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Gregory A. Chopskie

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

In *Minnesota Mining & Manufacturing Co. v. Barr Laboratories, Inc.*, No. 01-1369 (Fed. Cir. May 1, 2002), the Federal Circuit affirmed a district court's refusal to dismiss the suit and grant of SJ of noninfringement.

Minnesota Mining & Manufacturing Company ("3M") charged Barr Laboratories, Inc. ("Barr") with infringement of U.S. Patent No. 4,642,384 ("the '384 patent") by Barr's filing of an Abbreviated New Drug Application ("ANDA") seeking FDA approval to market a generic version of 3M's heart medication Tambocor™. Under the Hatch-Waxman amendments ("the Hatch Waxman Act" or "the Act") to the Federal Food, Drug, and Cosmetic Act ("FFDCA"), the '384 patent was listed in the FDA publication known as the Orange Book. That listing in the Orange Book required Barr to "certify" to the '384 patent. Barr filed a "Paragraph IV" certification, contending that its ANDA did not infringe the '384 patent. Under the Hatch-Waxman Act, the filing of a Paragraph IV certification required Barr to provide 3M with notice of its noninfringement certification, including a detailed statement of the factual and legal basis of Barr's opinion that the '384 patent was not infringed. Although Barr had provided notice of its Paragraph IV filing, 3M contended that Barr refused to provide the required detailed statement supporting its noninfringement opinion. Accordingly, 3M filed suit.

After 3M filed suit, Barr disclosed the detailed basis of its opinion that it did not infringe 3M's patent and immediately moved for SJ of noninfringement. 3M sought to dismiss the suit without prejudice, arguing that

Barr's refusal to provide a detailed statement of its factual and legal bases of noninfringement was merely an improper attempt to obtain a judgment of noninfringement designed to trigger a 180-day marketing exclusivity period promised to a third party, Alphapharm Pty. Ltd. ("Alphapharm"). The district court refused to dismiss the case and granted Barr's motion for SJ.

On appeal, 3M argued that the district court should have dismissed the suit without prejudice for lack of subject matter jurisdiction because after the filing of the infringement suit, 3M agreed that no infringement had occurred. Barr argued that 3M could not escape an adverse judgment by voluntary dismissal and, even if dismissed, the suit should be dismissed with prejudice, thus triggering Alphapharm's exclusivity period. 3M argued that the district court was obligated to use its inherent power to sanction Barr's failure to comply with the statutory notice requirement.

The Federal Circuit held that, although 3M might well be correct that a case or controversy ceased to exist in the course of litigation, the party's dispute over the form of the dismissal alone was sufficient to create subject matter jurisdiction. Moreover, the Federal Circuit held that the district court had not abused its discretion in refusing to dismiss the suit without prejudice. With respect to Barr's alleged violation of the statutory notice requirement, the Federal Circuit agreed that 3M's claim of Barr's violation was not insubstantial, but held that 3M was impermissibly attempting to assert a private right of action under the FFDCA. According to the Federal Circuit, the FFDCA proscribes all private rights of action for alleged failures to comply with the FFDCA, and, thus, the district court could not decide the issue of Barr's compliance with the statutory notice requirement.

In a concurring opinion, Judge Gajarsa emphasized what he perceived as the Court's inconsistency in holding that the district court had not abused its discretion in finding Barr's notice adequate and also that the sufficiency of the notice could not be considered under

the FFDA. Judge Gajarsa argued that the Panel's holding that the sufficiency of the notice requirement could not be considered creates an administrative "quagmire." Nevertheless, Judge Gajarsa reasoned that the mere listing of the '384 patent in the Orange Book was sufficient to create the necessary reasonable apprehension of suit required to confer subject matter jurisdiction over a declaratory judgment suit. Thus, according to Judge Gajarsa, the result was correct because even if 3M had not brought suit, Barr would have brought a declaratory judgment suit.

Sale of Replacement Part Does Not Lead to Infringing Reconstruction

Adam Avrunin

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

In *Husky Injection Molding Systems Ltd. v. R&D Tool & Engineering Co.*, No. 01-1346 (Fed. Cir. May 17, 2002), the Federal Circuit ruled that contributory infringement of a patent did not result by selling a replacement part for a machine covered by a patent where the part to be replaced was readily replaceable.

Husky Injection Molding Systems Ltd. ("Husky") is the assignee of U.S. Patent No. Re 33,237 ("the '237 patent") directed to an injection-molding machine, and Husky manufactures and sells such machines. Among the parts of this machine are a mold and a carrier plate, neither of which is patented by itself. The molding machine produces plastic preforms whose design is dictated by the shape of the mold and carrier plate. Customers can change the preform design by buying a substitute mold and corresponding carrier plate. Both Husky and R&D Tool & Engineering Company ("R&D") make and sell such substitute molds and carrier plates. Alleging that

R&D's sale of substitute mold and carrier plate combinations constitutes contributory infringement, Husky sued R&D.

The trial court had focused on whether substitution of a new mold and carrier plate combination for an unspent combination constituted reconstruction, which is impermissible conduct, or repair, which is permissible conduct. The district court had reasoned that R&D's sale of the mold and carrier plate combinations was more akin to repair than reconstruction, even though the new combinations produced a preform design different than that produced by the original mold and carrier plate. Accordingly, the district court granted SJ of noninfringement.

On appeal, the Federal Circuit affirmed. Addressing the issue of when the permissible repair exception applies, the Court reviewed its precedents and identified three distinct scenarios. In one scenario, the entire patented item is spent, and the alleged infringer reconstructs it to make it useable again. According to the Court, such reconstruction is impermissible. In the second scenario, a spent part is replaced. According to the Court, such repair is permissible no matter how essential that part may be to the patented combination. In the third scenario, described by the Court as "akin to repair," a part of a machine is not spent but it is replaced to enable the machine to perform a different function. Such replacement, according to the Court, is also permissible.

The Court rejected Husky's argument that the owner of a patented combination has no right to voluntarily replace an unspent part unless there is a valid public policy justification for the replacement, such as increased safety.

Applying its legal conclusions to the facts of this case, the Court found no question that the particular parts at issue were "readily replaceable" because the design of the machine allowed replacement of the mold and carrier plate. Typical customers would replace the mold and carrier plate after three to five

years in order to change the preform design, and Husky itself sold such substitute molds and carrier plates. Accordingly, the Court concluded that Husky's customers did not directly infringe the '237 patent by replacing the molds and carrier plates, and, therefore, R&D did not contributorily infringe.

Court Affirms Holding of Infringement as a Discovery Sanction

John D. Livingstone

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

In *Transclean Corp. v. Bridgewood Services, Inc.*, No. 01-1268 (Fed. Cir. May 21, 2002), the Federal Circuit affirmed a district court's grant of SJ of patent validity, infringement of some claims, and damages. The Federal Circuit vacated a jury's finding of infringement of one claim in view of the district court's improper claim construction.

Transclean Corporation ("Transclean") sued Bridgewood Services, Inc. ("Bridgewood") for: (1) infringement of U.S. Patent No. 5,318,080 ("the '080 patent") directed to an automatic transmission fluid changing apparatus; (2) infringement of its TOTAL FLUID EXCHANGE and TOTAL FLUID X-CHANGE trademarks; and (3) false advertising by Bridgewood's promotional claims that its device replaced "100%" or "every drop" of fluid.

The district court had granted SJ that the '080 patent was not anticipated by two prior art patents, that Bridgewood had infringed claims 1-4 and 12 of the '080 patent (after precluding Bridgewood from arguing noninfringement of those claims as a sanction for Bridgewood's failure to answer an interrogatory regarding its bases for arguing noninfringement), and that Bridgewood had not infringed

Transclean's trademarks. A jury then found that Bridgewood had willfully infringed claim 13 and engaged in false advertising and awarded Transclean damages including a reasonable royalty rate based on Bridgewood's sales of infringing devices, additional damages for the infringement, and a reasonable royalty based on Bridgewood's sale of its business. In a post-trial motion, the district court found that Transclean was not entitled to a reasonable royalty based on Bridgewood's sale of its business.

On appeal, Bridgewood argued that the district court had misconstrued claim 1 by requiring that the fluid flow rate, rather than just the volume of fluid, be equalized. Bridgewood argued that this erroneous, narrow construction was the basis for the district court's finding of no anticipation. Following a review of the specification, the Federal Circuit affirmed the lower court's claim construction. Since neither prior art patent disclosed the equalization of fluid flow as required by the claim, the Court agreed that the '080 patent was not invalid as anticipated.

Bridgewood also argued that the lower court had abused its discretion when, as a discovery sanction, it precluded Bridgewood from asserting a noninfringement defense as to claims 1-4 and 12, and when it denied Bridgewood's motion for SJ of noninfringement of claim 13. The Federal Circuit concluded that the district court had acted within its discretion in granting SJ of infringement as a discovery sanction, noting that Bridgewood had precluded Transclean from conducting discovery on the infringement issues. The Federal Circuit emphasized that to hold otherwise would be to disarm the district court of the power to police its proceedings and discourage mischievous conduct by litigants.

The Federal Circuit agreed with Bridgewood, however, that the district court had misconstrued the claim term "resilient" in claim 13. Accordingly, the Court vacated the judgment of infringement of claim 13 because

the jury's finding of infringement was based on the improper construction of that phrase.

Concerning damages, Transclean argued that because Bridgewood's sole source of revenue was an infringing product, and it generated \$6,500,000 in goodwill from the sale of its business, Transclean was entitled to recover the value of that goodwill. The Court disagreed, however, holding that the portion of a sales price consisting of goodwill, i.e., not tangible assets for a business, is not directly the sale of infringing goods that form the basis for determining a reasonable royalty.

As for enhanced damages, Transclean argued that the district court had erred in declining to enhance the patent-infringement damages in light of the jury's finding that Bridgewood had willfully infringed the '080 patent. The Federal Circuit noted that of the steps enumerated in *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 826-27 (Fed. Cir. 1992), for assessing enhanced damages, willfulness was only the first step in the analysis. The second step involved a multifactorial evaluation, including: (1) deliberate copying by the infringer; (2) the infringer's investigation and good-faith belief of invalidity or noninfringement; (3) the parties' litigation conduct; (4) the infringer's size and financial condition; (5) the closeness of the case; (6) the duration of the misconduct; (7) remedial action by the infringer; (8) the infringer's motivation for harm; and (9) any concealment. The Federal Circuit found that the district court had considered the *Read* factors and had not abused its discretion in denying enhanced damages.

Lastly, Transclean appealed the district court's grant of SJ of noninfringement regarding Transclean's trademarks. Transclean argued that an affidavit alleging use of the marks on products and documents raised a genuine issue of material fact. The Federal Circuit agreed with the lower court's holding that the affidavit was deficient in two ways. First, use of the mark on documents did not satisfy the usage requirement, and second, the

affidavit did not purport to demonstrate that the use was anything more than descriptive.

Judge Clevenger's dissent disagreed with the majority's construction of the term "resilient" in claim 13 as unduly narrow and a departure from that term's ordinary meaning.

Use Recited in Claim Preamble Found Not Limiting

D. Kent Stier

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

In *Catalina Marketing International, Inc. v. Coolsavings.com, Inc.*, No. 01-1324 (Fed. Cir. May 8, 2002), the Federal Circuit vacated a district court's SJ of noninfringement, given the district court's erroneous reliance on non-limiting language in the preamble of one claim and prosecution history estoppel.

U.S. Patent No. 4,678,041 ("the '041 patent") claims a selection and distribution system for discount coupons. In a preferred embodiment, the system dispenses coupons to consumers at remote, kiosk-like terminals connected to a central computer system. When a consumer activates the terminal in a retail outlet, the terminal displays available coupons on the screen. The consumer selects a coupon, and a printer connected to the terminal prints the coupon. The terminal selectively communicates with the central computer system to acquire coupon information for display. The preamble of claim 1 recites a plurality of remote terminals located at predesignated sites, such as consumer stores.

During prosecution of the '041 patent, no amendments were made relating to the location of the terminals; however, applicants stated that their invention involved terminals "located in stores" for the dispensing of coupons "on-site." However, applicants did not argue that the location of the terminals in stores distinguished the invention from the

cited prior art.

Coolsavings.com, Inc. (“Coolsavings”) uses a web-based coupon system to monitor and control the distribution of coupons. After registering and providing demographic data, users can browse the website for available coupons and then select and print coupons for in-store redemption. A centralized computer system stores coupon and user data. Users may access the system from any Internet-accessible computer.

Catalina Marketing International, Inc. (“Catalina”) sued Coolsavings, alleging that Coolsavings’s web-based coupon system infringed the ’041 patent. The district court construed the claim language “located at pre-designated sites such as consumer stores,” as recited in the preamble of claim 1, as requiring the terminal to be placed at a pre-designated site at the point of sale, for example, a consumer store. Due to this construction, the district court concluded that Coolsavings did not infringe claim 1, either literally or by the DOE.

On appeal, Catalina argued that the disputed language, which only appears in the preamble of claim 1, is not a limitation because it merely states an intended use for the claimed system.

After reviewing its precedents concerning the effects of preamble language on claims, the Federal Circuit concluded that preambles describing the use of an invention generally do not limit the claims because the patentability of apparatus or composition claims depends on the claimed structure, not on the use or purpose of that structure. The Court stated that a patent grants the right to exclude others from making, using, selling, offering for sale, or importing the claimed apparatus or composition for any use of that apparatus or composition, regardless of whether the patentee envisioned such use.

The Federal Circuit held that the claims, specification, and prosecution history of the ’041 patent demonstrate that the preamble phrase “located at pre-designated sites such as

consumer stores” is not a limitation to claim 1. During the prosecution of the ’041 patent application, the applicant did not rely on this phrase to define the invention or to distinguish the prior art. The Court found that this phrase is not essential to understanding limitations or terms in the claim body. The deletion of the disputed phrase from the preamble does not affect the structural definition or operation of the terminal because the claim body defines a structurally complete invention.

As to the other asserted claim, claim 25, language like that of the preamble also appeared in the body of claim 25. Accordingly, the Federal Circuit reviewed the district court’s construction of this language with respect to claim 25. In doing so, the Federal Circuit reversed the district court’s claim construction and ruled that the phrase “located at pre-designated sites such as consumer stores” required designation of the physical position of the terminal before placement of the terminal at a point of sale location.

Concerning infringement, because the district court had improperly construed the foregoing phrase as a limitation of claim 1, the Federal Circuit vacated the judgment of no literal infringement of claim 1 and remanded for a complete claim construction of claim 1 and appropriate infringement proceedings.

With respect to claim 25, based on its claim construction, the Federal Circuit determined that Coolsavings had not literally infringed claim 25. The Court remanded, however, for proceedings concerning infringement under the DOE. In particular, the district court must now determine whether Coolsavings’s Internet addresses for computers accessing the Coolsavings website are insubstantially different from the placement of terminals at pre-designated points of sale. The Court ruled that prosecution history estoppel did not preclude Catalina from pursuing the DOE on this issue.

Drawings Showing Claimed Features Meet Written-Description Requirement

James J. Boyle

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

In *Cooper Cameron Corp. v. Kvaerner Oilfield Products, Inc.*, No. 01-1383 (Fed. Cir. May 14, 2002), the Federal Circuit affirmed a district court's grant of SJ of noninfringement under the DOE, reversed a SJ that certain printed reports do not qualify as prior art, and reversed a SJ of invalidity for inadequate written description.

Cooper Cameron Corporation ("Cooper") owns U.S. Patent No. 5,544,707 ("the '707 patent") and U.S. Patent No. 6,039,119 ("the '119 patent"). Both patents claim the benefit of a European Patent Office application filed in June 1992. The '707 patent and the '119 patent describe well heads including "workover ports" for protecting the integrity of subsea wells during repair and maintenance activities. Claim 10 of the '707 patent recites a workover port extending laterally through the wall of the spool tree from between the two plugs.

The '119 patent is a continuation of the '707 patent. The claims of the '119 patent also include a workover port, but define the vertical position of the workover port without reference to the plugs as recited in claim 10 of the '707 patent. In particular, claim 1 of the '119 patent recites a workover port "extending through said wall of said spool tree for selective fluid circulation with that portion of said common passageway below the BOP bore and above said tubing hanger."

Kvaerner Oilfield Products, Inc. ("Kvaerner") manufactures and sells a subsea Side Valve Tree device ("the accused device") that includes a workover port. The workover port in the accused device is above both plugs, as that term is used in the '707 patent. Cooper sued Kvaerner for infringement of

claim 10 of the '707 patent under the DOE and for literal infringement of certain claims of the '119 patent.

The district court had granted Kvaerner's motion for SJ of noninfringement of the '707 patent on the basis that Cooper was estopped from asserting infringement under the DOE due to amendments made to claim 10 of the '707 patent during prosecution. Alternatively, the district court had determined that the relevant element recited in claim 10 of the '707 patent was not present in the accused device as a matter of law because the accused device had a workover port connected to the spool tree above the two plugs.

Kvaerner also had asserted that claims of both the '707 and '119 patents were invalid as anticipated by reports written by Subsea Intervention Systems Limited. Cooper had moved for SJ that the reports were not "printed publications" for purposes of 35 U.S.C. § 102, which the district court granted.

Further still, Kvaerner had moved for partial SJ that the asserted claims of the '119 patent were invalid for failure to meet the written-description requirement of 35 U.S.C. § 112, ¶ 1. The district court granted this motion on the basis that the disclosure only referred to the workover port as being located between the two plugs and, thus, did not support claims defining the workover port in other places.

On appeal, the Federal Circuit affirmed the SJ of noninfringement under the DOE, after determining that the limitation "between the two plugs" is a material limitation, not to be ignored in applying the "all-elements" rule.

Concerning the printed publications issue, the Federal Circuit ruled that the district court had erred in granting SJ as Kvaerner had raised genuine issues of material fact about whether the reports were sufficiently available before the critical date. The Federal Circuit instructed the district court on remand to consider that the reports need only be accessible to members of the interested public.

As to the invalidity of the claims of the '119 patent for failure to meet the written-

description requirement of § 112, ¶ 1, Cooper argued that the application drawings constitute an adequate written description. The Federal Circuit agreed and reversed the district court's grant of SJ, finding that Figure 7 of the '119 patent, in particular, provides the necessary description.

Late Claim to Invention Costs Party in Interference

Scott J. Popma

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

In *Berman v. Housey*, No. 01-1311 (Fed. Cir. May 29, 2002), the Federal Circuit affirmed a decision by the Board in an interference between Phillip W. Berman et al. ("Berman") and Gerard M. Housey ("Housey"), entering judgment in favor of Housey and dismissing Berman's unpatentability motion as moot.

Berman holds a patent application directed to a method of determining whether a substance inhibits the binding of T4 receptors to a T cell binding domain of gp120. Housey also holds several applications and patents directed to the same subject matter. On October 17, 1997, Berman had entered a preliminary amendment canceling all of his claims and introducing a new independent claim 64, and had then requested that an interference be declared with one of Housey's pending applications. On April 19, 1999, Housey filed a preliminary motion asserting that Berman's claim 64 was barred under 35 U.S.C. § 135(b) because the claim had not been made within one year of the issuance of Housey's earlier patents.

Berman opposed and filed a separate preliminary motion asserting that all of Housey's claims at issue in the interference were unpatentable in view of prior art. The Board found that because Berman did not contest

that claim 64 was directed to the same or substantially the same subject matter as the claims of the earlier Housey patents, and because claim 64 had been made more than one year after the issuance of those patents, claim 64 was barred under § 135(b). The Board then dismissed Berman's pending unpatentability motion as moot.

On appeal, Berman argued that the Board had erred by refusing to address its unpatentability motion because all issues that are fairly raised in an interference proceeding must be decided by the Board. Berman also argued that the Board had erred by terminating the interference under § 135(b).

The Federal Circuit concluded that the Board had not erred by refusing to consider Berman's unpatentability motion, holding that § 135(b) is a threshold issue that should be addressed by the Board at the preliminary stage of an interference before proceeding on the merits. The Federal Circuit also found that because Berman had never disputed that its claim 64 was directed to the same or substantially the same subject matter as Housey's earlier patents, Berman was barred from making this argument for the first time on appeal.

Assumptions About Properties of Prior Art Structure Fail to Prove Inherency

Jose A. Duthil

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

In *Crown Operations International, Ltd. v. Solutia Inc.*, No. 01-1144 (Fed. Cir. May 13, 2002), the Federal Circuit affirmed the district court's SJ of no invalidity concerning U.S. Patent No. 4,973,511 ("the '511 patent") issued to Solutia Inc. ("Solutia") given the lack of proof concerning the inherency of a certain prior art structure. The Federal Circuit vacated, however, the district court's grant of SJ of

no invalidity concerning U.S. Patent No. 5,091,258 (“the ‘258 patent”), because the district court had erred in its analysis of the enablement requirement and had not addressed the written-description requirement.

The patents-in-suit concern layered films used to create safety and solar control glass. Claim 1 of the ‘511 patent claims that a “control film contributes no more than 2% visible reflectance, based on total visible incident radiation, in a laminated window assembly containing said composite solar/safety film laminated to at least one rigid transparent member.”

Crown Operations International, Ltd. (“Crown”) argued that U.S. Patent No. 4,017,661 to Gillery anticipates the ‘511 patent, because it inherently discloses the 2% limitation. Crown urged the Federal Circuit to accept the proposition that if a prior art reference discloses the same structure as claimed in a patent, the resulting property should be assumed. The Federal Circuit declined to adopt this approach because it is not in accordance with its precedents on inherency, which require proof that the inherent feature must necessarily be present and recognized by one of skill in the art. Crown offered only an assumption and its own contentions, the Court observed.

The ‘258 patent discloses a method to control distortion otherwise caused by the safety and solar film layer by measuring and controlling the texture of the surface of the plasticized polyvinyl butyral layers. The method expresses texture using a “wave index” and a “roughness value.” A smoothing program calculates the wave index by determining the peaks and valleys in the surface, the pitch average amplitude, and average pitch. Claim 1 of the ‘258 patent recites a “substrate layer or functional performance layer possessing low surface waviness on each side characterized by a wave index value, WI, of less than 15,000 square micrometers.”

Crown argued that the rules disclosed by the ‘258 patent for calculating wave index are not sufficiently precise to enable a person of

ordinary skill in the art to practice the ‘258 patent without undue experimentation. Crown also asserted that according to the disclosed wave-index calculations, one of ordinary skill in the pertinent art would not know whether to instruct the smoothing program to disregard a peak by comparing it to an immediately preceding peak or to a valley. The district court held that common sense and a clarifying clause provided in the smoothing rules (“a valley being at least 0.5 micrometers below the immediately preceding prior peak”) defeated Crown’s argument.

The Federal Circuit concluded, despite Solutia’s claims that a person of ordinary skill in the pertinent art could overcome any ambiguities in the wave-index calculation without undue experimentation, that the ambiguities and lack of specified boundary conditions raised a genuine issue of material fact. Accordingly, the Court remanded for proceedings concerning the enablement and written-description requirements of 35 U.S.C. § 112.

License Defense Does Not Deny Federal Court Jurisdiction

Vince Kovalick

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

In *Pixton v. B&B Plastics, Inc.*, No. 01-1012 (Fed. Cir. May 29, 2002), the Federal Circuit vacated an order of the U.S. District Court for the Southern District of Florida dismissing a complaint for patent infringement by Dennis Pixton for lack of subject matter jurisdiction.

Pixton owns two patents directed to plastic fishing lures. He had previously granted B&B Plastics, Inc. (“B&B”), d/b/a Gambler, an exclusive license to the patents. The license provided B&B to pay a minimum royalty, and in the event that sales dropped to a certain level, B&B could cover the shortfall. If B&B chose not to cover the shortfall, Pixton had the option to either make the license non-exclusive or to terminate outright. Pixton

alleged that in 1998, B&B had breached the license. After sending cease and desist letters, and receiving no response, Pixton sued for patent infringement. In response, B&B argued that the license was still in force because it had been modified orally to remove the minimum royalty provisions. The district court dismissed the complaint for lack of jurisdiction, concluding that the underlying action sounded entirely in contract.

The Federal Circuit concluded that Pixton's complaint expressly set out an action for patent infringement. In the Court's words, the issue was not ownership of the patent, but patent infringement, to which the Defendant simply asserted the defense of license. The Court concluded that jurisdiction in the federal courts is not lost simply because the most efficient approach at trial may be to address the license defense first. Accordingly, the Court vacated the district court's decision and remanded the case for further proceedings.

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Claimed "Member" Is Not Limited Only to Disclosed Embodiment

Donald D. Min

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

In *CCS Fitness, Inc. v. Brunswick Corp.*, No. 01-1139 (Fed. Cir. May 3, 2002), the Federal Circuit reversed a SJ of no literal infringement and remanded for further consideration of infringement under the DOE.

CCS Fitness, Inc. ("CCS") is the assignee of U.S. Patent Nos. 5,924,962 ("the '962 patent"), 5,938,567 ("the '567 patent"), and 5,683,333 ("the '333 patent"), which are directed to a stationary exercise device known as an elliptical trainer. CCS sued the Life Fitness division of Brunswick Corporation ("Life Fitness"), alleging that two of Life Fitness's elliptical exercisers literally infringed claims of the '962 and '567 patents and infringed certain claims of the '333 patent under the DOE.

Each of the claims in the asserted patents recites the term "reciprocating member." The parties agreed that Life Fitness's accused machines use pedal levers that curve upward and use multiple components to attach to and rotate around a crankshaft. However, the parties moved for SJ, arguing whether "reciprocating member" covered curved, multicomponent structures or only a single straight-bar structure.

The district court had found that the term "reciprocating member" did not cover structures having multiple parts, since the illustrations in the patents showed only a reciprocating member made of a single contiguous straight bar. The district court had reasoned that if CCS wanted to claim a reciprocating member that was a curved, multicomponent structure, its patents should have included an illustration that showed this embodiment. Accordingly, the district court granted SJ in favor of Life Fitness that the accused devices did not literally infringe the '962 and '567 patents and granted SJ that the accused devices did not infringe the '333 patent under the DOE.

CCS appealed, arguing that the ordinary meaning of "reciprocating member" covered a curved structure having multiple components. Life Fitness argued that the term "member" had no ordinary meaning and, thus, when interpreted in light of the specification, was limited to a straight bar. Life Fitness also argued that the term "reciprocating member" was a means-plus-function clause and, therefore, was limited to the structure disclosed in the specification and equivalents.

The Federal Circuit found that "reciprocating member" covered multicomponent, curved structures, noting that a heavy presumption exists in favor of such a claim term having its ordinary and customary meaning. An accused infringer that simply points to a preferred embodiment or other disclosures in the specification or prosecution history fails to overcome this heavy presumption, the Court observed. It emphasized that a patentee need not describe every conceivable and possible

future embodiment for the claims to cover that particular embodiment. Relying upon dictionaries to determine the ordinary meaning, the Federal Circuit agreed with CCS that “reciprocating member” was not limited to a single component straight-bar structure.

The Court also rejected Life Fitness’s means-plus-function argument because the limitation defined some structure. As such, the “member” was not limited to the disclosed structure and equivalents.

Accordingly, the Federal Circuit reversed the SJ of no literal infringement, and reversed-in-part, vacated, and remanded the SJ of no infringement under the DOE.

Court Broadens Claim Scope and Remands

Jonathan A. Hack

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

In *Beckson Marine, Inc. v. NFM, Inc.*, No. 01-1301 (Fed. Cir. May 31, 2002), the Federal Circuit vacated and remanded the district court’s grant of SJ of noninfringement because the record did not support the district court’s claim construction. Accordingly, the Court also vacated a SJ of no invalidity based on the incorrect claim construction.

Beckson Marine, Inc. and others (collectively “Beckson”) sued NFM, Inc. (“NFM”), alleging infringement of U.S. Patent No. 4,363,350 (“the ‘350 patent”), which claims a portlight for use as a window in the wall of a boat. The specification and figures describe a spigot with outer walls running perpendicular to a mounting flange. The spigot extends through the boat wall, with the upper side of its lower portion providing a sill for the portlight. The sill includes drains to prevent an accumulation of water that may enter the boat when the portlight is opened. The claims of the ‘350 patent describe the sill as being provided with “a sloping drain groove,”

the “drain groove being open at the top for a substantial portion of its length.” The SJ motion focused on the draining feature of the sill.

NFM began producing a rectangular portlight with sloped, opening drains in 1995. Beckson sued NFM for infringement of the ‘350 patent, and NFM counterclaimed, asserting, inter alia, that the ‘350 patent was invalid.

The district court had based its holding of noninfringement and no invalidity on its construction of the term “sloping drain groove.” In particular, the district court had construed “sloping drain groove” to require “a highly specific U-shaped drain channel of constant diameter/width,” as shown in the figures accompanying the ‘350 patent.

On appeal, NFM defended the district court’s claim construction based on the ordinary meaning of the claim term. In addition, NFM pointed to the figures of the ‘350 patent that showed long, narrow drains. To support its ordinary meaning construction, NFM cited a dictionary’s definition of the term “groove,” namely, “[a] long narrow furrow or channel.” However, the Federal Circuit remarked that NFM’s definition was not dispositive and pointed to another dictionary definition of the term “groove”—namely, “[a] channel or hollow, cut by artificial means, in metal, wood, etc.”

The ‘350 specification referred to the grooves with the broad term “draining structure,” suggesting that the applicant did not intend to limit the claim term “groove” to a specific width or length. Accordingly, the Federal Circuit found no basis for the district court’s narrow claim construction. The Court construed the claim term “sloping drain groove” to mean “a sloping artificial channel for flowing water.” The Court then remanded the case to the district court for additional claim construction on other limitations of the claim and for a determination of infringement based on the new claim constructions.

With respect to the issue of invalidity, the Federal Circuit vacated the district court’s determination that the ‘350 patent is not

invalid and remanded the case for further proceedings. NFM had produced evidence that its oval portlight predated the '350 patent's critical date. The district court, however, had held that because the oval portlight did not infringe the '350 patent, it also could not serve as the basis for a judgment of invalidity. The Federal Circuit disagreed, stating that any analogous or pertinent prior art can play a role in determining invalidity and a reference need not anticipate the invention to serve as prior art.

The Federal Circuit stated that Beckson's assertion of literal infringement, standing alone, was not an admission that the '350 patent was invalid. The Court added, howev-

er, that if Beckson's assertion had been based on a construction identical to the correct judicial claim construction, then its assertion could serve as additional evidence of invalidity, even anticipation, because that which literally infringes if later, anticipates if earlier.

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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
APA	Administrative Procedures Act
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
FDA	Food & Drug Administration
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