in plant systems. In particular, many of the modifications disclosed in the Mycogen patents involved changing the frequencies of duplicative amino acid encoding sequences, called codons, in the natural Bt gene to those frequencies of use preferred in plant cells.

At trial, the jury's findings indicated that Monsanto's products did not infringe the patents-in-suit and that earlier Monsanto research anticipated both patents as having constituted prior invention of the claimed subject matter. Because this same research led to what the jury considered

noninfringing products, Mycogen asserted that the jury verdict was inconsistent. However, the district court subsequently granted Mycogen's JMOL that the Monsanto products literally infringed the patents.

With regard to claim interpretation, Mycogen contended that the district court's interpretation of the language "greater number of codons preferred" present in several claims of the '600 patent was incorrect. Mycogen contended that this language refers to those codons that appear *most* frequently for each amino acid. The district court defined a "preferred codon" to be *any* codon with a higher frequency of use in the host plant than the native Bt gene and, in turn, brings the modified Bt gene's frequency of codon usage closer to that of the intended plant host. Thus, Mycogen's definition only allows for one preferred codon, whereas the district court's definition allows for more than one codon.

The Court affirmed the district court's interpretation based upon the claims themselves. Finding both the patent specifications and prosecution histories inconclusive, the Court turned to the plain meaning of the claims. First, the Court noted that Mycogen did not literally use the term "most preferred codon" when it could have added this language to the claims. Second, the Court disagreed with Mycogen that this language as interpreted by the district court was synonymous with other claim language specifying a frequency of codon usage which more closely resembles the host plant. Also, the Court observed that a shortened Bt gene sequence, without any substitutions, could result in a closer frequency resemblance to the plant host, but not in a greater number of preferred codons. Thus, a distinction exists between these two pieces of claim language, which the district court correctly did not treat as identical.

Mycogen also objected to the district court's jury instructions regarding the doctrine of simultaneous conception and reduction to practice as it related to Monsanto's anticipatory research. Mycogen contended that the doctrine could only apply to product claims and, in any event, was a question of law that cannot be submitted to a jury. The Court rejected both arguments, finding that the doctrine is properly applicable to either product or method claims in an unpredictable art such as biology. Given the proper jury instructions, the Court ruled, this was a question of law that could be properly submitted to a jury.

With regard to prior invention, the Court found that the dispute centered entirely on Monsanto's appreciation of the results of their research. Finding that Monsanto's research efforts constituted a reduction to practice of the claimed invention of the Mycogen patents, the Court focused on Mycogen's argument that Monsanto did not have a

true reduction to practice because their researchers did not have an appreciation for having used the claimed methods of the Mycogen patents. The Court packaged Mycogen's argument as one of "accidental anticipation," then rejected it, noting that Monsanto was specifically conducting research directed towards finding a synthetic gene for improved Bt expression. In addition, the Court pointed to the testimony of Monsanto's researchers that demonstrated their appreciation of the key claim limitations. The Court concluded that this was sufficient proof that Monsanto's discovery was not accidental.

Reduction to Practice Cannot Be Established *Nunc Pro Tunc*

Barry D. Biddle

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

In *Cooper v. Goldfarb*, No. 00-1046 (Fed. Cir. Mar. 2, 2001), the Federal Circuit affirmed the Board's decision that work by David Goldfarb did not inure to the benefit of Peter Cooper, entitling Goldfarb to priority.

The subject matter at issue concerned an artificial vascular graft made of expanded polytetrafluoroethylene ("PTFE"). The process of expanding or stretching PTFE results in a material having a microstructure consisting of solid PTFE "nodes" interconnected by a network of tendril-like "fibrils." Research into the use of expanded PTFE as a material for fabricating vascular grafts began in 1972. Peter Cooper, then a plant manager for W.L. Gore & Associates, initiated and managed an experimental investigation on the suitability of expanded PTFE as a graft material. In connection with this investigation, Cooper sent expanded PTFE graft samples to a number of surgical researchers throughout the country for implantation and testing. By May 1973, Cooper had concluded, based on the preliminary results of this investigation, that expanded PTFE could be successfully used as a vascular graft material.

Goldfarb, then at the Arizona Heart Institute, was among those who received grafts from Cooper for testing. Using samples provided by Cooper, Goldfarb conducted a series of experiments involving animal subjects that concluded in June 1973. One of the grafts that was surgically implanted by Goldfarb remained unobstructed by clots and allowed blood to flow in the animal subject for twenty-one days, satisfying the investigational criteria for a successful graft.

In September 1983, the Board declared an interference between patent applications filed,

respectively, by Cooper, the senior party, and Goldfarb, the junior party, claiming an artificial vascular graft made from expanded PTFE. Particular to the interference count was the length of the fibrils. The interference proceeding before the Board extended over a twelve-year period. On October 18, 1995, the Board issued its final decision, concluding that Goldfarb had reduced the invention to practice by July 1973. Because Cooper, according to the Board, had failed to establish an earlier reduction to practice and diligence, the Board awarded priority to Goldfarb. This decision was affirmed by the Federal Circuit in *Cooper v. Goldfarb*, 154 F.3d 1321 (Fed. Cir. 1998) (“*Cooper I*”), but the Court remanded the case to the Board because the Board had failed to consider whether Goldfarb’s work inured to the benefit of Cooper. On remand, the Board determined that the relationship between Cooper and Goldfarb was such that Goldfarb’s work did not inure to Cooper’s benefit.

On appeal, Cooper argued that the Board had erred by (1) placing too much weight on the fact that he had not conceived the invention when he sent the grafts to Goldfarb for testing, and (2) determining that the relationship between Goldfarb and him did not support the inurement claim. Regarding the first issue, the Federal Circuit agreed with Cooper, holding that it is not required, for an inurement claim, that the inventor have conceived the invention before he asks another person to test the material relied upon to establish reduction to practice.

Regarding the second issue, however, the Federal Circuit agreed with the Board, holding that the relationship between Cooper and Goldfarb did not support an inurement claim. Cooper argued that too much emphasis was placed on his relationship with Goldfarb, while the fact that Goldfarb was working at Cooper’s request when he reduced the invention to practice was being overlooked. In short, Cooper argued that the Board had erred in finding no inurement merely because he did not have a right to control Goldfarb’s work.

The Court noted that to establish reduction to practice, Cooper must prove that he made an embodiment of his invention that met all of the limitations of the interference count. Thus, in this case, Cooper had to establish that he had made the expanded PTFE material having fibril lengths within the scope of the interference count and determined that the material would be useful as a vascular graft. Because Cooper could establish neither of these, he then had to rely on the benefit of Goldfarb’s work.

In analyzing whether Goldfarb’s knowledge of the fiber lengths of the tested material inured to the benefit of Cooper, the Federal Circuit considered (1) whether Cooper had conceived the fibril-length limitation of the interference count,

(2) whether Cooper had an expectation that the expanded PTFE material that he furnished to Goldfarb had the required fibril lengths, and (3) whether Cooper submitted the material to Goldfarb for testing to determine whether it had the required fibril lengths. While the Court found that Cooper had conceived of the fibril-length limitation, it held that Cooper had set forth no evidence of communication to Goldfarb indicating that the material had been submitted to Goldfarb for a determination of its fibril length. The Court found instead that Cooper was focusing on the porosity of the material, not its fibril length. Thus, the Federal Circuit held that Cooper’s failure to convey any information or requests regarding fibril length prevented Goldfarb’s determination of the fibril lengths of the material from inuring to Cooper’s benefit.

Patentee of Golf Club Patents May Want a “Mulligan”

Les I. Bookoff

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

In *Karsten Manufacturing Corp. v. Cleveland Golf Co.*, No. 99-1234 (Fed. Cir. Mar. 22, 2001), the Federal Circuit affirmed the grant of SJ of the district court that Cleveland Golf Company’s (“Cleveland”) 792 golf club set does not infringe Karsten Manufacturing Corporation’s (“Karsten”) U.S. Patent Nos. 4,621,813 (“the ‘813 patent”) and 5,193,805 (“the ‘805 patent”). The Federal Circuit also affirmed the SJ grant of invalidity of claims 1-6 of Karsten’s U.S. Patent No. 5,297,803 (“the ‘803 patent”), but reversed that grant as to claims 7-8 of that patent.

The invention of the ‘813 patent relates to the distribution of mass on fairway irons in order to increase the golf club’s moment of inertia. The district court ruled that the claim preamble recitation of a “correlated set” of clubs limited the claims to two or more clubs which contain the same design characteristics and are sold together as a set. The Federal Circuit agreed, based on the description of the invention in the specification, evidence of customary usage of that term, and the inclusion of that term in every claim. Also based on the description in the specification, the Federal Circuit confirmed the district court’s construction of the claim term a “back surface adjacent said indented trailing edge” of the golf club as excluding surfaces with a cavity in the back of the club and requiring that the surface must slope upward and inward.

Based on these claim constructions and the lack of a dispute as to the structure of Cleveland’s golf clubs, the Federal Circuit affirmed that

Cleveland's clubs do not literally infringe the '813 patent. The Federal Circuit also ruled that prosecution history estoppel precluded Karsten from asserting equivalence infringement against Cleveland's clubs, under either *Festo* or estoppel law prior to *Festo*. The Court therefore affirmed the SJ grant of noninfringement of the '813 patent.

The '805 patent relates to a head of a golf club iron that includes an enlarged mass at its upper corners, called heel and toe protuberances. In the '805 patent, the broadest claim does not require a "correlated set," but does require that the lower back surface slope upwardly and inwardly, as in the '813 patent. The Federal Circuit affirmed the district court's construction of this term in the same way as in the '813 patent. Reviewing each Cleveland club separately, the district court found, and Cleveland did not dispute, that Cleveland's 2-iron and D-wedge literally embody this limitation.

Based on the prosecution history, the district court required, and the Federal Circuit confirmed, that the claimed heel and toe protuberances bulge beyond the surrounding surfaces and that Cleveland's 2-iron and D-wedge do not literally have such protruding bulges. The Federal Circuit once again ruled that prosecution amendments and arguments to overcome a rejection barred assertion of equivalency. Therefore, the Court affirmed the SJ grant of noninfringement of the '805 patent.

The district court held invalid claims 1-6 of the '803 patent as anticipated by a prior art Wilson golf club and held invalid claims 7-8 as obvious over the Wilson club in view of a prior art reference to Antonious. The Federal Circuit first recognized the difficult balance between reading claims narrowly to preserve validity as opposed to broadly and unlimited to specific embodiments, which can result in the claim's reading on the prior art and its invalidity. As the Court mentioned, this becomes more difficult when the asserted prior art was not cited to the PTO, as is the case with the Wilson club, and the court is urged to reexamine the patent with a narrower scope. The Federal Circuit affirmed the finding of invalidity as to claims 1-6, even though the specific embodiments pictured in the '803 patent are not identical to the Wilson club, because the role of claim construction is to describe the claim scope as intended when examined and obtained, not as it might have been on a different prior art record.

As to claims 7-8 of the '803 patent, however, the Federal Circuit reversed the finding of obviousness as a matter of law and remanded for a determination of infringement. The Federal Circuit found that the Wilson club, as described by a reference, and the Antonious reference had conflicting teachings that could not be viewed as suggesting their combination.

Patentee Cannot "Cash In" on Computer Caching Patent

Vince Kovalick

[Judges: Newman (author), Archer, and Clevenger (dissenting)]

In *Network, LLC v. Centraal Corp.*, No. 99-1257 (Fed. Cir. Mar. 14, 2001), the Federal Circuit affirmed a SJ of noninfringement concerning U.S. Patent No. 5,764,906 ("the '906 patent") concerning a system for locating and retrieving information on a distributed computer system or network, such as the Internet.

Network, LLC ("Network") owns the '906 patent. Centraal Corporation ("Centraal") sells accused systems having the brand name RealNames. In construing the claims, the district court construed claim 1 as directed to a system wherein a "local server computer" maintains a "cache" or limited data base of aliases, and "pulls" information when needed from a central registry computer. Network argued that these interpretations impermissibly imported limitations into claim 1 from the specification and other claims.

Looking to the teachings of the specification, the Federal Circuit affirmed the district court's claim construction of the claim element "local server computer" as requiring a limited data base of aliases that may be updated from a central registry computer.

As to infringement, the Court observed that the accused RealNames system includes two groups of resolver computers, one on the East Coast and one on the West Coast of the United States. Neither functions as an intermediary local server as in the '906 patent. Instead, each resolver group has a complete copy of the RealNames data base. The resolver computers do not request updated RealNames metadata from a central computer. Rather, a central computer updates the resolvers by periodically transmitting unsolicited data to the resolvers. Accordingly, the Federal Circuit agreed that the RealNames computer system does not contain a local server counterpart of the limited data base "caching" function or the "pulling" of information by the local server from a central registry. As to the DOE, the Federal Circuit concluded that the Centraal system resolver computers serve as copies of central registry, but do not serve as a local server computer or the equivalent thereof. Thus, the Centraal system does not meet the all-elements rule.

Concerning one evidentiary issue of interest, the Court ruled that an inventor's communication to his patent attorney prior to the filing of the application is not dispositive of the scope of a later filed patent or the construction of the claims. The communica-

tion, however, if not asserted as privileged, may be given whatever weight its content and circumstances warrant.

Judge Clevenger dissented, arguing that it was improper for the majority to read the limitations into claim 1 in its claim construction because those limitations were recited in dependent claim 6. Moreover, Judge Clevenger found that the specification describes both “push down” and “pulling” periodic updating of information from a central registry.

Intel Is Not Licensed Under Intergraph’s Patents

Vince Kovalick

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

In *Intergraph Corp. v. Intel Corp.*, No. 00-1048 (Fed. Cir. Mar. 1, 2001), the Federal Circuit reversed a district court decision of SJ that held that Intel Corporation (“Intel”) was licensed to practice the inventions of Intergraph Corporation’s (“Intergraph”) four U.S. patents.

The license issue arose from a history of mergers and acquisitions between companies dealing with semiconductor and microprocessor technology. The patents at issue were developed by the Advanced Processor Division of Fairchild Semiconductor Corporation (“Fairchild”). In 1987, Intergraph arranged to purchase the Advanced Processor Division from Fairchild, including the technology of the relevant patents and pending patent applications. Intergraph and National Semiconductor Company, the parent of Fairchild, entered into a Purchase Agreement whereby Fairchild was to transfer and deliver to Intergraph all assets of the Advanced Processor Division. These transactions were carried out at a closing on October 8, 1987.

The issue on appeal was whether, during the course of the asset transfer, the relevant patents granted to Intergraph became included in an existing cross-license agreement (“the Agreement”) between National Semiconductor and Intel that had been entered in 1976. Intergraph argued that National Semiconductor did not acquire ownership or control of the patents during the asset transfer and no license occurred because the Agreement requires consent by any subsidiary before its patents are included in the cross-license.

The Federal Circuit ruled that although the transfer of Fairchild to National Semiconductor and of the Advanced Processor Division to Intergraph were conducted in sequence on the same day, the order of the proceedings did not vest National

Semiconductor with the right to encumber any property that it momentarily possessed until the next document was signed. Intel’s contrary interpretation, the Court ruled, is too strained to be supported. The Purchase Agreement, dated a week before the closing, makes clear that National Semiconductor would cause Fairchild to sell the Advanced Processor Division assets directly to Intergraph, free and clear of all encumbrances not assumed by Intergraph.

State’s Ability to Take Disciplinary Action Against Patent Attorney Is Not Preempted by Federal Law

Vince Kovalick

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

In *Kroll v. Finnerty*, No. 00-1176 (Fed. Cir. Mar. 21, 2001), the Federal Circuit vacated a district court’s grant of SJ in favor of Frank Finnerty (nominal Defendant for the New York State Grievance Committee, or “Grievance Committee”), and remanded with instructions to dismiss for lack of subject matter jurisdiction. The Federal Circuit found that the Complaint simply failed to invoke federal question jurisdiction under 28 U.S.C. § 1331 or patent jurisdiction under 28 U.S.C. § 1338(a).

Michael Kroll is a member of the Bar of the State of New York and is registered to practice before the PTO. In response to certain grievance reports, the Grievance Committee initiated disciplinary action against Kroll. In particular, one inventor for whom Kroll prepared a patent application complained that Kroll, after preparing and filing a patent application, ignored her concerns about possible acts of infringement and failed to contact her after the PTO had rejected her application.

Kroll charged a second inventor \$21,000 to prepare several dozen drawings, but never finalized an application. Kroll ignored requests by the inventor to return his files, even after the inventor terminated Kroll’s representation.

Kroll charged the credit card of a third grievant on three separate occasions, although he had been authorized to make only a single charge to initiate a patent application.

After the Grievance Committee began its investigation, Kroll sued in the U.S. District Court for the Eastern District of New York, seeking a DJ that federal patent law preempts the Grievance Committee subject matter jurisdiction to consider the alleged grievances. The district court disagreed and granted SJ in favor of the Grievance Committee.

The Federal Circuit concluded that the federal statutes 35 U.S.C. § 2(b)(2)(D) and 35 U.S.C. § 32 do not create the cause of action asserted by Kroll and show no intent to preempt the authority of states to punish attorneys who violate ethical duties under state law. Where these statutes permit the PTO to discipline patent practitioners, the PTO and the states may share jurisdiction over these disciplinary matters, but this does not mean that the state's authority is preempted. The Court ruled that Kroll's allegations of preemption were so attenuated and unsubstantiated that they were absolutely devoid of merit. As such, the district court lacked jurisdiction to proceed to the merits of the case, which must be dismissed for lack of jurisdiction.

Willfulness and Opinions of Counsel

Matthew DelGiorno

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

In *Crystal Semiconductor Corp. v. Tritech Microelectronics International, Inc.*, No. 99-1558 (Fed. Cir. Mar. 7, 2001), the Federal Circuit affirmed the district court's partial SJ of infringement, its JMOL denying price erosion damages, its denial of prejudgment interest, and an increase of damages due to willfulness. The Court also vacated JMOL of no on-sale bar and reversed JMOL of no lost profit damages.

Crystal Semiconductor Corporation ("Crystal") sued Tritech Microelectronics International, Inc. ("Tritech") and OPTi, Inc. ("OPTi") for infringement of three patents relating to analog-to-digital ("A/D") converter technology. Tritech manufactures A/D converters, which it sells to OPTi for sale in the United States. After construing the claims, the district court entered partial SJ of infringement of two of the patents, U.S. Patent Nos. 4,746,899 ("the '899 patent") and 5,220,483 ("the '483 patent"). The case then proceeded to trial. At the close of evidence, but before jury deliberation, the district court granted JMOL that the third patent, U.S. Patent No. 4,851,841 ("the '841 patent") was not invalid due to an alleged on-sale bar. The jury held against Tritech and OPTi on other defenses (not appealed), and awarded lost profit damages, price erosion damages, and a reasonable royalty. The district court subsequently denied Crystal the lost profits and price erosion awards due to the lack of supporting evidence and denied prejudgment interest. The district court doubled the reasonable royalty award, however, based on the jury's finding of willfulness.

Infringement

On appeal of the partial SJ of infringement, the Federal Circuit first construed disputed terms in the '483 and '899 patent claims. The '483 patent recites a capacitor structure "having" one layer "disposed over a portion" of another layer. The parties disputed whether this language covered complete, rather than partial, overlap of the layers. The Federal Circuit explained that the indefinite articles "a" or "an" mean "one or more" in claims containing open-ended transitional phrases. Here, the transitional phrase is "having," which can be open or closed depending on its usage. Based on an examination of the rest of the claim language and the specification, the Federal Circuit concluded that "having" has an open meaning and, therefore, that the term "a portion" means "at least a portion." Under this interpretation, the Court concluded, the accused devices meet the claim element.

For the '899 patent, the Federal Circuit reviewed the district court's construction of the phrase "a first clock signal." The Federal Circuit decided that because the claim uses "comprising" as the transitional phrase, the claim element encompasses the use of one or more clocks. Noting further that nothing in the written description or the prosecution history limited the claims to exactly one clock, the Federal Circuit affirmed the district court's construction and judgment of infringement.

Willfulness

Tritech received notice of the '483 and '841 patents with the filing of the lawsuit. Tritech had known of the '899 patent, however, since 1994. Tritech attempted to design around the '899 patent, but did not seek advice of counsel. The jury found Tritech to have willfully infringed all three patents. Tritech appealed this finding concerning the '483 and '841 patents, arguing that its defenses were not frivolous and relying on *Gustafson, Inc. v. Intersystems Industrial Products, Inc.*, 897 F.2d 508 (Fed. Cir. 1990). The Federal Circuit upheld the finding, noting that Tritech did not obtain an opinion of counsel after suit was filed, and that defenses prepared for a trial are not equivalent to a competent legal opinion. The Court specifically ruled that *Gustafson* did not hold, as a matter of law, that a party that continues its accused infringing activity after a patentee files suit cannot be guilty of willful infringement as long as that party presents a nonfrivolous defense to infringement. The Federal Circuit also pointed to evidence of copying to support its decision.

On-Sale Bar

Before the critical date, Crystal received a pur-

chase order for five chips embodying the '841 invention. Crystal recorded revenue for the chips prior to the critical date, but did not ship the parts until after. Crystal alleged that it placed the purchase order on hold and did not accept it until after the critical date. Also prior to the critical date, Crystal shipped two chips to a distributor, which Crystal later characterized in a letter and in a Mask Work Registration as the first commercial exploitation of its chip. Crystal contended that this shipment did not qualify as a sale because it was an engineering sample of no value that it had shipped to a customer site at no charge for confidential testing. Construing this evidence in a light most favorable to Crystal, the Federal Circuit decided that the jury should have decided the issue and therefore vacated the JMOL of no on-sale bar.

Damages

Crystal sought, and the jury awarded, lost profits for about 40% of Tritech's infringing sales. The district court determined, however, that the testimony of Crystal's expert was unreliable and did not constitute substantial evidence of entitlement to lost profits. Although OPTi had conceded that the evidence supported a lesser award of lost profits, the district court had vacated all lost profits, leaving Crystal without compensation for 40% of the infringing sales. The Federal Circuit examined the other evidence of record, including the testimony of Tritech's and OPTi's experts and the testimony of Crystal's other fact witnesses, and concluded that the evidence supported the jury award even without the testimony of Crystal's expert.

On price erosion, the Federal Circuit agreed with the district court that the record did not support any award of damages. To calculate price erosion damages, Crystal's expert selected a product similar to the patented product and compared performance of that product in a market free of infringement with the performance of the patented product in the market affected by infringement. The Federal Circuit rejected this methodology because the market chosen by the expert was not as competitive as the market at issue. The Federal Circuit also rejected Crystal's theory because it did not take into account supply and demand. That is, if Crystal had sold its chips at higher prices, it would have sold fewer chips. The Federal Circuit further opined that lost sales and price erosion are inextricably linked, and Crystal's failure to take into account the effect of fewer sales on its profits further undermined its analysis.

Prejudgment Interest

The district court denied prejudgment interest because Crystal had delayed several years in filing suit and because Crystal had engaged in litigation tactics that delayed the disposition of the suit. On

appeal, the Federal Circuit noted that, although an award of prejudgment interest is the rule, not the exception, the district court did not abuse its discretion in refusing to award prejudgment interest on the facts of this case.

Festo Has Retroactive Effect on Cases Still Open on Appeal

P. Alan Larson

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

In *Insituform Technologies, Inc. v. Cat Contracting, Inc.*, No. 99-1584 (Fed. Cir. Mar. 26, 2001) (nonprecedential decision), the Federal Circuit vacated the district court's judgment of infringement under the DOE in light of its holding in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000).

Insituform Technologies, Inc. ("Insituform") holds U.S. Patent No. 4,366,012 ("the '012 patent"), which discloses a process for repairing damaged sections of pipe without removing the pipe from the ground. Claim 1 defines a method of impregnating a flexible tube liner with resin prior to inserting the liner into the damaged pipe. The liner used in the process has an impermeable outer film and a resin-absorbent, felt layer on the inside. The inside of the liner is impregnated with resin using a vacuum. In particular, the claimed method includes cutting a window in the impermeable outer film, applying a vacuum cup ("cup") over the window, and connecting the cup to a vacuum source. The window is then sealed and the process is repeated down the length of a section of the liner.

Insituform complained that two processes infringe the '012 patent. The first process ("process 1") includes using 4 to 6 cups along with 4 to 6 corresponding windows to apply the vacuum to the liner interior. The second process ("process 2") involves multiple needles penetrating the outer film and felt liner to apply the vacuum.

In a previous decision, *Insituform I*, the Federal Circuit affirmed a district court's JMOL of no literal infringement and held that prosecution history estoppel did not preclude Insituform from asserting that claim 1 of the '012 patent was infringed under the DOE by process 1 or process 2. On remand, the district court found that both processes 1 and 2 infringed the '012 patent under the DOE.

The Federal Circuit, in *Insituform II*, upheld the district court's finding of infringement of process 1 under the DOE, but reversed as to process 2. The case was remanded on a damages issue.

On this appeal, the Defendants asked the Federal Circuit to apply the holding of *Festo* to the

Insituform I and II decisions. The Federal Circuit first considered whether *res judicata* or the law of the case doctrine permitted the *Festo* rule to be applied to judgments already rendered by the Federal Circuit. The Court concluded that in this case, the judgment it had rendered previously could not have a *res judicata* effect because it had been remanded back to the district court for further proceedings. Therefore, the Court reasoned, the judgment was still open for review on this appeal.

As to the doctrine of the law of the case, an exception has been established where controlling authority has since made a contrary decision. In this case, the Federal Circuit ruled, *Festo* represents an intervening change in controlling authority, which must be applied.

In applying *Festo*, the Court found that during prosecution, *Insituform* had replaced the original independent claim 1 with a new, narrower independent claim. The new claim included a limitation as to the number of vacuums to be used, which narrowed that limitation. This narrowing amendment prevents *Insituform* from relying on any range of equivalents for this claim limitation. Thus, the accused process 1, which uses multiple cups, cannot infringe under the DOE.

Accordingly, the Court remanded the case with instructions to vacate the previous judgment of infringement and damages award.

“There Is Simply ‘No There There’”

Gregory A. Chopskie

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

In *Research Corp. Technologies, Inc. v. Gensia Laboratories, Inc.*, No. 00-1166 (Fed. Cir. Mar. 23, 2001) (nonprecedential decision), the Federal Circuit affirmed a district court’s holding that the claims-in-suit were invalid for obviousness-type double patenting.

Research Corporation Technologies, Inc. (“Research”) charged Gensia Laboratories, Inc. (“Gensia”) with infringement of U.S. Patent No. 5,562,925 (“the ‘925 patent”) by Gensia’s filing of an Abbreviated New Drug Application with the Food and Drug Administration. The ‘925 patent claims platinum complexes used for treating cancer. Independent claim 1 claims a platinum-complex composition that must be protected from light and that is suitable for therapeutic administration by injection. Dependent claim 2 claims the composition of claim 1 dissolved in a stabilizing amount of saline.

The district court had held that the asserted claims of the ‘925 patent were invalid for obviousness-type double patenting in view of U.S. Patent

Nos. 4,177,263 and 4,339,437 (collectively “the method patents”) in combination with other references. Those patents claim methods of treating cancer in animals using platinum complexes. The district court had held that the only material difference between the claims of the ‘925 patent and the claims of the method patents was that the asserted claims of the ‘925 patent recite that the platinum complexes must be protected from light. Based on prior art references teaching that platinum complexes were degraded in light, the district court had concluded that the asserted claims were invalid for obviousness-type double patenting.

On appeal, the Federal Circuit affirmed the district court’s construction of the claim phrase “protected from light,” ruling that the phrase was merely a direction for care and did not add an additional limitation to the structure of the composition. “There is simply ‘no there there,’” the Court stated. *Research Corp.*, slip op. at 10 (citation omitted).

Since the phrase “protected from light” was nonlimiting, the Federal Circuit held that it could not be a basis for distinguishing the composition claims over the prior method patents.

The Federal Circuit also concluded that the phrase “suitable for therapeutic administration by injection in solution” was not a patentable distinction over the method patents. Instead, the Court held that the method claims were also directed towards administration of therapeutic compositions. Similarly, the Federal Circuit rejected Research’s arguments that the phrase “dissolved in a stabilizing effective amount of saline or buffer solution” was a patentable distinction of the ‘925 patent claims over the method patents. According to the Federal Circuit, both the ‘925 patent and the method patents, which each share the same specification, employ saline to stabilize the solution of the platinum complexes and, thus, that recitation in the ‘925 patent could not be an unobvious distinction between the patents.

Claims Not Supported by Sufficient Written Description

Adam Avrunin

[Judges: Clevenger (author), Mayer, and Rader (dissenting)]

In *In re Jones*, No. 00-1414 (Fed. Cir. Mar. 16, 2001) (nonprecedential decision), the Federal Circuit affirmed the Board’s decision sustaining a final rejection of certain claims of a patent application by Shedrick Jones concerning a dental implant. The claims had been rejected under 35 U.S.C. § 112, ¶ 1, for not meeting the written description requirement.

The Jones patent application shows the implant as roughly cylindrical with a rounded distal end. One attaches an artificial tooth to the proximal end of the implant that is located opposite the distal end. A helical channel runs from the distal end to the proximal end of the implant.

To install the implant, a hole is drilled into the jawbone and some of the removed bone is crushed and placed back into the hole. The implant is screwed into the hole, causing crushed bone particles to travel up the helical channel. The crushed bone encourages bone growth around the implant, causing the implant to be securely held over time.

The rejected independent claims recite a “flat distal end” limitation and a “helical channel having closed ends.” Jones had added both limitations in response to prior art rejections.

The Federal Circuit pointed out that neither limitation appears in the written text of the specification, the drawings, or the claims of the originally filed application.

Jones argued, however, that the “flat distal ends” limitation is inherently disclosed in the original application, which should include “reasonable variations” about which one skilled in the art would know. Rejecting this argument, the Court reasoned that considerable speculation is required to find that a person of ordinary skill in the art would understand that the contested limitations are disclosed.

Regarding the “helical channel having closed ends” limitation, Jones argued that it is inherently disclosed in the application because the application discloses a helical channel and, as a matter of logic, a helical channel must have ends that are either open or closed. The Court disagreed with Jones, agreeing instead with the Examiner that the application teaches away from the “helical channel having closed ends” limitation because the specification suggests that open ends are needed to distribute the crushed bone correctly during insertion of the implant.

Accordingly, the Federal Circuit concluded that substantial evidence supported the Board’s finding that claims 6 and 15 are unpatentable because they do not meet the written description requirement of 35 U.S.C. § 112, ¶ 1.

Judge Rader dissented, concluding that the Board had improperly speculated about the knowledge of one of ordinary skill in this art. He would have preferred to see the Board reject the claims as obvious given Jones’s concessions.

Equivalence Remains a Question of Material Fact When Specific, Detailed Evidence by Dueling Expert Witnesses Is Submitted

Steven L. Park

[Judges: Clevenger (author), Schall, and Dyk]

In *Medical Device Technologies, Inc. v. C.R. Bard, Inc.*, No. 00-1378 (Fed. Cir. Mar. 27, 2001) (non-precedential decision), the Federal Circuit held that Medical Device Technologies, Inc. (“MDT”) had raised material issues of fact as to infringement, rendering inappropriate a SJ of noninfringement.

MDT sued C.R. Bard, Inc. (“Bard”) for patent infringement of U.S. Patent No. 5,092,870 (“the ‘870 patent”), which is directed to spacer clips designed to maintain the relative spacing between a biopsy needle’s inner and outer needles. A biopsy needle is a specialized apparatus with two basic parts: an inner needle that has a hollowed-out portion for holding a tissue sample, and a hollow outer needle that slides over the inner needle. The ‘870 patent discloses a main body to which two splines are joined by connecting “webs.” The splines are resistively flexible and have hook members (or handles) on each end. To operate the spacer clip, the user presses in on the middle of the flexible splines that causes the splines to bow outwards, moving the hook members outward and allowing them to be placed around, or removed from, the plungers of the inner and outer needles of the biopsy needle. When the hook members engage the plungers, the inner and outer needles are maintained at a uniform separation.

The only claim at issue in the case comprised three limitations: (1) support body means, (2) handle receipt means, and (3) handle disengagement means. The district court construed all three limitations as means-plus-function limitations pursuant to 35 U.S.C. § 112, ¶ 6, and granted SJ based upon a finding that the allegedly infringing device did not infringe the “handle disengagement means” limitation of the claim. The district court’s analysis focused on the requirement that the infringing device contain identical or equivalent structure to the handle-disengaging means structure of the ‘870 patent. According to the Federal Circuit, however, this analysis improperly focused on only one portion of the handle-disengaging means structure—the

resistively flexible spline—whereas the district court had construed the handle-disengagement means as including both a spline and webs.

Following its precedent, the Federal Circuit reasoned that the individual components of an overall structure that corresponds to the claimed function are not claim limitations. Instead, the claim limitation is the overall structure corresponding to the claimed function, and further deconstruction or parsing is incorrect. Accordingly, the Court concluded, a proper analysis should compare the '870 patent's disengaging means with the infringing device's disengaging means, in order to determine if these two structures are identical or equivalent. A component-by-component analysis under § 112, ¶ 6, is not appropriate.

In addition, both parties presented expert declarations on the issue of infringement. The two expert declarations reached opposite conclusions as to whether the infringing device contains structure equivalent to the handle-disengagement means of the '870 patent. Because equivalence remains a question of material fact when specific, detailed evidence by dueling expert witnesses is submitted, the Federal Circuit held that SJ is inappropriate on this issue. For these reasons, the district court's decision was vacated and remanded for further proceedings consistent with the Court's opinion.

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Wanderer Monitoring System Not Infringed

F. Leslie Bessenger

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

In *Senior Technologies, Inc. v. R.F. Technologies, Inc.*, No. 00-1089 (Fed. Cir. Mar. 12, 2001) (non-precedential decision), the Federal Circuit affirmed a district court's ruling of noninfringement against Senior Technologies, Inc. ("Senior Tech") in favor of R.F. Technologies, Inc. ("RF Tech") on U.S. Patent No. 4,682,155 ("the '155 patent") and denied RF Tech's cross appeal of the district court's ruling on issues of claim indefiniteness, invalidity, inequitable conduct, and attorney fees.

The '155 patent is directed to a monitoring system for use in nursing homes, hospitals, and other care facilities. The system has a transmitter and sensing module that monitors patients that tend to wander away from the facility and sounds an alarm to warn the facility staff if a patient wanders too far off.

The Federal Circuit addressed Senior Tech's argument that the district court should not have excluded a microprocessor from the accused product when comparing the accused product to a

recited "receiving circuit" limitation recited in the claims. The specification defines a "receiving circuit" and its functionality to include accepting an input signal, processing the input signal in successive stages, and delivering the signal to an output stage, the Court observed. However, the district court's comparison of the "receiving circuit" to the accused products included circuitry preceding the microprocessor itself.

The Federal Circuit also disagreed with Senior Tech's argument that the "receiving circuit" need not lie in a single housing. Claim 1 recites a "means to enable the receiving circuit in the sensing module," indicating that the receiving circuit must be within the sensing module. This interpretation is consistent with the text and figures within the '155 patent specification. Further, the prosecution history reveals that amendments to claim 1 were made such that the "receiving circuit" would be located "in the sensing module" for clarifying reasons.

Claim 6 recites "a housing and a receiving circuit therein." In addition to the claim language, the specification confirms this interpretation with "a housing 174 in which the receiv[ing] circuit is located." Moreover, the prosecution history reveals an amendment to claim 6 incorporating the "housing" and "receiving circuit" (originally separate elements) into a single element. In light of this intrinsic evidence, the Federal Circuit concluded that the receiving circuit in claim 6 is also located within a housing.

Contrary to the district court's comparison, the Federal Circuit found that one of the accused products (the CA9000 model) could arguably meet the single-housing requirement while the remaining accused products could not and did not literally meet the claim limitation. The Federal Circuit further precluded expansion of the claim scope under the DOE because amendments were made to both claims 1 and 6 to overcome rejections. For these reasons, the Federal Circuit affirmed noninfringement of claims 1 and 6 for all but the accused CA9000 model.

The Federal Circuit also concluded that the proper location of an "associated sensing means" as recited in claim 1 was within the same "housing" as the "receiving circuit." The claim language defined the sensing module as "including a receiving circuit and associated sensing means." The specification reinforced this interpretation. Under the doctrine of claim differentiation, the Federal Circuit held that the "associated sensing means" in claim 1 is distinct from the "elongated sensing member" in claim 4. The Federal Circuit affirmed the district court's conclusion of noninfringement because the accused product's antenna (corresponding to the associated sensing means) is not within the same housing for literal infringement. Further, the Court ruled that

Senior Tech could not use the DOE to eviscerate the construed limitation.

The final claim construction issue related to the phrase “to enable the receiving circuit” in both claims 1 and 6. The district court had found this phrase to mean the same for both claims, but the Federal Circuit held that what is enabled in claim 1 is different than what is enabled in claim 6 by virtue of qualifying language in claim 1. The Federal Circuit resolved inconsistencies within the specification by interpreting claim 1 to require only partial enablement of the circuitry due to the surrounding qualifying claim language and claim 6 to require full enablement of the circuitry due to a lack of other qualifying claim language.

While the Federal Circuit found that the district court had erred in its interpretation of this phrase, it held the error to be harmless due to earlier conclusions of noninfringement for claim 1. For claim 6, the Federal Circuit found that the structure in the accused products corresponding to the “receiving circuit” does not have to be “enabled” to receive transmitted signals. Thus, the Federal Circuit also affirmed the district court’s conclusion of noninfringement of claims 1 and 6 by the accused CA9000 product.

On cross appeal, RF Tech challenged various district court conclusions. Addressing RF Tech’s arguments, the Federal Circuit held that the different requirements for “enabling” the “receiving circuit” resolved the apparent inconsistencies in the specification and RF Tech’s arguments on indefiniteness. Regarding invalidity under 35 U.S.C. § 102(b), the Federal Circuit affirmed that a news article that reported the success of a prototype system in a field test and the fact that early versions were installed in two nursing homes prior to the critical date without door switches failed to describe the invention with sufficient detail and failed to be a public-use event prior to the critical date, respectively. Additionally, the Federal Circuit affirmed that failure to cite the news article and the early prototype use failed to establish the threshold issue of intent to mislead the PTO. Finally, the Federal Circuit affirmed there was insufficient evidence to prove the case was an “exceptional case” by clear and convincing evidence.

Federal Circuit “Derails” Infringement on Railway Device Patent

Fariborz Moazzam

[Judges: Clevenger (author), Smith, and Dyk]

In *Pandrol USA, LP v. Airboss Railway Products, Inc.*, No. 00-1161 (Fed. Cir. Mar. 27, 2001) (non-

precedential decision), the Federal Circuit affirmed a district court’s SJ of noninfringement for the first of two patents, but vacated the district court’s SJ of noninfringement for the second.

Pandrol USA, LP and Pandrol Limited (collectively “Pandrol”), the largest supplier of restraint systems for holding railroad track in place on railroad ties, is the exclusive licensee of both patents-in-suit, U.S. Patent Nos. 4,463,898 (“the ‘898 patent”) and 5,110,046 (“the ‘046 patent”). The patents relate to two parts of a railroad track restraint system—rail fasteners and seat assemblies. Rail fasteners typically keep rails in place on railroad ties by exerting a downward force on the flange of a rail. Seat assemblies are inserted between the rail and the tie for various purposes, including electrical insulation, noise and vibration reduction, and abrasion resistance.

Claim 1 of the ‘898 patent recites a rail fastening system comprising two components that are “complementary” in shape to provide a wedgelike interfitting. The “complementary” shape is claimed in the form of a U wherein the corners of the U have a radius of curvature sufficient to provide a wedging action.

The claims at issue in the ‘046 patent recite an abrasion-resistant rail seat comprising, in part, an abrasion-resistant plate that is “wider than a rail and extending beyond the flange of the rail,” and a layer of “adhering material” between the abrasion-resistant plate and a rail tie for adhering the plate to the tie.

Airboss Railway Products, Inc., Airboss of America Corp., Robert M. Magnuson, and Jose R. Mediavilla (collectively “Airboss”) manufactures a three-piece seat assembly, similar in type to the one disclosed in the ‘898 patent, and a locking element used in rail fastening systems, such as the one disclosed in the ‘046 patent.

The district court construed the term “complementary” in the ‘898 patent to require that both the components be in “the shape of a U with curved corners.” With respect to the ‘046 patent, the district court construed “wider than said rail” to mean that the abrasion-resistant plate must be wider than the rail along its entire length, including within any cutout portions. It also construed “adhering material” to be “a layer of adhesive, such as a glue or epoxy, that bonds the plate to the tie.” Based on these constructions, the district court granted Airboss’s motion for SJ of noninfringement.

Pandrol urged the Federal Circuit to adopt a construction of the term “complementary” that would mean “a shape that accomplishes the function specified in the claim.” The Federal Circuit held that this construction was too broad because the patentee chose to include the term “complementary” in the claim language. As noted by the district court in its claim construction order, this language indicated that a “complementary” locking

element would at least have a shape that is rounded to fit the clip holder. Hence, the Federal Circuit affirmed the district court's claim construction. Because Pandrol had conceded that the accused locking element does not have curved corners, the accused device did not fulfill the requirement that the locking element be "complementary" with the clip holder in the manner recited in the claim.

The Federal Circuit then addressed the district court's construction with regard to the two phrases in the '046 patent. The prosecution history of the '046 patent revealed that the "wider than said rail" language was introduced as part of a broader limitation that was added by amendment to distinguish a prior art patent having an abrasion plate that was "substantially the same width as said rail flange." It further revealed that the "extension" related only to the corner "extensions" of the plate, as opposed to the cutout portions. Based on this evidence, the Federal Circuit concluded that the limitation "being wider than said rail and extending beyond the flange of said rail" only applied to the corner portions of the plate, and not along the rail's entire length.

With regard to the district court's construction of the "adhering material" limitation, Airboss argued that "adhering" essentially means "bonding." Although "bonding" was used in the specification, the passage in which it appears could be read so that the term refers to the epoxy resin adhesives that comprised the first of two preferred embodiments of the invention. The second preferred embodiment contemplates the use of "an HDPE closed cell foam" in lieu of the epoxy resin adhesives. Furthermore, the dictionary definition of "adhere" indicates that bonding is not the only way to get two objects to "adhere" to one another. Even during prosecution, the Examiner used the word "adhere" broadly to include a plate being fastened down by nails or spikes. The Federal Circuit concluded that the district court had unduly restricted the limitation of "adhering material" to "a layer of adhesive, such as a glue or epoxy, which bonds the plate to the tie."

Thus, the Federal Circuit affirmed the district court's judgment with respect to the '898 patent because the accused components did not satisfy the "complementary" limitation. However, because the district court had incorrectly construed "wider than said rail" and "adhering material," the Court vacated the judgment with respect to the '046 patent and remanded for further proceedings consistent with the opinion.

Sock Patent Found Invalid

Chad D. Wells

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

In *Herman v. William Brooks Shoe Co.*, No. 00-1228 (Fed. Cir. Mar. 12, 2001) (nonprecedential decision), the Federal Circuit affirmed a district court's grant of SJ of patent invalidity for anticipation.

Jack Herman had charged L.L. Bean, Inc. and several other Defendants (collectively "L.L. Bean") with infringement of U.S. Patent No. 4,550,446 ("the '446 patent"). The '446 patent is directed to footwear designed to keep a user's feet dry from the outside while allowing evaporation of moisture from the feet through the insert material. Claim 1 is directed to a sock formed of a material being substantially waterproof from the outside and moisture vapor permeable from the inside.

L.L. Bean moved for SJ of invalidity of claim 1 in view of U.S. Patent No. 4,204,345 ("the '345 patent"). The '345 patent is directed to a "liquid impermeable sock member" that is air permeable. The '345 patent describes the sock material as being preferably air permeable and lists several suitable plastics.

At a *Markman* hearing, Herman conceded that all elements of claim 1 of the '446 patent, except for the moisture-vapor-permeable element, were disclosed in the '345 patent. After reviewing the '345 patent, the district court found that an air-permeable material allowed transmission of air and water vapor. As a result, the district court held that all elements of claim 1 of the '446 patent were disclosed by the '345 patent; therefore, claim 1 was anticipated and invalid.

On appeal, Herman argued that the terms "air permeable" and "moisture vapor permeable" are not the same. In addition, Herman argued that the '446 patent disclosed Gore-Tex, which has a higher transmission rate of water vapor than the materials listed in the '345 patent, as being one of the insert materials. The Court found neither argument persuasive. Herman's own expert admitted that the materials listed in the '345 patent would allow transmission of water vapor through the material. In addition, the Court was unwilling to read the water transmission rate of the Gore-Tex material into the claim. As a result, it affirmed the district court's grant of SJ.

Displayed Instructions on Payphone Do Not Meet Claim Requirement for Spoken Instructions

Chi H. Kang

[Judges: per curiam]

In *Maltezos v. AT&T Corp.*, No. 00-1529 (Fed. Cir. Mar. 8, 2001) (nonprecedential decision), the Federal Circuit affirmed the district court's grant of SJ that AT&T Corp.'s ("AT&T") Public Phone 2000 ("Phone 2000") did not infringe U.S. Patent No. 5,014,310 ("the '310 patent"), either literally or under the DOE.

Alexandros Maltezos sued AT&T, charging that Phone 2000 infringed the '310 patent directed to a payphone that provides voice instructions in multiple languages. The claimed payphone in the '310 patent requires "a digital voice device" that provides operational instructions in a language chosen by the payphone user. The Phone 2000 provides operational instructions in multiple languages, but in a digital, graphic display.

The Federal Circuit agreed with the district court's claim construction that the '310 patent requires the claimed payphone "to have a digital voice device to provide audible instructions in a chosen language." First, the Federal Circuit agreed that the ordinary meaning of the claimed "digital voice device" requires that the device provide audible output. Furthermore, the Federal Circuit noted that the district court's construction was entirely consistent with the written description, citing several sections of the '301 patent describing "voice," "voice chip," and "spoken words."

Turning to the literal infringement analysis, the Federal Circuit agreed with the district court's finding that Phone 2000 did not contain a digital voice device and did not provide audible instructions. Accordingly, the Federal Circuit agreed that Phone 2000 did not literally infringe the '301 patent as a matter of law.

The Federal Circuit also agreed with the district court that Phone 2000 did not infringe the '301 patent under the DOE. Specifically invoking the classical function-way-result test for equivalence, the Federal Circuit agreed with the district court's finding that Phone 2000 did not have the capacity to perform the same function as the digital voice device recited in the '301 patent. Accordingly, the Federal Circuit concluded that the district court's SJ ruling was appropriate because no reasonable fact finder could find otherwise.

Federal Circuit Affirms Jury Finding of Willful Infringement

Vince Kovalick

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

In *Polymer Industrial Products Co. v. Bridgestone/Firestone, Inc.*, No. 00-1271 (Fed. Cir. Mar. 13, 2001) (nonprecedential decision), the Federal Circuit affirmed a district court's claim construction and a jury's finding of willful infringement.

Polymer Industrial Products Company and several other Plaintiffs (collectively "PIPICO"), sued Bridgestone/Firestone, Inc. ("Bridgestone") for infringement of PIPICO's U.S. Patent No. 4,381,331 ("the '331 patent") directed to an improved turnover bladder used in manufacturing rubber tires. After the jury found willful infringement, the district court awarded enhanced damages and attorney fees.

On appeal, Bridgestone argued that the district court had erred in refusing to include an "abrading" step as an essential limitation of the claims. The Federal Circuit disagreed, concluding that Bridgestone was improperly importing a limitation found in the written description into the claim. Having so construed the claims, the Federal Circuit found substantial evidence to support the jury's verdict of willful infringement. Moreover, the Court found no abuse of discretion in the district court's decision to award enhanced damages and attorney fees.

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Excluded Expert Affidavit Regarding Obviousness Should Be Considered When Case Remanded

Kristen Healey

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

In *Lencco Racing Co. v. Jolliffe*, No. 00-1221 (Fed. Cir. Mar. 26, 2001) (nonprecedential decision) ("*Lencco II*"), the Federal Circuit vacated the district court's grant of SJ of invalidity and remanded for further proceedings.

Lencco Racing Co. ("*Lencco*") alleged that Jolliffe infringed claims 1-4 and 6-12 of U.S. Patent No. 5,538,120 ("the '120 patent") that covers a clutch mechanism for use in continuous variable transmissions. Jolliffe moved for SJ of invalidity of the claims, arguing that claims 1, 3, 4, 7, and 8 were anticipated by a Berger cam-follower plate

("the Berger plate") and claims 2, 6, and 9-12 were rendered obvious by the Berger plate in combination with a Tillotson carburetor. In its opposition, Lencco designated an expert witness on validity nine months after the court's deadline for designating witnesses and submitted an affidavit and a report by the expert. Jolliffe moved to strike the expert witness and exclude his report due to Lencco's untimeliness. The district court granted SJ of invalidity.

In *Lencco I*, the Federal Circuit affirmed the district court's decision to strike the expert's statements as untimely, and also affirmed that claims 1, 3, 4, 7, and 8 were anticipated and therefore invalid because Lencco had failed to contest the district court's ruling on this issue. Lencco's argument on claim 6 was dismissed because Lencco failed to rebut Jolliffe's evidence on analogous art. However, the Federal Circuit vacated the district court's decision on obviousness and remanded for further proceedings because the district court had neither construed the term "approximately coplanar" nor considered whether the Berger plate met this limitation.

In its supplemental brief to the district court, Lencco referenced the expert's affidavit and argued that it would not be obvious to modify the Berger plate so that the location of the roller axes was approximately coplanar with the surface of the plate. The district court construed the term "approximately coplanar" and determined that the

Berger plate was not anticipatory. The district court failed to mention the Lencco expert's affidavit, and decided that the coplanar placement of the axes was obvious in view of Berger based on newly submitted affidavits from Jolliffe's experts. Lencco appealed the district court's exclusion of its expert's affidavit submitted in response to Jolliffe's initial SJ motion.

The Federal Circuit concluded that the district court should not have excluded the Lencco expert's affidavit and determined that the expert's affidavit established a genuine issue of fact about whether a motivation to modify the Berger device existed so as to render claims 2 and 9-12 of the '120 patent obvious. In vacating and remanding, the Federal Circuit acknowledged that it had affirmed the district court's decision to exclude the affidavit in the earlier SJ proceedings, but that Lencco was entitled to present the evidence in its supplemental briefing following the *Lencco I* decision.

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In **Last month at The Federal Circuit**, certain terms, titles, and names of federal agencies that are frequently referred to in text, appear in abbreviated forms or as acronyms. These abbreviated forms and acronyms are listed below.

ALJ	Administrative Law Judge
APJ	Administrative Patent Judge
Board	Board of Patent Appeals and Interferences
Commissioner	Commissioner of Patents and Trademarks
CIP	Continuation-in-Part
DJ	Declaratory Judgment
DOE	Doctrine of Equivalents
IP	Intellectual Property
ITC	International Trade Commission
JMOL	Judgment as a Matter of Law
MPEP	Manual of Patent Examining Procedure
PCT	Patent Cooperation Treaty
PTO	United States Patent and Trademark Office
SEC	Securities and Exchange Commission
SM	Special Master
SJ	Summary Judgment