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# The Federal Circuit



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## New Standard, Same Result in *Zurko* Case

Salvatore J. Arrigo

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

In *In re Zurko*, No. 96-1258 (Fed. Cir. Aug. 2, 2001) ("*Zurko IV*"), on remand from the Supreme Court, the Federal Circuit applied the substantial evidence standard instead of the clearly erroneous standard it had previously applied in *In re Zurko*, 111 F.3d 887 (Fed. Cir. 1997) ("*Zurko I*"), and found that the outcome of the case did not change with the application of the new standard of review. Thus, the Federal Circuit reversed the Board's conclusion of obviousness under 35 U.S.C. § 103.

In 1995 the Board had sustained the Examiner's rejection of claims in U.S. Patent Application 07/479,666 ("the '666 application") under 35 U.S.C. § 103 for obviousness over two prior art references. The '666 application concerned a method for more efficiently creating a secure computer environment. The claims were directed to a method for processing and verifying a trusted command using both trusted and untrusted software. The two references disclosed the UNIX operating system that employs both trusted and untrusted code and the FILER2 program that repeats back potentially dangerous commands requesting confirmation from the user before execution.

The applicants had argued that neither reference disclosed a trusted path communication to the user or provided the motivation to combine the references. However, the Board had found that communication along a trusted path was, if not explicit, either inherent or implicit in the prior art and that it was basic knowledge that communication in trusted environments was performed over trusted paths. The Board had found that combining the references was no more than good common sense.

In *Zurko I*, the Federal Circuit had reversed the Board's decision, concluding that the Board's finding that the prior art, either explicitly or implicitly, teaches the step of obtaining

confirmation over a trusted pathway was clearly erroneous. The Court had also held that the Board had clearly erred in finding that the prior art taught communicating with the user over both a trusted and untrusted path.

Sitting en banc, the Federal Circuit had affirmed the *Zurko I* decision, finding that clear error was the correct standard. In *re Zurko*, 142 F.3d (Fed. Cir. 1998) ("*Zurko II*"). However, in *Dickinson v. Zurko*, 527 U.S. 150 (1999) ("*Zurko III*"), the Supreme Court reversed, holding that the Board's findings of fact must be reviewed under the Administrative Procedures Act's ("APA") standards of review, not under the clearly erroneous standard.

On remand, the Federal Circuit applied the substantial evidence standard of the APA to the Board's findings. In considering whether the prior art relied upon by the Board disclosed communication between a trusted environment and the user along a trusted path, the Federal Circuit found that the Commissioner had conceded that neither reference disclosed communication between a trusted environment and the user along a trusted path. The Court concluded that the deficiencies in the references could not be remedied by the Board's general conclusions about basic knowledge and common sense as they were not based on any evidence in the record. Thus, the Court reversed the Board's conclusion of obviousness.

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## Claim Invalid Given Lack of Written Description in Original Application

Lawrence F. Galvin

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

In *TurboCare Division of Demag Delaval Turbomachinery Corp. v. General Electric Co.*, No. 00-1349 (Fed. Cir. Aug. 29, 2001), the Federal Circuit affirmed-in-part, vacated-in-part, and remanded a district court's decision granting SJ of invalidity as to one claim of the patent at issue and SJ of noninfringement as to four other claims.

Steam turbines convert steam energy into mechanical work by directing steam through narrow openings called nozzles. A standard steam turbine includes an outer casing, stationary internal walls known as diaphragms, both fixed and moving nozzles, and a central rotating shaft. Each diaphragm includes a group of fixed nozzles and a central opening for the shaft. These diaphragms divide the turbine into stages. Each stage includes a group of moving nozzles rigidly mounted on the shaft. The fixed nozzles direct steam flow so as to impinge on blades of the moving nozzles, causing the shaft to rotate.

For maximum turbine efficiency, all of the steam should pass through both the fixed and moving nozzles. However, steam leakage through the central opening of any diaphragm, along the shaft, will bypass the fixed nozzles of the associated stage and will not be properly directed to the blades of the moving nozzles. As a result, turbine manufacturers normally employ shaft-seal systems to reduce such leakage.

The TurboCare Division of Demag Delaval Turbomachinery Corporation ("TurboCare") owns U.S. Patent No. 4,436,311 ("the '311 patent") directed to a shaft-seal system with two positions, the "small" and "large" clearance positions. The claims of the '311 patent also recite a "radial positioning means" biasing the shaft-seal rings to the large clearance position. The radial positioning means of the preferred embodiment employs S-shaped springs applying outwardly directed forces to the shaft-seal rings. At high turbine loads, steam admitted to an annular space between the casing and the outer surfaces of the rings overcomes this bias, forcing the rings inward to the small clearance position.

TurboCare sued General Electric Company ("GE") in the United States District Court for the District of Massachusetts, alleging infringement of five claims of the '311 patent by four versions of shaft-seal rings for GE turbines. On GE's motion, the district court granted SJ of invalidity as to one claim for lack of an adequate written description and SJ of noninfringement with respect to the other four claims. The district court's decision rested, in part, on prosecution history concerning specific pathway configurations for admitting steam to the annular space and the court's interpre-

tation of the "radial positioning means" limitation to exclude GE's use of flat springs applying inwardly directed forces to GE's shaft-seal rings.

On appeal, the Federal Circuit agreed with the district court that TurboCare had claimed, after the filing date, a specific location of the radial positioning means that found no support in the original disclosure. As a result, the Federal Circuit affirmed the invalidity of that claim for lack of an adequate written description.

Additionally, after interpreting the "radial positioning means," "large clearance position," and "small clearance position" limitations, the Federal Circuit determined that two versions of GE's shaft-seal rings did not infringe the '311 patent. The Court also determined that the other two versions did not literally infringe the '311 patent, but remanded the issue of infringement under the DOE based upon its claim constructions.

In its analysis, the Federal Circuit found sufficient structure in the asserted claims to overcome the means-plus-function presumption attached to the term "radial positioning means." Further, the Court found *Festo* not applicable to a specific claim amendment because that amendment had not actually narrowed the literal scope of the asserted claims.

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## Prior Invention Renders Monsanto Patent Invalid

Vince Kovalick

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

In *Monsanto Co. v. Mycogen Plant Science, Inc.*, No. 00-1002 (Fed. Cir. Aug. 16, 2001), the Federal Circuit affirmed a final judgment based on a jury verdict of invalidity and noninfringement of U.S. Patent No. 5,500,365 ("the '365 patent").

The '365 patent concerns techniques for genetically altering plants to make them more resistant to insects. This is done by modifying the plants so that they express the *Bacillus thuringiensis* ("Bt") protein, which is toxic to various insects. Prior to the invention claimed in the '365 patent, scientists had successfully

introduced into plants the gene that codes for the Bt protein (the "Bt gene"). However, the level of expression of the Bt protein by those plants was too low to be practicable. The '365 patent purports to solve that problem.

At issue at trial was whether the subject matter of the contested claims was invented by scientists at Agracetus, Inc. ("Agracetus") before it was invented by Monsanto Company ("Monsanto"). The jury had found that the scientists at Agracetus were prior inventors, but the jury made no specific findings regarding conception, diligence, or reduction to practice. In response to JMOL motions, the district court had worked through the possible scenarios and had determined that although no reasonable jury could have found that Agracetus had the earlier reduction to practice, a reasonable jury could have found that Agracetus conceived the claimed invention before Monsanto and was diligent during the required time period up to reduction to practice.

On appeal, Monsanto argued that the Defendants had failed to explicitly argue to the jury that they should prevail on a diligence theory and had, therefore, waived and precluded the diligence theory from being before the jury. The Federal Circuit observed that certain deposition testimony did allude to a diligence theory. Moreover, although the Defendants did not proffer an argument under a diligence theory, Monsanto did. This, coupled with a thorough analysis of relevant case law holding that the critical issue is whether the jury was properly instructed on the law, the Federal Circuit held that the Defendants' failure to explicitly argue the diligence theory did not result in that theory not being before the jury.

Having determined that the diligence issue was properly before the jury, the Federal Circuit identified the critical period for which diligence must have been found. The Court identified almost a one-year critical period between September 1987 and August 1988. The Defendants had pointed to evidence showing activity in every month during the critical period, including lab notebooks, testimony, and discovery responses. Although Monsanto points to certain gaps in between those dates and asserts that they are explained, the notebooks and discovery responses suggested that the plant transfor-

mation work was ongoing without interruption, despite a lack of daily notebook entries. Accordingly, the Court found that substantial evidence supported the jury's finding that Agracetus was diligent during the critical period. Any gaps in the recorded activities were reasonably explained by the evidence itself that suggests that the work involved in the experiment was continuous in nature.

## Preliminary Injunction Vacated Where ANDA Shows No Likelihood of Infringement

Robert W. Mann

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

In *Glaxo Group Ltd. v. Ranbaxy Pharmaceuticals, Inc.*, No. 01-1151 (Fed. Cir. Aug. 20, 2001), the Federal Circuit found error with the district court's claim construction and, accordingly, vacated the district court's preliminary injunction based on an Abbreviated New Drug Application ("ANDA") filing.

Ranbaxy Pharmaceuticals, Inc. ("Ranbaxy") had filed an ANDA to market a generic tablet form of cefuroxime axetil, a broad spectrum antibiotic. Glaxo Group Ltd. and Glaxo Wellcome, Inc. (collectively "Glaxo") currently market cefuroxime axetil under the name Ceftin. Glaxo holds two patents that cover the drug: U.S. Patent No. 4,267,320 ("the '320 patent") and U.S. Patent No. 4,562,181 ("the '181 patent").

Solid cefuroxime axetil has two forms: (1) amorphous (without the molecules in any arrangement), and (2) crystalline (with the molecules in an ordered arrangement). Claim 1 of the '181 patent recites the drug as "essentially free from crystalline material."

In granting the preliminary injunction, the district court had found that Ranbaxy's proposed product, which contains about 10 to 15% crystalline cefuroxime axetil, would likely infringe the '181 patent.

In assessing the reasonable likelihood of Glaxo's success on the merits, the Federal Circuit examined the prosecution history of the '181 patent and its foreign priority appli-



cation. Originally, the application for the '181 patent contained an independent claim reciting the drug in a "substantially amorphous form" and a dependent claim reciting the drug as "essentially free from crystalline material." In response to a 35 U.S.C. § 112, second paragraph, rejection for being indefinite, the claims were cancelled and a new claim was drafted. This claim combined the limitations of the two cancelled claims and that of a third claim.

The specification includes as an example a product that was described as "substantially amorphous." During prosecution, this product was characterized to contain approximately 10% crystalline material. Reasoning that 10% crystalline material was "substantially amorphous," the Federal Circuit concluded that the limitation of the cancelled dependent claim, "essentially free of crystalline material," must necessarily be less than that.

Finally, citing *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558, 56 USPQ2d 1865 (Fed. Cir. 2000) (en banc) (cert. granted), the Court found that Glaxo cannot assert any scope of equivalents because the cancellation and addition of claims in the application in response to the § 112 rejection was a narrowing amendment related to the statutory requirements for a patent that gave rise to prosecution history estoppel.

## Repair of Disposable Cameras Is Not Infringement

Vince Kovalick

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

In *Jazz Photo Corp. v. International Trade Commission*, No. 99-1431 (Fed. Cir. Aug. 21, 2001), the Federal Circuit reversed the ITC's exclusion order concerning certain disposable cameras, finding that the refurbishment of those cameras was not prohibited reconstruction. The Court affirmed the ITC's exclusion order with regard to certain other disposable cameras.

Fuji Photo Film Company ("Fuji") charged twenty-seven Respondents with infringement

of fifteen patents at the ITC. The patents all relate to disposable cameras.

On appeal, it was not disputed that the accused refurbished cameras contain all of the elements of all or most of the claims. The Respondents argued, however, that they do not build new disposable cameras, but simply replace the film in used cameras. They argued that the cameras have a useful life longer than the single use proposed by Fuji, that the patent right has been exhausted as to these articles through their initial sale, and that the patentee cannot restrict their right to refit the cameras with new film and to reset the mechanism.

The Federal Circuit reviewed the precedent concerning the repair versus reconstruction distinction, noting that while the ownership of a patented article does not include the right to make a substantially new article, it does include the right to preserve the useful life of an original article. The Court also noted that the patentee's unilateral intent for the product, without more, does not bar reuse of the patented article or convert a permissible repair into an impermissible reconstruction. The Court observed that the replacement of unpatented parts having a shorter life than is available from the combination as a whole is characteristic of repair, not reconstruction. Thus, the ruling of impermissible reconstruction in this case was incorrect.

The Court also rejected Fuji's restricted license argument based on instructions and warnings printed on the covers of the disposable cameras, finding that these instructions were not in the form of a contractual agreement.

## Court Resolves Claim Language Ambiguity Based on Patent Drawing and Expert Testimony

C. Gregory Gramenopoulos

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

In *S3 Inc. v. Nvidia Corp.*, No. 00-1257 (Fed. Cir. Aug. 3, 2001), the Federal Circuit reversed a grant of SJ that claims 1-4 and 9-11

of U.S. Patent No. 5,581,279 (“the ‘279 patent”) are invalid for indefiniteness.

The ‘279 patent relates to video display circuitry in which a clock signal generator circuit, a video controller circuit, and a combination random-access memory (“RAM”)/digital-to-analog converter (“DAC”) are integrated on a single chip. The patent discloses two modes of operation. In the “direct color” mode, pixel data from the video controller is transmitted directly to the DAC for display. In the “indexed” mode, data from the video controller is used to address the RAM to provide higher bit-level color information for display (e.g., 18 or 24 bit-color depth information from only 8 bits of data).

The district court’s ruling of claim indefiniteness focused on the use of the terms “video information data stream” and “video display information data stream” in claims 1 and 9. The Court found claim 1 indefinite due to the use of the term “video information stream” to describe both the information the DAC receives directly from the video controller and the information the RAM receives from the video controller. According to the district court, it is not apparent whether a particular “video information stream” would contain “video information,” “video display information,” or both. The Court found claim 9 invalid for similar reasons.

On appeal, S3 Inc. (“S3”) argued that the claims distinguish between the data stream sent to the DAC and the data stream processed by the RAM, and that this distinction is understood in view of the specification of the ‘279 patent. The Federal Circuit agreed, noting that the specification explains the terms “video information data stream” and “video display information data stream” such that a person skilled in the field of the invention would understand their meaning and scope. According to the Court, a claim is not indefinite simply because it is hard to understand when viewed without the benefit of the specification.

The district court had also found claim 1 indefinite since the “means . . . for selectively receiving either the video information data stream or the video display information data stream” was not disclosed in the specification in accordance with 35 U.S.C. § 112, ¶ 6. Both

parties agreed that the “means . . . for selectively receiving” limitation corresponds to the “selector” referred to in the specification. However, the district court held that the ‘279 patent fails to expressly disclose the structure of such selectors.

In reversing the district court’s finding of invalidity, the Federal Circuit noted that it is not the criterion for compliance with § 112, whether a lay person having no skill whatsoever in this field would know how a selector is configured. Instead, based on the uncontradicted expert testimony, the Court held that such a selector was well known in the field and could be readily implemented from the description of the specification.

Judge Gajarsa dissented, characterizing the majority’s analysis as speculative and illusive.

## ITC Enforces Patent Only After Patentee Corrects Inventorship

Vince Kovalick

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

In *Winbond Electronics Corp. v. International Trade Commission*, No. 01-1031 (Fed. Cir. Aug. 22, 2001), the Federal Circuit affirmed a decision by the ITC to enforce Atmel Corporation’s (“Atmel”) U.S. Patent No. 4,451,903 (“the ‘903 patent”).

The ‘903 patent claims a semiconductor device and method for encoding signature information on a chip. SEEQ Technologies, Inc. (“SEEQ”), the original assignee of the ‘903 patent, filed its application in 1981, listing Larry T. Jordan, SEEQ’s marketing director, as the sole inventor. Atmel acquired ownership of the ‘903 patent in 1994.

Before an ALJ, the Respondents had argued that the ‘903 patent was invalid for improper inventorship, pointing to one of several SEEQ engineers as a potential coinventor. The ALJ determined that the incorrect listing of inventors prevented enforcement of the ‘903 patent. Moreover, the ALJ refused to enforce the ‘903 patent because SEEQ had waived its right to exclude others from using silicon signatures

during discussions with the Joint Electronics Device Council ("JEDEC"), where SEEQ had pushed JEDEC to adopt its technology as a standard. The ITC agreed that the '903 patent was unenforceable for failure to name an inventor, but ruled that the '903 patent was not unenforceable due to waiver, implied license, or legal estoppel.

In August 1998, Atmel petitioned the PTO to add one coinventor to the '903 patent, which the PTO granted. Thereafter, Atmel petitioned the ITC for a rehearing on the '903 patent. The ALJ again found the '903 patent to be unenforceable, because the certificate of correction named the wrong inventors and because Atmel had committed inequitable conduct in obtaining it from the PTO. The ALJ further found that Atmel had intentionally withheld material information concerning inventorship with intent to deceive the PTO and ordered Atmel to produce attorney-client privilege and work-product protected documents concerning inventorship. The ITC, however, reviewing the ALJ's decision, determined that issues about the proper inventors did not prevent enforcement and that Atmel did not commit inequitable conduct.

The Federal Circuit reviewed the testimony of the possible coinventors and found that it did not present clear and convincing proof that anyone other than the corrected inventors had built the first device that contained the patented technology. Therefore, the Court affirmed the ITC's finding that the patents were not unenforceable for incorrect inventorship.

Moreover, the ITC had found no inequitable conduct because the corrected coinventor's initial testimony was made when he did not know that his contribution made him a coinventor under the law. The Court found no clear and convincing evidence of any deceptive intent on the part of Atmel to obtain the certificate of correction.

The Court then reviewed the waiver issue. It agreed that equitable estoppel did not apply, given that the asserting Respondents had admitted that they were unaware of the '903 patent before Atmel sought a license in 1994. Nor were those Respondents aware of any of SEEQ's statements to JEDEC prior to the present litigation. Thus, the Respondents

were not entitled to an implied license or equitable estoppel. The Court found that SEEQ's promise to grant royalty-free licenses and place the contents of the '903 patent in the public domain was conditional on JEDEC's acceptance of the patented technology. Because JEDEC did not accept the technology, the ITC had correctly concluded that SEEQ had maintained its rights to exclude others from practicing the '903 patent.

## Evidence Supports Jury Finding of Nonobviousness, JMOL of Invalidity Reversed

Robert F. McCauley

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

In *McGinley v. Franklin Sports, Inc.*, No. 00-1324 (Fed. Cir. Aug. 21, 2001), the Federal Circuit reversed the district court's JMOL of invalidity due to obviousness concerning U.S. Patent No. 5,407,193 ("the '193 patent"). The '193 patent, owned by Michael McGinley, discloses an instructional pitching device in the form of a regulation baseball with specific "finger placement indicia" for teaching students how to grasp a baseball to throw different types of pitches. The accused instructional baseball, sold by Franklin Sports, Inc. ("FSI"), had similar but differently shaped and configured finger-placement indicia.

On appeal, FSI challenged the district court's claim construction of the "means for indicating an orientation of the baseball relative to the palm of the hand" claimed in the '193 patent. The district court had construed this term as a means-plus-function limitation, and FSI argued on appeal that the claim limitation was not entitled to any range of undisclosed equivalents whatsoever. The Federal Circuit rejected this argument as contrary to the express provisions of 35 U.S.C. § 112, ¶ 6, which provides a statutorily guaranteed range of equivalents for means-plus-function claim limitations.

In reversing the district court's JMOL, the Federal Circuit found that there was sufficient evidence to support the jury's verdict of

nonobviousness and rejected the district court's finding that no reasonable jury could have reached a verdict of nonobviousness in light of two prior patents owned by Pratt and Morgan. Generally, the Pratt patent disclosed a regulation baseball with its own finger-placement indicia, and the Morgan patent disclosed a lightweight baseball "replica" fabricated in the form of hemispherical shells that assemble together and have their own finger-placement indicia.

At trial, McGinley had presented many reasons for the jury to reject a combination of Pratt and Morgan. For instance, both the Pratt and Morgan patents were before the PTO during prosecution of the '193 patent. During prosecution, McGinley's claims were initially rejected as anticipated by Pratt, but were never rejected on obviousness grounds. Perhaps most importantly, McGinley had submitted substantial evidence and argument that Pratt and Morgan actually taught away from their combination and that their combination would produce a seemingly inoperative device. For these reasons, the Federal Circuit found that FSI had not rebutted the '193 patent's presumption of validity by clear and convincing evidence.

Judge Michel dissented, finding that Pratt alone rendered the '193 patent obvious as a matter of law. Specifically, Judge Michel found that Pratt expressly taught the very "means for indicating an orientation of the baseball relative to the palm of the hand" claimed in the '193 patent. Judge Michel was also troubled by what he perceived as the majority's resulting unwillingness to examine the jury's factual findings given the general verdict of nonobviousness. Judge Michel commented that the majority's opinion, and its deference to the jury's verdict in the absence of express factual findings, implied that the use of a general verdict form on the legal question of obviousness will render the jury's verdict essentially immune from a review by the district court (on JMOL) or by the Federal Circuit.

## Human Use of Drug as Pain Killer Anticipates Claims for Animal Use of Same Drug as Diet Enhancer

Vince Kovalick

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

In *MSM Investments Co. v. Carolwood Corp.*, No. 00-1092 (Fed. Cir. Aug. 9, 2001), the Federal Circuit affirmed a SJ that the claims of U.S. Patent No. 5,071,878 ("the '878 patent") are invalid under 35 U.S.C. § 102(b).

The '878 patent, owned by MSM Investments Company ("MSM Investments"), relates to a method of using methylsulfonylmethane ("MSM®") to enhance the diet of an animal.

More than one year prior to the priority date of the '878 patent claims, September 14, 1982, Dr. Stanley Jacob publicly administered MSM® by oral ingestion to human patients at the Oregon Health Sciences University ("OHSU") clinic to treat pain.

MSM Investments argued on appeal that the district court had erred in granting SJ of invalidity because the claims of the '878 patent are limited to the nutritional use of MSM®, whereas Dr. Jacob's activities at the OHSU clinic were limited to pharmaceutical or pharmacological uses of MSM®. MSM Investments further contended that the district court had misconstrued claims 1 and 5 by concluding that they were not limited to nutritional uses of MSM®.

The Federal Circuit concluded that, contrary to the ordinary meaning of the word "feeding," the teachings of the specification did not limit the claim to nutritional uses nor exclude pharmaceutical purposes. Indeed, the specification discloses that MSM® may be used as a food and as a normalizer of biological function. Moreover, the specification defines the word "food" as meaning a nutritive mate-



rial taken into an organism for growth, work, protection, repair, restoration, and maintenance of vital processes.

The Court rejected MSM Investment's argument that the examples of pharmaceutical uses in the specification were actually examples of different inventions claimed in different, but related, patents, given the generic use of the term "feeding." Accordingly, the Court agreed that Dr. Jacob's publicly administered MSM® as a pain reliever more than a year prior to the filing date of the '878 patent anticipated the claims.

## No "Support" for Limiting Support Function Claimed in Orthopedic Knee-Brace Patents

Paul C. Goulet

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

In *Generation II Orthotics Inc. v. Medical Technology Inc.*, No. 00-1106 (Fed. Cir. Aug. 15, 2001), the Federal Circuit vacated a district court's judgment of infringement based on an erroneous construction of the term "controlled" in a functional statement of a means-plus-function clause and erroneous application of 35 U.S.C. § 112, ¶ 6, to certain method claims.

Generation II Orthotics, Inc. ("Gen II") appealed the district court's claim construction and resulting judgment of noninfringement of U.S. Patent Nos. 5,302,169 ("the '169 patent") and 5,400,806 ("the '806 patent") directed to an orthopedic knee brace. The claimed device includes a standard knee brace having two rigid arms joined by a pivotable joint that allows the arms to move with the leg as it bends at the knee. The '169 patent's improvement over the prior art is the incorporation of an additional joint on each arm that allows "controlled" inclination of the arms relative to the pivotable joint. The '806 patent is a CIP of the '169 patent, which claims a method for applying the brace to a patient to relieve unicompartmental osteoarthritis.

The disputed claim language of claim 1 of

the '169 patent recites a "joint means in the brace for allowing controlled medial and lateral inclination of each arm relative to the pivotable joint." The district court had construed the recited function of "controlled medial and lateral inclination of each arm" to mean controlled inclination throughout the range of motion of the brace, i.e., dynamic control. Medical Technology Inc. ("Med Tech") had asserted that the claim language requires control of a moving part, which necessarily requires dynamic control, i.e., control occurring throughout the range of motion, as opposed to static control, i.e., control occurring at any point in the range of motion.

The Federal Circuit declined to restrict the claimed function of "controlled" to either static or dynamic control, reasoning that to do so would impermissibly limit the claim by adopting a function different from that explicitly recited in the claim.

Having defined the claimed function of the "joint means" limitation, the Court identified those structures described in the patent specification that correspond to the claimed function and remanded to the district court to determine whether Med Tech's Thruster infringes Gen II's patents under the proper claim construction.

Turning to the district court's determination that § 112, ¶ 6, applies to method claim 16 of the '169 patent and method claim 1 of the '806 patent, the Federal Circuit found that the district court had erred in relying solely on the fact that the limitations recited in those method claims were similar to the means-plus-function limitations recited in claim 1 of the '169 patent. More properly, the Court instructed, each limitation of each claim must be independently reviewed to determine if it is subject to the requirements of § 112, ¶ 6.

Undertaking that independent review, the Court found that neither claim 16 of the '169 patent nor claim 1 of the '806 patent include means- or step-plus-function limitations because neither claim uses the words "means for" or "step for" with regard to the "joint" limitation. There is a presumption that these limitations are not subject to section 112, ¶ 6, and no evidence exists to the contrary, the Court ruled.

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Regarding apparatus claim 21 of the '169 patent, the Federal Circuit agreed with the district court's holding that the claim does not invoke § 112, ¶ 6, because the structural recitation of the "adjustable joint" corresponding to the claimed function was sufficient to obviate any implication of § 112, ¶ 6.

## Summary Judgment of Noninfringement Vacated and Case Remanded for Consideration of Extrinsic Evidence on Claim Construction

Vince Kovalick

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

In *Advanced Cardiovascular Systems, Inc. v. Scimed Life Systems, Inc.*, No. 00-1454 (Fed. Cir. Aug. 6, 2001), the Federal Circuit vacated a district court's grant of SJ of noninfringement with respect to certain asserted claims, given several erroneous claim constructions, but affirmed SJ of noninfringement with respect to certain other claims. The patents at issue, U.S. Patent Nos. 5,421,955 ("the '955 patent"); 5,514,154 ("the '154 patent"); 5,603,721 ("the '721 patent"); 5,728,158 ("the '158 patent"); and 5,735,893 ("the '893 patent") relate to a flexible coronary stent that is adapted to be placed in a patient's blood vessel and expanded to keep the vessel open. Advanced Cardiovascular Systems, Inc. and Guidant Sales Corporation (collectively "ACS") had sued Scimed Life Systems, Inc. and Boston Scientific Corporation (collectively "Scimed") for patent infringement of these patents. The accused device made by Scimed is called an NIR stent.

The SJ decision turned on the claim construction of several limitations in numerous asserted claims. The district court had construed the term "connecting elements" in two of the patents to be generally parallel both to each other and to the longitudinal axis of the stent. This construction also applied to the term "interconnected," "connecting members," and "struts for connecting" in the other patents. The Federal Circuit found error with

the construction because it was inconsistent with the intrinsic evidence. The Court found that the plain claim language itself had no express structural limitations. Moreover, the specification did not require such structural limitations. The mere fact that all of the drawings depicted the connecting elements in parallel alignment was not compelling. Moreover, the applicants' arguments during prosecution did not so limit the claims.

The Federal Circuit concluded that the district court had also erred in construing certain other claims that expressly recited "generally parallel connecting elements" to require connecting elements that run parallel to the longitudinal axis of the stent. Here again, the Court saw no intrinsic evidence to restrict the plain claim language. The parties disputed the manner in which the connecting elements are required to be parallel. ACS argued that the connecting elements need only be parallel to each other when they are compared by looking around the cylindrical surface of the stent. Scimed and the district court, however, compared connecting elements by looking through the side of the stent.

The Federal Circuit found that nothing in the intrinsic evidence of record suggests one method of determining parallelism over the other. The claims simply recite "a plurality of generally parallel connecting elements," providing no indication of the frame of reference in which the connecting elements should be parallel to each other. The drawings show parallelism in both directions. Accordingly, the Court vacated the SJ of noninfringement with instructions for the district court to consider extrinsic evidence on the issue.

## Specification Makes Clear That Claims Do Not Cover the Accused Products

Walter D. Davis, Jr.

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

In *Innovad, Inc. v. Microsoft Corp.*, No. 00-1459 (Fed. Cir. Aug. 6, 2001), the Federal Circuit affirmed a district court's grant of SJ of

noninfringement of U.S. Patent No. 4,882,750 ("the '750 patent").

Innovad, Inc. ("Innovad") had charged Microsoft Corporation; Psion Inc.; Apple Computer, Inc.; The Ericsson Corporation; Hewlett-Packard Company; Philips Electronics North America; Everex Systems, Inc.; Sony Electronics, Inc.; LG Electronics U.S.A. Inc.; and Odyssey Computing Inc. with infringement of the '750 patent.

Claim 22 of the '750 patent is directed to a telephone dialer system comprising a case, reprogramming means, signal means, audiofrequency output means, at least one battery, and a single, bistate switch (these elements collectively form a dialer unit); a programming means; and a means for releasably electrically coupling the reprogrammable means (i.e., the dialer unit) to the programming means.

The accused devices are hand-held computers that automatically dial preprogrammed telephone numbers when loaded with appropriate software. Each of the hand-held computers has an integral keyboard with a numeric keypad that may be used to delete, edit, or replace any stored telephone number.

Before discovery, Microsoft Corporation, Psion Inc., and Apple Computer, Inc. (collectively "Microsoft") moved for SJ of noninfringement, which the district court granted.

On appeal, the Federal Circuit affirmed the district court's construction of the claim terms on the point that distinguishes the accused systems from the claimed system. Specifically, the district court had construed "means for releasably electrically coupling said reprogramming memory means and said programming means only during said programming mode" to mean that the dialer is linked to the programming means only temporarily during programming. Based on its construction of claim 22, the district court concluded that the claimed system could not include a keypad.

The Federal Circuit noted that the district court may have confused the terms "telephone dialer system" and "dialer unit," concluding that the district court must have been referring to the dialer unit when it referred to the absence of a keypad. The Federal Circuit then noted that the '750 specification repeat-

edly emphasizes that the dialer has no keypad. In addition, the Federal Circuit pointed out that the specification stresses that a keypad renders prior art dialers useless as specialty advertising give-away items, which is a purpose of the invention. The Federal Circuit therefore concluded that the dialer unit within the claimed telephone dialer system of claim 22 does not include a keypad.

Because the dialer unit does not contain a keypad, the Federal Circuit reasoned, the dialer unit must be coupled to the programming means for programming, so that the programming mode only occurs during the temporary coupling of the programming means to the dialer unit. The Federal Circuit also indicated that the dialer unit of the accused devices includes a keypad and can therefore be programmed even when a programming means is not releasably coupled to the dialer unit. Due to this difference between claim 22 and the accused devices, the Federal Circuit concluded that the accused devices do not infringe claim 22, either literally or under the DOE.

The Federal Circuit also noted that the district court had misconstrued the terms "small volume" and "a single, bi-state switch," and had erred in suggesting that the entire telephone dialer system does not include a keypad. Because the district court's construction of the claim terms on the point that distinguishes the accused systems from the claimed system was correct, however, the Federal Circuit held that the record contains no genuine issues of fact regarding infringement of claim 22.

## Covad Does Not Infringe Bell Atlantic's ADSL Patent

Scott A. Herbst

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

In *Bell Atlantic Network Services, Inc. v. Covad Communications Group, Inc.*, No. 00-1475 (Fed. Cir. Aug. 17, 2001), the Federal

Circuit affirmed a district court's grant of SJ that Covad Communications Group, Inc.; Dieca Communications, Inc.; and Covad Communications Company (collectively "Covad") did not infringe Bell Atlantic Networks Services, Inc.'s ("Bell Atlantic") U.S. Patent No. 5,812,786 ("the '786 patent").

The '786 patent relates to digital subscriber line ("DSL") technology, which allows a regular telephone line to be used as a high-speed, multichannel data delivery system. Through a technique known as "frequency division multiplexing," the transceivers enable regular telephone lines to carry both regular, low-speed voice data as well as higher speed digital communications. Symmetric DSL ("SDSL") uses a range of frequencies as a single two-way channel, transmitting and receiving data on the channel at the same rate, whereas asymmetric DSL ("ADSL") allocates different amounts of bandwidth based on customer need.

The '786 patent discloses and claims a data transmission system that provides DSL service with variable rates and modes using existing hardware and equipment. In particular, the claimed invention improved existing DSL technology by providing an ADSL system with adjustable variable rate functionality, i.e., the system could controllably increase the data rate of a channel to permit operation in an optimum mode at an optimum rate for the customer's chosen function.

The district court had granted Covad's motion for SJ of noninfringement based on its construction of the following terms from the asserted independent claims 1 and 21: "the plurality of different modes," "ADSL/AVR transceiver," first and second "channels," and "selectively changing [the] transmission rates." Once apprised of the district court's claim construction, Bell Atlantic conceded literal infringement. The district court ruled in favor of Covad with respect to the DOE.

Relying exclusively on the intrinsic evidence, the Federal Circuit affirmed the district court's conclusion that "the plurality of different modes" and "ADSL/AVR transceiver" limitations restricted the claimed invention to only the three types of modes of operation

described in the specification, specifically, data transfer modes. Bell Atlantic argued that different "modes" could include different data transfer rates, as well as different directional operations such as conventional, bidirectional, and reversible. Rejecting Bell Atlantic's argument that the claim language's ordinary meaning should control, the Federal Circuit focused instead on the meaning the specification imparted to the word "mode." Carefully parsing all portions of the patent, the Federal Circuit concluded that the patentees had defined the term "mode" by implication through consistent use of that term throughout the '786 patent specification. In this situation, the Federal Circuit concluded that the specification compelled restricting the claim to the described three modes of channel direction operation, explaining that the usage "preferred" does not of itself broaden the claims beyond their support in the specification. The Federal Circuit also considered the prosecution arguments made by Bell Atlantic to explain away a prior art reference to support its affirmation.

Turning to the "channel" limitation, the Federal Circuit agreed with Bell Atlantic that the district court had erred in construing "channel" as "an amount of bandwidth isolated for communications that may be either unidirectional or bi-directional." Rather, the intrinsic evidence, particularly the claim language and the specification, make clear that the word "channel" encompasses only one-way communication. Contrary to Covad's suggestion, the specification's multiple references to bidirectional channels did not mandate a broader construction since those statements were made with reference to the prior art.

The Federal Circuit, however, agreed with the district court that the claimed "channels" are separated by frequency. Although the Federal Circuit acknowledged that the ordinary meaning of the word "channel" is quite broad, the district court's narrower interpretation was justified because the only type of channels contemplated by the '786 patent are those that occupy an amount of bandwidth and are separated in frequency.



Finally, the Federal Circuit rejected Covad's challenge to the district court's construction of the "selectively changing" claim language as meaning a change is chosen and occurs, although it need not occur during a communication session. According to Covad, the limitation required a change during a communication session.

The Federal Circuit first dealt with Bell Atlantic's jurisdictional challenge to Covad's argument. Relying on the general rule that a prevailing party may present any argument that supports the judgment in its favor without taking a cross appeal, the Court sided with Covad, explaining that it could entertain Covad's challenge despite Covad's failure to file a cross appeal.

As to the merits, however, the Court concluded that notwithstanding that the specification discloses changing the transmission mode and rate during a communication session, the specification expressly stated that the mode and rate could be changed at times other than during a communication session. Such a varied use of a limitation throughout a patent specification demonstrates breadth rather than restriction, the Court reasoned.

The Federal Circuit then affirmed the district court's finding of noninfringement under the DOE. According to Bell Atlantic, evidence in the record established that Covad's single bidirectional SDSL linecards were insubstantially different from the two unidirectional channels described in the '786 patent. Without examining the alleged evidence, the Federal Circuit concluded that affirmance was mandated under the "all elements rule," which requires that every element (or its equivalent) of a claim must be found in the accused device. Specifically, Bell Atlantic's theory of equivalent infringement would entirely vitiate the claim limitations that require the transceivers to "selectively change" the rate or mode of operation and the limitations that require two unidirectional channels separated by frequency.

## Applicants May Have Disclaimed Scope of Protection During Prosecution History

Kevin W. McCabe

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

The Federal Circuit, in *Pall Corp. v. PTI Technologies, Inc.*, No. 00-1203 (Fed. Cir. Aug. 7, 2001), affirmed SJ of noninfringement of PTI Technologies, Inc.'s ("PTI") U.S. Patent No. 4,663,041 ("the '041 patent"). The Federal Circuit also vacated and remanded SJ of noninfringement of Pall Corporation's ("Pall") U.S. Patent No. 4,609,465 ("the '465 patent"). Both patents relate to filter technology for filtering high-temperature corrosive chemicals such as hot acids used in the etching process of semiconductor chips.

The '041 patent, assigned to PTI, relates to a filter element made wholly of fluorocarbon resin. In prior art filter elements, only the filter membrane was made of fluorocarbon resin. Filter elements include a filter material and net supporters. During prosecution of the '041 patent, PTI originally claimed net supporters made of "thermoplastic fluorocarbon resin." In light of a prior art rejection, PTI narrowed the claims to particular thermoplastic resins (PFA, FEP, and EPE).

Pall moved for SJ of noninfringement of the '041 patent. According to the district court's construction, the claims of the '041 patent require that the net supporters be made entirely of one of PFA, FEP, or EPE. Because Pall's net supporters did not possess the claimed net supporters made entirely of PFA, FEP, or EPE, the district court found no infringement by Pall.

The '465 patent, assigned to Pall, is directed toward a filter cartridge for removing particulates from a destructive fluid such as hot acid or solvent. A filter cartridge contains a cylindrical filter arrangement with top and bottom caps. The filter cartridges described in

the '465 patent are fabricated from fluoropolymers, which are highly resistant to destructive fluids such as hot acid or solvent. The claimed filter cartridge of the claims at issue in the appeal comprised "first and second impervious fluoropolymeric end caps."

PTI moved for SJ that its filter cartridges did not infringe the '465 patent. In construing the claims of the '465 patent, the district court had held that the first and second end caps means that each end cap is a unitary structure and cannot comprise two separate components. Because the end caps of PTI's cartridges required two components, the district court had held that PTI did not infringe.

On appeal, Pall argued that the district court had improperly construed the claims. PTI conceded that the district court's construction was erroneous, but asserted that the patent prosecution history foreclosed any interpretation of the claims that would include the subject matter of the accused devices.

The Federal Circuit agreed that the district court had improperly construed the claims. Contrary to the district court's interpretation, the language of the claims did not indicate that the first end cap must be a unitary structure that cannot comprise two elements welded together. Looking at the specification, the Federal Circuit found that the drafter did not intend to use the claim language in a manner different than its ordinary meaning.

In addition, during prosecution of the '465 patent, Pall had submitted an Information Disclosure Statement ("IDS") that listed a one-page brochure of a filter cartridge by HR Textron and PTI. The IDS and references were filed simultaneously with an amendment after final rejection. Because of the information disclosure rules in effect at the time of the amendment, Pall's amendment included a concise statement of relevance for each reference disclosed. In characterizing the HR Textron and PTI brochure, Pall stated that none of the materials included in the brochure disclose a filter cartridge or assembly as claimed.

PTI asserted that Pall's statement forecloses any interpretation of the claims that would include the PTI filter cartridges because these cartridges were described in the brochure. The Federal Circuit vacated the district court's SJ decision and remanded for a determination of what a person of ordinary

skill in the art would have believed to have been excluded after reviewing the prosecution history as a whole, including the brochure and the statements made by the applicant.

## Prosecution History Estops Patentee from Asserting Claims Against Conventional Technique

Vince Kovalick

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

In *Day International, Inc. v. Reeves Bros.*, No. 00-1505 (Fed. Cir. Aug. 9, 2001), the Federal Circuit affirmed a SJ of noninfringement after affirming the district court's claim construction on U.S. Patent No. 4,770,928 ("the '928 patent") directed to an improved method of manufacturing compressible printing blankets used to transfer ink from a printing plate to paper. In particular, the '928 patent is directed to an improved method in which a compressible layer is cured in a way that avoids an agglomeration problem experienced in prior art processes.

Reeves Brothers ("Reeves") manufactures compressible printing blankets using a method in which the compressible layer is initially cured at conventional vulcanization temperatures, i.e., above 270°F. The infringement dispute concerned the claim limitation that the compressible layer be cured at a "temperature below the melting point of [the] microcapsules." Reeves argued that the scope of the invention should be limited to processes that involve an initial curing step at low temperatures, namely at 110-170°F, and filed a corresponding motion for SJ. A magistrate judge found that arguments made by the patentee during the prosecution history limited the scope of the invention as argued by Reeves.

The Federal Circuit agreed that the comments in the prosecution history were made to distinguish prior art and to disavow curing steps performed at higher, conventional curing temperatures. With this claim construction, the Court affirmed the district court's SJ of noninfringement, given that Reeves had never cured the compressible layer in its printing blankets at a temperature below 270°F.

## Ski-Boot Design Not Obvious

Geoffrey C. Mason

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

In *Okajima v. Bourdeau*, No. 01-1090 (Fed. Cir. Aug. 16, 2001), the Federal Circuit affirmed a holding of the Board that had found that claims 13-24 and 26-28 of Shinpei Okajima's application were not obvious. The Federal Circuit found that the Board's analysis was untainted by legal error and supported by substantial evidence.

Okajima argued to the contrary on appeal, urging (1) that the Board had committed reversible legal error for failing to make any findings of fact regarding the level of skill in the art at issue, and (2) that the Board's finding that there was no motivation to combine the references Okajima had relied on below was not supported by substantial evidence.

On the first issue, the Federal Circuit held that while specific findings as to the level of skill in the art are preferable, their absence is generally excusable where the prior art itself reflects an appropriate level and a need for testimony is not shown. Okajima had urged below that there was no dispute that the level of skill was high. The Federal Circuit observed that had the Board disagreed with the parties and found the level of skill to be lower, this would only have reinforced the Board's conclusion of nonobviousness. The Court accordingly found no harm in the Board's failure to set forth express findings as to the level of skill.

As to the second argument, the Federal Circuit found that the Board's factual findings were readily sustainable under their deferential standard of review. The claims in question were directed to a snowboard boot. As with prior art boots, the front and rear portion of the boot was joined by a broad rounded pin called a "journal," which permits the boot to pivot about an axis, permitting snowboarders to flex their legs within a certain range of motion. Generally, relocating the journal on the boot altered the permissible range of motion. The sole question raised before the Board and on appeal was whether Bourdeau's single journal (located in the recessed area between the Achilles tendon and the bony protuberance of the ankle) would have been

obvious in light of a European patent ("EP '400") (disclosing two opposing laterally disposed journals atop the ankle) with a German patent ("DE '503") and U.S. Patent No. 5,401,014 ("the '014 patent") (disclosing a single journal atop the Achilles tendon).

The Board found that Bourdeau's journal was not obvious because the prior art would not have motivated one of ordinary skill to place a journal in Bourdeau's position to accomplish the range of motion Bourdeau discloses, which Bourdeau characterized as optimal forward and lateral bending capacity. EP '400 provided what the Board characterized as adequate swiveling action longitudinally, but appeared to hinder or obstruct most lateral movement by the wearer. The Board further found that DE '503 and the '014 patent teach the desirability of lateral movement by the wearer, as opposed to forward movement, as disclosed in EP '400. The Board accordingly found that there was no motivation to combine these three references to arrive at the journal placement of Bourdeau, which provides optimal forward and lateral bending capacity according to Bourdeau by placing the journal at an angle between 20 and 45 degrees with respect to the longitudinal median plane of the boot.

Noting that the Board's decision was thorough and well supported, the Federal Circuit affirmed.

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## Mycogen's Petition for Rehearing Denied

Gregory A. Chopskie

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

In *Mycogen Plant Science, Inc. v. Monsanto Co.*, No. 00-1127 (Fed. Cir. Aug. 14, 2001), the Federal Circuit denied a petition for rehearing, holding that the Plaintiff was estopped from relying on the DOE under the recent en banc decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000), *cert. granted*, 121 S. Ct. 2519 (2001).

Mycogen Plant Science, Inc. ("Mycogen") charged Monsanto Company ("Monsanto") with infringement under the DOE of two

claims of Mycogen's U.S. Patent No. 5,380,831 ("the '831 patent"). The Federal Circuit had previously held that Mycogen was barred from relying on the DOE under prosecution history estoppel. In its petition for rehearing, Mycogen contended that the panel misunderstood the prosecution history of the '831 patent, thus mistakenly concluding that the asserted claims, claims 13 and 14, had no range of equivalents. The Federal Circuit disagreed after a thorough review of the prosecution of the '831 patent.

As originally filed, the '831 patent included independent claim 1 and dependent claims 3 and 4. Independent claim 1 claimed a broad range of genes encoding a particular insecticidal protein. Claims 3 and 4 claimed a particular insecticidal gene, the sequence of which was described in Figure 1 of the specification. The Examiner rejected those claims, in part on enablement grounds, and, after considering Mycogen's arguments, issued a final rejection.

In response, Mycogen filed a continuation application narrowing the scope of independent claim 1 and, in turn, dependent claims 3 and 4. Nevertheless, the Examiner once again rejected Mycogen's claims, again on enablement. Specifically, the Examiner argued that the application only enabled the gene

sequence disclosed in Figure 1 of the specification.

Mycogen continued prosecuting its application, twice narrowing claims 1, 3, and 4. Finally, based on the Examiner's insistence that all claims should be limited to the gene sequence shown in Figure 1 of the specification, Mycogen amended claims 3 and 4 to be independent claims and limited those claims to only the specific sequence disclosed in Figure 1. Claims 3 and 4 were allowed as claims 13 and 14 of the '831 patent.

The Federal Circuit concluded that, as in *Festo*, Mycogen's incorporation of limitations from dependent claims into independent claims was tantamount to a narrowing amendment. Specifically, the Court held that the limitations at issue were in dependent claims and were later incorporated into independent claims. According to the Federal Circuit, under those circumstances, Mycogen was appropriately limited to the literal scope of its claims and barred from reliance on the DOE.

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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