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INDEPENDENT FORM RAISES PRESUMPTION OF
PROSECUTION HISTORY ESTOPPEL**

Rewriting dependent claims into independent-claim form and canceling the original independent claims creates a presumption of prosecution history estoppel. *Honeywell Int'l, Inc. v. Hamilton Sunstrand Corp.*, No. 02-1005 (Fed. Cir. June 2, 2004)1

**FAILURE TO FILE TRANSLATION OF APPLICATION
PROVES FATAL IN INTERFERENCE**

Compliance with filing requirements for international applications entering the national stage is not sufficient to prove constructive reduction to practice in interference proceeding. *Stevens v. Tamai*, No. 03-1479 (Fed. Cir. May 4, 2004)1

**A GENERAL-USAGE DICTIONARY CANNOT
OVERCOME CREDIBLE ART-SPECIFIC EVIDENCE
OF MEANING OF CLAIM TERM**

Where evidence, such as expert testimony or technical dictionary, demonstrates that artisans would attach meaning to claim term, general-usage dictionaries are irrelevant. *Vanderlande Indus. Nederland BV v. Int'l Trade Comm'n*, No. 03-1349 (Fed. Cir. May 3, 2004)2

**PATENT LICENSE CARRIES IMPLIED RIGHTS
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Under basic contract-law principles, a party may not assign a right, receive consideration for it, and then take steps that would render the right commercially worthless. *Jacobs v. Nintendo of Am., Inc.*, No. 03-1297 (Fed. Cir. May 28, 2004)3

"CIRCUIT"-PLUS-FUNCTION IS NOT MEANS-PLUS-FUNCTION

When the term "circuit" is claimed with a description of the circuit's operation, sufficient structural meaning generally will be conveyed to persons of ordinary skill in the art, and § 112, ¶ 6 presumptively will not apply. *Linear Tech. Corp. v. Impala Linear Corp.*, No. 02-1569 (Fed. Cir. June 17, 2004)4

**CLAIMS FOR DETECTING AND LOCALIZING A
TUMOR MAY BE INFRINGED UNDER DOE**

Absent a formal relationship or incorporation during prosecution, the new-matter content of a first patent is not available to construe the claims of a second patent. *Goldenberg v. Cytogen, Inc.*, No. 03-1409 (Fed. Cir. June 23, 2004)5

PREAMBLE IS NOT A CLAIM LIMITATION

Because preamble is not a claim limitation, findings of inadequate written description and inequitable conduct based on the preamble were erroneous. *Intirtool, Ltd. v. Texar Corp.*, No. 03-1394 (Fed. Cir. May 10, 2004)6

**CLAIMED DECKING BOARD NEED NOT BE MADE
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Speculative modeling premised on unstated assumptions in prior art patent drawings cannot be the basis for challenging validity of claims reciting specific dimensions not disclosed directly in such prior art. *Nystrom v. Trex Co.*, No. 03-1092 (Fed. Cir. June 28, 2004)7

**BOARD'S BROAD CLAIM CONSTRUCTION
AFFIRMED, CLAIMS ANTICIPATED**

Construing claims broadly during prosecution is not unfair to an applicant because the applicant has the opportunity to amend the claims to obtain more precise claim coverage. *In re Am. Acad. of Sci. Tech Ctr.*, No. 03-1530 (Fed. Cir. May 13, 2004)8

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FUEL PUMP PATENT NOT INFRINGED

Properly construed claims result in affirmance of JMOL of noninfringement but reversal of JMOL of no invalidity with remand for further inquiry on the issue. *TI Group Auto. Sys. (N. Am.), Inc. v. VDO N. Am., LLC*, No. 02-1630 (Fed. Cir. June 30, 2004)10

EDITED BY | VINCE KOVALICK

This publication brings you a synopsis of patent cases decided last month by the United States Court of Appeals for the Federal Circuit based on slip opinions received from the court. You can review and download the full text of each opinion by visiting our website at www.finnegan.com

*Given the number of cases decided in May and June, we consolidated them into a single issue.

Rewriting Dependent Claims into Independent Form Raises Presumption of Prosecution History Estoppel

Vince Kovalick

[En banc, Dyk (author), Newman (dissenting-in-part)]

In *Honeywell International, Inc. v. Hamilton Sunstrand Corp.*, No. 02-1005 (Fed. Cir. June 2, 2004), the Federal Circuit held that the rewriting of dependent claims into independent form coupled with the cancellation of the original independent claims creates a presumption of prosecution history estoppel.

Honeywell International, Inc.'s ("Honeywell") patents are directed to an aircraft auxiliary power unit ("APU"), which is typically used on aircraft to generate electricity and compress air. The Honeywell APU was designed to avoid air surges by controlling a surge-bleed valve.

The decision concerned three claims from two different patents. Each of the three claims originated as a dependent claim that depended from a rejected independent claim. The Examiner indicated that these three claims would be allowable if rewritten into independent form, and Honeywell responded by canceling the rejected independent claims and amending the dependent claims to expressly incorporate the limitations of the rejected independent claims. At trial, a jury found willful infringement based on the DOE and awarded over \$45 million in damages.

The Federal Circuit initially answered a less controversial question, ruling that an amendment adding a new claim limitation constitutes a narrowing amendment that gives rise to an estoppel, just like an amendment that narrows a preexisting claim limitation. The Court then tackled the more controversial issue of whether rewriting a dependent claim into independent form, coupled with the cancellation of the original independent claim, constitutes a narrowing amendment. Honeywell, of course, argued that although it had surrendered the broader independent claims, there should be no presumption of surrender because the scope of the rewritten dependent claims had not been narrowed. The Federal Circuit rejected this argument, however, and concluded that in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002), the Supreme Court held that the proper focus is whether the amendment narrows the overall scope of the claimed subject

matter. Accordingly, the Court reasoned, the fact that the scope of the rewritten claim has remained unchanged does not preclude the application of prosecution history if, by canceling the original independent claim and rewriting the dependent claims in independent form, the scope of subject matter claimed in the independent claim has been narrowed to secure the patent.

The Federal Circuit dug deep to find support for its ruling, even citing an old decision by Judge Learned Hand, *Keith v. Charles E. Hires Co.*, 116 F.2d 46 (2d Cir. 1940). In *Keith*, Judge Hand found no difference between the situation where a claim was amended to secure allowance and one where the applicant files both a limited claim and a broader claim at the same time and then cancels the broader claim when it has been rejected.

After revealing its ruling, the Court cautioned that the presumption of surrender applies only to the amended or newly added limitation, not the whole claim. There is no surrender concerning the limitations present in the original independent claim. Equivalents are presumably not available only with respect to the limitation added from the dependent claim. Having so ruled, the Federal Circuit remanded the case for the district court to determine whether the patentee could overcome the presumption of estoppel.

Judge Newman dissented, concluding that the majority's decision directly contradicts 35 U.S.C. § 112, ¶ 4. She concluded that this new rule will simply raise the costs and increase the difficulty of examining patents because practitioners will simply move away from using dependent claims. In her opinion, 35 U.S.C. § 112, ¶ 4 assured that claim scope is unrelated to whether the claim is in independent or dependent form, and the Supreme Court did not change that law in *Festo*.

Failure to File Translation of Application Proves Fatal in Interference

Aaron L. Parker

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

In *Stevens v. Tamai*, No. 03-1479 (Fed. Cir. May 4, 2004), the Federal Circuit reversed the judgment of the Board for Tamai, the senior-party applicant in an interference proceeding, with instructions to enter judgment for Stevens, the

junior party. The Board erred in granting Tamai the benefit of Japanese Patent Application No. 3-068371 ("the Japanese '371 application").

Stevens and Tamai were parties to Interference No. 103,662, declared May 9, 1997. Stevens's patent, U.S. Patent No. 5,393,368 ("the '368 patent"), was filed February 7, 1994, and issued February 28, 1995. Tamai's application, Ser. No. 08/196,839 ("the '839 application"), was filed on February 15, 1994, as a CIP of U.S. Patent Application No. 08/030,183 ("the '183 application"), filed March 29, 1993. The notice declaring the interference accorded the '839 application the benefit of the '183 application's filing date; thus, Tamai obtained senior-party status.

Based on a preliminary motion to be accorded the benefit of the filing date of an earlier filed application under 37 C.F.R. § 1.637, Stevens obtained a constructive reduction to practice for the '368 patent of February 10, 1993, prior to Tamai's priority date of March 29, 1993, based on the '183 application. Tamai, however, filed a preliminary motion based on the Japanese '371 application, filed July 31, 1991, and PCT Application No. PCT/JP92/00947 ("the PCT '947 application"), both of which are in Japanese. Tamai only filed a translation of the Japanese '371 application with his motion, failing to file a Japanese language copy of either application and similarly failing to file a translation of the PCT '947 application with his motion. Tamai also failed to file an affidavit attesting to the accuracy of the translation of the Japanese '371 application.

While the Board denied Tamai's motion for benefit based on the PCT '947 application because Tamai had failed to supply a translation of that application, the Board examined the translation of the Japanese '371 application and determined it to be a constructive reduction to practice of the interference count. Therefore, the Board entered judgment in Tamai's favor and against Stevens. After reconsideration, the Board refused to modify its judgment, stating that Tamai was required to file a translation of the PCT '947 application along with its motion. The Board further stated that Tamai failed to indicate that the '183 application was a translation of the PCT '947 application when the motion for benefit was filed.

On appeal, Stevens asserted that Tamai was precluded from directly claiming benefit of the Japanese '371 application because it was filed more than one year before the '183 application. Further, Stevens argued that Tamai needed to

obtain the benefit of the PCT '947 application in order to obtain benefit of the Japanese '371 application. The Federal Circuit agreed that the Board had erred in according Tamai the benefit of the Japanese '371 application because he failed to prove his entitlement to the benefit of the PCT '947 application by filing a translation of the PCT '947 application along with an affidavit attesting to its accuracy with his motion for benefit.

The Federal Circuit found that Tamai's compliance with filing requirements for international applications entering the national stage was not sufficient to prove constructive reduction to practice in an interference proceeding. Therefore, without the benefit of the PCT '947 application and the Japanese '371 application, Tamai's effective filing date of March 29, 1993, is nearly two months after Stevens's effective filing date of February 10, 1993. Based on this information, the Federal Circuit held that Stevens proved a constructive reduction to practice earlier in time than Tamai and remanded to the Board with instructions to enter judgment for Stevens.

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A General-Usage Dictionary Cannot Overcome Credible Art-Specific Evidence of Meaning of Claim Term

Mary K. Ferguson

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

In *Vanderlande Industries Nederland BV v. International Trade Commission*, No. 03-1349 (Fed. Cir. May 3, 2004), the Federal Circuit affirmed rulings that (1) *Vanderlande Industries Nederland BV* ("Vanderlande") violated 19 U.S.C. § 1337 by importing products that infringe claims 1 and 4 of U.S. Patent No. 5,127,510 ("the '510 patent"), and (2) the patent owner and licensee were not barred from asserting the '510 patent against Vanderlande under the doctrine of equitable estoppel.

Intervenors Siemens Dematic Corporation ("Siemens") and Rapistan Systems Advertising Corporation ("Rapistan"), respectively, are the exclusive licensee and owner of the patent-in-suit, which relates to mechanical sorting systems that push an item across slats of a conveyor belt. The patent-in-suit describes a system that minimizes the reaction force of an item against the diverter

shoe, laterally moving that item as it travels along a conveyor. The '510 patent discloses technology designed to improve glide and reduce the reaction forces that tend to flip the shoe over and rotate it sideways during sorting. Such conveyor-belt sorting systems are commonly used in mail or package-sorting facilities.

Siemens and Rapistan filed a complaint with the ITC seeking a limited exclusion order for sorting systems or parts that are manufactured abroad and/or imported by or on behalf of Vanderlande. The ITC investigated and ruled that Vanderlande's Mark 2 Posisorter product infringes claims 1 and 4 of the '510 patent. The ITC rejected Vanderlande's defense of equitable estoppel and held the company in violation of 19 U.S.C. § 1337.

In reviewing the ITC claim construction, the Federal Circuit relied on intrinsic evidence to construe the limitation "glide surface surrounding said [slat] wall" from the viewpoint of one of ordinary skill in the art. The Federal Circuit reasoned that because the "Summary of the Invention" expressly contemplates embodiments in which the glide surface contacts at least one edge of a slat, Vanderlande's proposed construction requiring that the glide surface of the shoe contact a slat on all sides is inconsistent with the written description. The Federal Circuit reasoned that the written description discloses detailed, art-specific examples of glide surfaces in the Summary that fall outside of Vanderlande's proposed construction. Even when the Summary emphasizes that such embodiments are not optimal, the Court remarked, they fall within the disclosure of the invention and indicate that the patent requires a broader meaning of the disputed term.

The Court considered and rejected a dictionary definition of "glide" put forward by Vanderlande, stating that the definition of a term from a general-usage dictionary does not outweigh countervailing inventor and expert testimony that the disputed claim term had no independent meaning in the art. The Court stated that evidence demonstrating that skilled artisans attach a special meaning (or no meaning at all) to a disputed claim term renders a contrary definition from a general-usage dictionary irrelevant. The Court thus adopted a construction of "glide surface" that embraces the accused product.

The Federal Circuit also found no error in the ITC's omission of a formal construction of the limitation "glide surface having substantially the same configuration as said outer surface of said slat."

The Court held that an implicit construction of the term does not create reversible error, and that substantial evidence supports the application of the claim limitation to the accused device as a reasonable person might accept that there is adequate support for the conclusion that the shape of the inner surface of the diverter shoe, while not identical to the outer surface of the slat, has "substantially the same configuration."

And finally, the Federal Circuit affirmed the ITC ruling that Siemens and Rapistan were not equitably estopped from asserting the '510 patent against Vanderlande. Vanderlande argued that they were misled to believe that the patent would not be asserted against them by a two to three year delay between warnings of potential infringement and the initiation of litigation before the ITC. The Federal Circuit noted that Rapistan initiated litigation nine months after receiving confirmation of infringing activities, and, thus, the patentees had not misled Vanderlande with any delay. Finding that Siemens and Rapistan did not mislead Vanderlande, the Court concluded that the ITC properly rejected this defense.

Patent License Carries Implied Rights for Customers

Vince Kovalick

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

In *Jacobs v. Nintendo of America, Inc.*, No. 03-1297 (Fed. Cir. May 28, 2004), the Federal Circuit affirmed a SJ that Nintendo of America, Inc. ("Nintendo"), being a customer of Analog Devices, Inc. ("Analog"), could not infringe, given an existing license between Jordan Spencer Jacobs and Analog.

Jacobs owns U.S. Patent No. 5,059,958 ("the '958 patent"), which concerns a tilt-sensitive joystick for a video-game controller.

In July 2001, Jacobs settled a case against Analog and agreed to license Analog to the '958 patent. After settling with Analog, Jacobs then sued Nintendo for infringement of the '958 patent. As an Analog customer, Nintendo moved for SJ of noninfringement based on the '958 patent license. The district court ruled that because the settlement agreement between Jacobs and Analog permitted Analog to sell accelerometers for use in tilt-sensitive control

boxes, such as the ones manufactured and sold by Nintendo, Nintendo had an implied license to use the Analog accelerometers in such control boxes.

On appeal, the Federal Circuit agreed with the district court. The Court rejected Jacobs's argument that the Jacobs-Analog agreement was only a bare license granting Analog the right not to be sued for making, using, or selling accelerometers for use in tilt-sensitive control boxes, but such right did not extend to such customers like Nintendo. Such an interpretation, the Federal Circuit ruled, would violate the basic contract principle that a party may not assign a right, receive consideration for it, and then take steps that would render the right commercially worthless. Jacobs knew that Analog was not in the business of making game controls, so there is no reason to believe that Analog would have bargained for a right that would not protect its customers.

"Circuit"-Plus-Function Is Not Means-Plus-Function

Naveen Modi

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

In *Linear Technology Corp. v. Impala Linear Corp.*, No. 02-1569 (Fed. Cir. June 17, 2004), the Federal Circuit vacated the district court's grant of SJ of noninfringement in favor of Maxim Integrated Products, Inc. ("Maxim") after concluding that the district court had erred in construing certain claim limitations of U.S. Patent No. 5,481,178 ("the '178 patent") owned by Linear Technology Corporation ("Linear"). The '178 patent relates to voltage regulators, which are designed to provide a predetermined and constant voltage output from a fluctuating input voltage source, such as a battery, to an energy consuming device. The Federal Circuit also vacated the district court's grant of SJ of no contributory infringement or inducement with respect to certain claims of the '178 patent because Linear had raised genuine issues of material fact concerning direct infringement. Finally, the Federal Circuit affirmed the district court's denial of Maxim's motion for SJ that Ronald Vinsant was a joint inventor of the '178 patent.

On appeal, the Federal Circuit first reviewed the district court's construction of the claim terms "circuit," "vary the duty cycle," and "simultaneously off." The Court concluded that the district

court had incorrectly construed the "circuit" and "circuitry" claim limitations of the '178 patent as means-plus-function limitations subject to 35 U.S.C. § 112, ¶ 6, even though these limitations recited only the functions of the circuits. Because none of the disputed limitations included the word "means," the Federal Circuit held that the district court legally erred by failing to apply the rebuttable presumption that § 112, ¶ 6 does not apply. The Court looked at some technical dictionaries and concluded that the term "circuit" connotes structure. The Court ruled that "when the structure connoting term 'circuit' is coupled with a description of the circuit's operation, sufficient structural meaning generally will be conveyed to persons of ordinary skill in the art, and § 112, ¶ 6 presumptively will not apply."

The Federal Circuit also disagreed with the district court's construction of "vary the duty cycle," which was written in means-plus-function format. The district court had held that the pulse width modulation ("PWM") circuits mentioned in the specification were not corresponding structure for this limitation because the term PWM is essentially generic and does not reference a specific structure. The Federal Circuit noted that although the expression "PWM circuit" does not reference a specific circuit structure, persons of skill in the art would understand that "PWM circuit" references a discrete class of circuit structures that perform known functions.

The Federal Circuit also found that the district court had erred in construing the "simultaneously off" limitations recited in certain claims of the '178 patent. Specifically, these limitations state: "to cause both switching transistors to be simultaneously OFF for a period of time." The district court had construed these limitations as encompassing "the act of turning or causing both transistors to be off, not the state of being off, that occurs simultaneously." The Federal Circuit disagreed, concluding that the ordinary and customary meaning of "simultaneously off," in contextual relation to the "period of time" language of the claims, encompasses the simultaneous state of both switching transistors being disabled or held off. Thus, the Court concluded that "simultaneously off" limitations require that both switching transistors be held off or disabled for an overlapping period of time, not that they be turned off or disabled at the same instant.

The Federal Circuit next turned to the district court's grant of SJ of no contributory infringement or inducement with respect to certain claims of

the '178 patent. The Court reviewed all the record evidence and concluded that this evidence raised a genuine issue as to whether Maxim's customers directly infringed, and hence, whether Maxim contributed to or induced infringement. It therefore vacated the district court's grant of SJ of non-infringement.

Finally, the Federal Circuit addressed Maxim's cross appeal. The Court noted that the parties disputed whether the district court had erred in finding that Ronald Vinsant's claim of joint inventorship of the '178 patent was not corroborated and also in denying Maxim's motion for SJ that Vinsant was a joint inventor of the '178 patent. The Court noted that because Maxim's cross appeal is from a district court's denial of its motion for SJ, it would not disturb that determination in the absence of an abuse of discretion. The Federal Circuit then reviewed the corroboration evidence and agreed with the district court's assessment of that evidence. Specifically, the Court held that the district court had not abused its discretion in concluding that Vinsant's inventorship claim was not corroborated.

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Claims for Detecting and Localizing a Tumor May Be Infringed Under DOE

Roy P. Diaz

[Judges: Gajarsa (author), Schall, and Prost (concurring-in-part and dissenting-in-part)]

In *Goldenberg v. Cytogen, Inc.*, No. 03-1409 (Fed. Cir. June 23, 2004), the Federal Circuit affirmed the district court's grant of SJ that Cytogen, Inc.'s ("Cytogen") ProstaScint, a prostate-specific membrane antigen (PSMA) marker, did not literally infringe U.S. Patent No. 4,460,559 ("the '559 patent"), but reversed the district court's finding of infringement of the '559 patent under the DOE and remanded for further proceedings.

The '559 patent is directed to a method for detecting and localizing tumors by targeting "intracellular marker substances" that are produced by or associated with tumor cells. The claimed method includes injecting a subject with a radioactively highlighted antibody specific to the "marking substance," which, when scanned, reveals the location of concentrations of the "marking substance" within the body.

Milton D. Goldenberg and Immunomedics, Inc. (collectively "Immunomedics") filed suit against Cytogen and C.R. Bard, Inc. (collectively "Cytogen"), alleging that because PSMA is an "intracellular marker substance" and the antibody in Cytogen's ProstaScint targets PSMA, then ProstaScint infringes the method claims of the '559 patent. Specifically, Immunomedics alleged that ProstaScint infringed the method claims of the '559 patent by containing the antibody 7E11-C5.3 (an antibody specific to PSMA).

The method of claim 1 in the '559 patent included the term "intracellular marker substance." Immunomedics failed to define in the specification the term "intracellular marker substance," and the parties agreed that the term had no commonly accepted meaning. In construing the term, the district court reviewed the intrinsic evidence and considered expert testimony. The district court construed "intracellular marker substance" to mean "an antigen existing within a body cell." Both parties filed motions for SJ based on the claim construction. The district court, concluding that PSMA was a cell-surface antigen, granted Cytogen's motions for SJ of noninfringement.

The '559 patent was one of two patents that originated from two simultaneously filed applications. A continuation of the first application resulted in the '559 patent, and a CIP of the second application resulted in U.S. Patent No. 4,444,744 ("the '744 patent"). In its literal infringement analysis, the district court relied on passages added during the prosecution of the '744 patent where Goldenberg distinguished the parent application of the '744 patent from the '559 patent to overcome a double-patenting rejection during prosecution of the '559 patent. The district court consequently relied on both the definition and the references in the '744 patent to conclude that PSMA was a cell-surface antigen and was therefore outside of the literal scope of claim 1.

The Federal Circuit reviewed the claim construction of the term "intracellular marker substance" and affirmed the district court's construction. The Federal Circuit also agreed with the district court's finding that the marker substance must be wholly internal to the cell. The Federal Circuit stated, however, that the relevant passages from the '744 patent relied on by the district court constituted new matter added by the CIP; thus, it does not constitute part of the prosecution history of the '559 patent. Nevertheless, the Federal Circuit reached the same construction based on the intrinsic evidence of the '559 patent and held that the district court's use of the passages from the '744 patent was harmless error.

In affirming the district court's construction of the term "intracellular marker substance," the Federal Circuit agreed that, as a transmembrane antigen, PSMA is not an intracellular marker substance. As to the DOE, however, the Federal Circuit held that the district court improperly relied on the faulty premise of classifying PSMA as solely a cell-surface antigen.

Additionally, the Federal Circuit found that Immunomedics had presented a sufficient factual dispute to avoid SJ. The Court noted that transmembrane antigens are not susceptible to the black and white categorization made by the district court, and "[a]s a 'grey' category, transmembrane antigens are not addressed by the '559 patent or its prosecution history and might be equivalent to either of the categories [cell-surface marker or intracellular marker] identified by the district court if such a finding was made." *Slip op.* at 17.

Accordingly, the Federal Circuit found that Immunomedics had presented a sufficient factual dispute to avoid SJ and remanded to the district court for further proceedings on the issue of infringement under the DOE.

Preamble Is Not a Claim Limitation

Christopher T. Kent

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

In *Intirtool, Ltd. v. Texar Corp.*, No. 03-1394 (Fed. Cir. May 10, 2004), the Federal Circuit reversed and remanded the district court's finding (1) that Intirtool, Ltd.'s ("Intirtool") U.S. Patent No. 5,022,253 ("the '253 patent") is invalid for failing to satisfy the written description requirement under 35 U.S.C. § 112, first paragraph; (2) that Intirtool's patent is unenforceable because Intirtool committed inequitable conduct during the patent's prosecution; and (3) that damages that had accrued prior to Intirtool's filing of the infringement action are barred by the equitable doctrine of laches. The Federal Circuit held that the district court had either clearly erred or abused its discretion in reaching each of these findings.

Intirtool owns the '253 patent, which claims hand-held punch pliers for simultaneously punching and connecting overlapping sheet metal, such as the corners of overlapping ceiling-tile grids.

Intirtool sold patented tools to Texar Corporation ("Texar") in 1992 and 1993, and Texar resold the tools to retailers. In July 1993, during a telephone conversation, Texar informed Intirtool that a very similar tool was available from other suppliers for a lower price and asked Intirtool to meet the other suppliers' lower price. Intirtool refused to lower its price, and Texar stopped buying the tools from Intirtool. In April 2000, Intirtool filed a patent-infringement suit, accusing Texar of infringing its '253 patent.

In a bench trial, the district court held that the '253 patent was invalid for failure to satisfy the written description requirement, finding that the specification did not describe hand-held pliers for simultaneously punching and connecting overlapping sheet metal. The district court also held that the '253 patent was unenforceable, finding that Intirtool had engaged in inequitable conduct because it had represented to the PTO that the described tool simultaneously punched holes and connected ceiling grids, knowing this representation was false. Finally, the district court held that Intirtool's infringement action was barred by laches because Intirtool should have known that Texar was reselling the competing tools within the six-year period before the action was filed, and Intirtool had not shown that the delay in filing the action was reasonable.

The preamble of claim 1 in the '253 patent recites "a hand-held punch pliers for simultaneously punching and connecting overlapping sheet metal." The district court concluded that the preamble of claim 1 was a claim limitation because it found that Intirtool had represented to the PTO that the tool was capable of simultaneously punching and connecting ceiling grids, but further concluded that the punch pliers described in the '253 patent do punch holes in overlapped sheets of metal but do not connect the sheets. As a result, the district court found the '253 patent invalid for failure to comply with the written description requirement.

Reviewing the district court's findings, the Federal Circuit concluded that the claim 1 preamble does not recite any additional structure or steps underscored as important by the specification. The Court also found no clear reliance in the prosecution history by Intirtool on the preamble rather than on the structural limitations set forth in the body of claim 1. As a result, the Federal Circuit ruled that the '253 patent preamble is not a limitation of claim 1. Finding that the district

court appeared to have based its inadequate description conclusion on its erroneous finding that the “simultaneously punching and connecting” language of the preamble was a limitation of claim 1, the Federal Circuit held that the district court’s conclusion was clearly erroneous.

The district court had based its conclusion that Intirtool had engaged in inequitable conduct on its finding that during prosecution of the ’253 patent, Intirtool had repeatedly stated and stressed that the described tool simultaneously punched holes and connected ceiling grids, knowing that this assertion was false. The Federal Circuit held, however, that Intirtool’s representations merely referred preamble features of the invention. In addition, the Federal Circuit held that those representations were not clearly incorrect, and that Intirtool’s representations during prosecution did not rise to the required level of materiality. The Federal Circuit thereafter concluded that the district court had clearly erred in its finding that Intirtool’s statements were material misrepresentations and held that the district court had abused its discretion in ruling that Intirtool had committed inequitable conduct.

The district court had found that Intirtool should have known in July 1993 that Texar was going to continue to sell punch pliers but would acquire them from another vendor because the price was cheaper based on the July 1993 telephone conversation between the Intirtool and Texar representatives.

The Federal Circuit found, however, that the July 1993 telephone discussion between the Intirtool and Texar representatives was insufficient to provide Intirtool with constructive knowledge of any act that might give rise to an infringement claim against Texar. Accordingly, the Federal Circuit held that the district court had clearly erred in finding that Intirtool should have known that it had an infringement claim more than six years prior to filing its infringement action in April 2000.

Claimed Decking Board Need Not Be Made of Wood

Troy E. Grabow

[Judges: Linn (author), Mayer, and Gajarsa (dissenting-in-part)]

In *Nystrom v. Trex Co.*, No. 03-1092 (Fed. Cir. June 28, 2004), the Federal Circuit reversed the district court’s grant of SJ of noninfringement and

invalidity, and remanded for further proceedings, but affirmed the district court’s denial of Nystrom’s motion for sanctions under 28 U.S.C. § 1927.

The patent-in-suit, U.S. Patent No. 5,474,831 (“the ’831 patent”), discloses and claims boards for use in constructing an exterior floor, such as a deck. Nystrom, the owner of the ’831 patent, sued Trex Company (“Trex”) for infringement of the ’831 patent. Trex is a manufacturer of exterior decking planks made from composites of wood fibers and recycled plastic. In response to the suit, Trex counterclaimed, seeking a DJ of noninfringement, invalidity, and unenforceability, and filed antitrust counterclaims. Trex voluntarily dismissed the antitrust counterclaims, then filed another antitrust counterclaim, which it eventually dismissed. After construing the claims as being limited to wood boards cut from a log, the district court entered SJ of noninfringement in favor of Trex on all claims. The district court also granted Trex’s motion for SJ of invalidity of claims 18-20. The district court entered a final judgment, staying the invalidity and unenforceability counterclaims regarding the remaining claims, claims 1-17.

The Federal Circuit initially dismissed Nystrom’s appeal for lack of finality, but the appeal was reinstated after the district court dismissed the stayed counterclaims without prejudice.

The Federal Circuit first reviewed the district court’s construction of three claim limitations: “board,” “manufactured to have,” and “convex top surface.” As to the “board” limitation, the district court had construed the term to mean a “piece of elongated construction material made from wood cut from a log.” The Federal Circuit noted that, although some dictionary definitions define “board” solely in reference to its material composition, not all dictionary definitions do so. Based on the broadest possible dictionary definition, the Federal Circuit found that the ordinary meaning of the word “board” encompasses both a piece of cut wood or sawn lumber and a similarly shaped item made of any rigid material. The Federal Circuit then looked to the written description and found that Nystrom did not expressly disclaim boards made from materials other than logs. With respect to the prosecution history, the Federal Circuit held that Nystrom’s statements that a prior art reference was not pertinent because it was “not made from wood” was not a disavowal or disclaimer of claim scope. The Federal Circuit, therefore, construed “board” to mean an elongated, flat piece of wood or other rigid material.

The district court had construed the “manufactured to have” limitation as requiring woodworking techniques, based on the board being wood cut from a log. In light of its construction that “board” includes materials other than wood, the Federal Circuit held that the “manufactured to have” limitation is not limited to woodworking techniques.

With respect to the “convex top surface” term, the district court had construed it to mean “an upper surface with an outward curve that has a ratio of curvature to width of the board between 4:1 to 6:1,” based on statements made in the prosecution history to distinguish a prior art reference. The Federal Circuit looked first to the dictionary definition of “convex” as “having a surface or boundary that curves or bulges outward, as the exterior of a sphere.” The Court ruled that the statements about the convex top surface that were made with respect to issued claim 16 did not apply to the other claims and concluded that the prosecution history did not limit the “convex top surface” to a particular radius of curvature. The Federal Circuit, therefore, held that the correct construction is an upper surface that curves or bulges outward, as the exterior of a sphere.

Based on the revised claim construction, the Federal Circuit reversed the district court’s grant of SJ of noninfringement.

The Federal Circuit next considered the district court’s grant of SJ of invalidity of claims 18-20 as anticipated by the Zagelmeyer patent. The district court held that certain boards depicted in a figure in the Zagelmeyer patent anticipate the limitation of a “difference in thickness to the width of the board being about 1:40.” The Federal Circuit held that the district court had erred in not following prior precedent, holding that arguments made on patent drawings that are not explicitly to scale are unavailing, and reversed the district court’s grant of SJ of invalidity of claims 18-20.

With respect to sanctions, the Federal Circuit held that the district court did not abuse its discretion in declining to award § 1927 sanctions for Trex’s filing of antitrust counterclaims.

Judge Gajarsa dissented with respect to the claim construction of “board” and “manufactured to have,” arguing that dictionaries offered competing definitions and that the written description and prosecution history both narrow the meaning of “board” to “wood cut from a log.”

Board’s Broad Claim Construction Affirmed, Claims Anticipated

William J. Brogan

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

In *In re American Academy of Science Tech Center*, No. 03-1530 (Fed. Cir. May 13, 2004), the Federal Circuit affirmed a decision of the Board upholding an Examiner’s reexamination rejection of several claims of U.S. Patent No. 4,714,989 (“the ‘989 patent”) assigned to American Academy of Science Tech Center (“American Academy”).

The ‘989 patent is directed to a data-processing network that distributes processing of user applications among several computers. The user applications run on user computers that connect to a database that resides on a separate dedicated database computer. In the preferred embodiment described in the ‘989 patent specification, to access the database, the user application calls a database-simulator program running on the user computer as though it were calling the database directly.

The primary issue on appeal was the construction of the claim terms “user computer” and “indirectly issuing a database call.” The Board broadly construed the term “user computer” to encompass both multiuser mainframe computers and single-user personal computers, and broadly construed the term “indirectly issuing a database call” to require that a request from the host computer go through some other component before it is sent to the database. Based on these constructions, the Board affirmed the Examiner’s rejection of the ‘989 patent claims as anticipated by or obvious in view of four prior art references that disclosed mainframe computers running user applications and communicating with a database computer to access data stored in a database on the database computer.

On appeal, American Academy challenged the Board’s broad claim construction. American Academy first argued that the claim term “user computer” should be limited to refer only to a single-user computer, excluding multiuser mainframes, because the specification makes clear that the claim language should be interpreted more narrowly than the ordinary meaning of the claim language would suggest. In support, American Academy noted that the specification points out

deficiencies with using multiuser mainframe computers to run user applications and refers to a user computer as “dedicated to servicing a user” in the singular. American Academy further argued that reading “user computer” to encompass mainframes would vitiate the word “user” from the term. American Academy also cited the declarations of its expert as evidence that one of ordinary skill in the art would understand “user computer” to mean a computer dedicated to a single user.

In considering this challenge, the Federal Circuit noted that during examination and reexamination, claims are to be given their broadest reasonable interpretation consistent with the specification. The Federal Circuit agreed with the Board that the description in the ‘989 patent specification did not preclude a mainframe from serving as the “user computer” of the invention. The Federal Circuit found that although some of the language of the specification, when viewed in isolation, might lead to a construction of “user computer” as a computer that serves only a single user, the specification as a whole suggests a construction that is not so narrow. The Federal Circuit concluded that the Board’s construction of “user computer” as including multiuser computers, such as mainframes, was not unreasonably broad. The Federal Circuit also noted that the Board had broad discretion as to the weight given to declarations offered during prosecution and was entitled to discount the opinions of American Academy’s expert.

American Academy also challenged on appeal the Board’s construction of the claim term “indirectly issuing a database call.” American Academy argued that the ‘989 patent specification limits this term to “a user computer application program issuing a call for data as though from resident storage, coupled with an intermediate step redirecting the call to the remote data center computer” because the specification describes a database simulator that performs this function as the preferred embodiment. American Academy also provided declarations from its expert as further evidence in support of its construction of this term.

The Federal Circuit found that the ‘989 patent specification did not limit “indirectly issuing” to the construction proposed by American Academy because the specification makes clear that the database simulator is just a preferred embodiment among a variety of conventional protocol procedures. The Federal Circuit concluded that the Board properly used the broadest reasonable construction of the “indirectly issuing” claim term in rejecting the ‘989 patent claims.

American Academy did not challenge whether, under the Board’s claim construction, substantial evidence supported the Board’s finding of anticipation for the ‘989 patent claims. Consequently, the Federal Circuit also affirmed the Board’s finding of anticipation.

Proper Claim Construction Leads to No Infringement

L. Scott Burwell

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

In *Housey Pharmaceuticals, Inc. v. Astrazeneca UK Ltd.*, No. 03-1193 (Fed. Cir. May 7, 2004), the Federal Circuit affirmed the district court’s final judgment of invalidity and noninfringement of four patents directed to methods of screening for protein inhibitors or activators.

Housey Pharmaceuticals, Inc. (“Housey”) sued Astrazeneca UK Ltd. and several other Defendants, alleging infringement of four patents, all of which are titled “Method of Screening for Protein Inhibitors or Activators.” The patented method is an assay to determine whether a substance is an inhibitor or activator of a particular protein (called a “protein of interest” or “POI”) in a cell. The method employs two cell lines and compares the effect the tested substance has on the phenotypic response to the POI in each cell line.

The district court construed several limitations of the claims, including “inhibitor or activator of a protein,” rejecting Housey’s argument that an “inhibitor or activator of a protein” is limited to substances that directly bind to the POI, and instead adopting a broader construction that includes substances that operate through indirect interactions without necessarily binding to the POI itself. Housey subsequently stipulated that, if the claim construction were not reversed or modified on appeal, its patents would be invalid and not infringed. The district court thus entered final judgment of invalidity and noninfringement.

On appeal, the Federal Circuit upheld the district court’s claim construction. The Federal Circuit noted that the plain language of the representative claim clearly supported the district court’s construction and was inimical to any narrower construction. Although Housey had produced definitions of the terms “inhibitor” and “activator” from technical dictionaries that included a direct-binding limitation, the Federal Circuit

noted that the dictionaries also included general definitions of those terms that require only an effect on the biological activity of the protein, regardless of the mechanism used to achieve that effect.

The Federal Circuit also held that the intrinsic evidence did not clearly disavow the broad, plain meaning of the term “inhibitor or activator of a protein,” and further found that the specification and prosecution history affirmatively demonstrated that Housey intended the broader meaning that is not limited to direct binding. The Federal Circuit rejected Housey’s arguments that the specification contemplated only direct binding between the substance being tested and the POI, characterizing them as attempts to import limitations from the specification into the claims.

In dissent, Judge Newman asserted that the majority’s approach to claim construction was based upon “confusing recent pronouncements” of the Court that exalt dictionary definitions over technical context. She argued that the majority had reinforced the recently created dominance of general definitions, and further contended that terms in patent claims should be understood in the technical and scientific context of the specification and should be presumed to have their technical meaning, not a general meaning.

Fuel Pump Patent Not Infringed

Vince Kovalick

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

In *TI Group Automotive Systems (North America), Inc. v. VDO North America, LLC*, No. 02-1630 (Fed. Cir. June 30, 2004), the Federal Circuit affirmed and reversed certain portions of the district court’s claim construction, which led to an affirmance of a judgment of noninfringement, but a reversal and remand on validity issues.

TI Group Automotive Systems (North America), Inc. (“TI Group”) owns U.S. Patent No. 4,860,714 (“the ‘714 patent”), which is directed to fuel pump assembly technology. TI Group is an automotive supplier and has licensed the ‘714 patent to other suppliers, including Delphi, a former subsidiary of General Motors. When Delphi began to have labor difficulties, General Motors sought a second source of pump assemblies and awarded the contracts to VDO North America, LLC, and several other related companies (collec-

tively “VDO”) rather than TI Group. The ‘714 patent is directed to an in-tank fuel assembly for fuel-injected engines that provides a constant and reliable fuel even when the fuel tank is low or its contents are sloshing. Based on the district court’s claim construction, a jury returned a verdict finding that VDO infringed three claims literally and under the DOE, that the same claims were not invalid, and that VDO’s infringement was willful. The jury also awarded damages in the form of a reasonable royalty of 5%, totaling about \$11 million. After the post-trial briefing, however, the district court determined as a matter of law that VDO did not infringe, but declined to address VDO’s motion for JMOL that the ‘714 patent was invalid. Because the district court left that issue open, the Federal Circuit initially rejected the appeal for lack of jurisdiction. The district court then denied VDO’s JMOL motion on invalidity, and the parties reinitiated their appeals.

The Court first construed the phrase “fuel reservoir,” which the district court had construed to mean “the portion of the apparatus for pumping fuel in which fuel is connected and retained apart from fuel in the fuel tank.” TI Group urged the Federal Circuit to adopt the broadest dictionary definition—“any receptacles for fluids.” The Federal Circuit concluded that even ordinary dictionary definitions, however, connoted that the fuel in the reservoir be contained, or held apart, from the fuel in the fuel tank. Such connotation was fully supported by the written description, according to the Court.

The Federal Circuit then construed the phrase “pumping means” and concluded that because this phrase also defines structure, including a nozzle and a venturi tube in alignment with the nozzle, any presumption that this phrase was a means-plus-function limitation was overcome by the recitation of such structure.

The Federal Circuit also construed the word “within,” which the district court construed to mean that the pumping-means components are located inside of the reservoir. Because the dictionaries offered competing definitions, the Federal Circuit again looked to the written description to point away from the improper meaning and toward the proper meanings. In the end, the Federal Circuit affirmed the district court’s construction of the term “within” as meaning “inside.”

After construing several additional claim limitations, the Federal Circuit turned to the JMOL of noninfringement. It concluded that based on the

proper claim construction, the claims required that the pumping means must be on the reservoir side of the opening that divides the fuel tank from the reservoir. The pumping means in VDO's accused device, however, is on the fuel-tank side of the opening that divides the fuel tank from the reservoir and, therefore, is not located within the reservoir as the term had been construed. Accordingly, the Federal Circuit affirmed the JMOL of no infringement.

With regard to invalidity, however, the Federal Circuit found that although it had determined the proper interpretation of the claims, the jury could

only have compared the prior art to the erroneously construed claims, and, therefore, the Court remanded the invalidity question for further proceedings.

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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
ANDA	Abbreviated New Drug Application
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
IDS	Information Disclosure Statement
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
SJ	Summary Judgment
SM	Special Master