

Last
month at

The Federal Circuit

Month at a Glance



FINNEGAN
HENDERSON
FARABOW
GARRETT &
DUNNER LLP

Washington, DC
202-408-4000

Palo Alto
650-849-6600

Atlanta
404-653-6400

Tokyo
011-813-3431-6943

Brussels
011-322-646-0353

EDITED BY VINCE KOVALICK

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Failure to Investigate On-Sale Activity During Prosecution Leads to Attorney Fees Award

Robert A. Matthews, Jr.

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

In *Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, No. 00-1194 (Fed. Cir. Oct. 9, 2001), the Federal Circuit affirmed a SJ declaring a case exceptional and awarding attorney fees against a patentee based on acts of inequitable conduct committed by the prosecuting patent attorneys and the inventors in not investigating and disclosing to the PTO details of invalidating on-sale activity.

In a prior ruling, the district court had invalidated the claims of U.S. Patent No. 5,306,285 (“the ‘285 patent”) under the on-sale bar based on the patentee’s purchase of a commercial quantity of surgical saw blades embodying the claimed invention. On remand from the Federal Circuit’s affirmation of that ruling, the accused infringer requested the district court to declare the case exceptional and award attorney fees and expenses incurred in defending the infringement suit under 35 U.S.C. § 285. The accused infringer asserted as the basis for finding the case exceptional that the prosecuting attorneys and inventors had failed to disclose to the PTO the invalidating on-sale activity. The patentee responded by arguing that the patent attorneys could not be faulted because the inventors did not disclose the sales activity to them and the inventors could not be faulted because they did not reasonably believe that the activity created an on-sale bar. The district court and Federal Circuit rejected these arguments.

As the primary basis for its inequitable conduct charge, the accused infringer argued that the prosecuting patent attorneys had failed to meet the duty of candor they owed to the PTO by not adequately investigating the specifics of the on-sale activity while prosecuting the patent application. The limited facts known to the patent counsel of the existence of unspecified on-sale activity, argued the accused infringer, created a duty of inquiry that counsel failed to meet. Specifically, the supervising partner told the associate assigned to prepare the application to draft and file the application in three days to avoid an on-sale bar. Although the associate communicated with the inventors while preparing the application and during the subsequent prosecution of the application, the associate never asked the inventors about the details of the purported on-sale activity that prompted the deadline. The district court had found, and the Federal Circuit

agreed, that the associate and supervising partner unreasonably failed to investigate the surrounding facts of the on-sale activity and, by their studied ignorance of those facts, intended to deceive the PTO.

Under the facts of this case, the urgency prompted by the three-day deadline to avoid a potential on-sale bar created a duty for the associate and/or the supervising partner to investigate the facts relating to that on-sale bar. Distinguishing this failure to investigate from a mere error in judgment, the Federal Circuit ruled that the failure to investigate the facts surrounding the on-sale activity, coupled with an absence of evidence of good faith, justified finding that the prosecuting patent attorneys intended to deceive the PTO. The Federal Circuit cautioned that attorneys must conduct meaningful inquiries when the surrounding factual circumstances would cause a reasonable attorney to understand that relevant and questionable material information should be assessed.

The Federal Circuit also agreed that the inventors had also committed inequitable conduct by not disclosing the details of the sale to the PTO or to their patent counsel. The inventors were high-ranking corporate officials with intimate knowledge of the specific on-sale activity. Noting that knowledge of the law is chargeable to the inventors, the Federal Circuit rejected the patentee’s argument that the inventors did not reasonably believe that the sale raised an on-sale bar. The Court also noted that it has reminded practitioners on several occasions that where the materiality of information is uncertain, disclosure is required.

Finally, the Federal Circuit refused the patentee’s request to reduce the fee award to cover only the fees incurred in proving the on-sale bar defense. Instead, the Federal Circuit ruled that the district court had properly awarded attorney fees incurred in pursuing all defenses because the Defendant would not have incurred any of the fees generated in defense of the suit had the patentee not filed suit based on a patent known to have been improperly obtained.

District Court Fails to Properly Apply Its Own Claim Constructions

Wayne W. Herrington

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

In *Xerox Corp. v. 3Com Corp.*, No. 00-1464 (Fed. Cir. Oct. 5, 2001), the Federal Circuit affirmed-in-part, reversed-in-part, and remanded a

decision granting Defendants, 3Com Corporation, U.S. Robotics Corporation, U.S. Robotics Access Corporation, and Palm Computing, Inc. (collectively “3Com”) SJ of noninfringement of U.S. Patent No. 5,596,656 (“the ‘656 patent”) owned by Xerox Corporation (“Xerox”). Specifically, the Federal Circuit affirmed the district court’s claim constructions, but found that the district court had failed to properly apply its constructions to the accused device.

The ‘656 patent relates to a system for computer recognition of handwritten text using single-stroke symbols, called “unistrokes,” entered by a stylus or pen on a pressure-sensitive surface. The system employs a so-called delimiting operation by which successive unistroke symbols can be distinguished from each other without reference to and independently of “the spatial relationship” of the unistroke symbols with respect to each other. This delimiting operation can be accomplished by lifting the stylus or pen from the surface on which the unistroke symbols are written.

Xerox had brought suit against 3Com claiming that 3Com’s “PalmPilot” line of hand-held computers used the claimed unistrokes technology in its “Graffiti” software.

Both Xerox and 3Com had moved for SJ on the issue of infringement. The district court had granted 3Com SJ of noninfringement and denied Xerox’s motion. As part of its decision, the district court had construed the asserted claims and held: (1) the definition of “unistrokes” itself does not require an entire alphabet of symbols; (2) the term “unistroke symbols” requires sufficient graphical separation so that the computer can definitively recognize a symbol immediately upon delimitation or pen lift; and (3) “spatial independence” requires the accused device to be capable of properly distinguishing and recognizing symbols without reference to where a previous symbol was written on the writing surface.

Applying the construed claims to the accused device, the district court had found no infringement for three reasons: (1) some of the symbols used in Graffiti are not sufficiently “graphically separated” from each other to be “unistroke symbols”; (2) Graffiti does not employ “spatial independence”; and (3) Graffiti does not allow for “definitive recognition” of some symbols immediately upon pen lift by the user.

The Federal Circuit affirmed the district court’s claim construction, but reversed the district court’s judgment that those properly construed claims did not cover the accused device. First, the Federal Circuit found that the district court had erred in declaring that the Graffiti symbols are not sufficiently “graphically separated” from each other to be “unistroke symbols.” This error occurred because

the district court had looked only to the geometric overlap between symbols and had ignored the direction the pen must travel to create the symbol, an integral aspect of the claims of the ‘656 patent—namely, that each unistroke symbol has “geometric shape and direction.” According to the Federal Circuit, had the district court properly applied its own claim construction, it could not have said that Graffiti symbols are not graphically separated from each other sufficiently to be unistroke symbols.

Second, the Federal Circuit found that the district court had erred in declaring that Graffiti does not allow for “definitive recognition” of symbols immediately upon pen lift by the user. According to the Federal Circuit, the district court had failed to consider the difference between definitive recognition of a symbol, which is claimed, and definitive recognition of a character, which is not claimed. Thus, with respect to the two strokes required to form accented vowels in Graffiti (the example relied on by the district court), the first stroke is definitively recognized as the symbol for the vowel and the second stroke is definitively recognized as the symbol for the accent, which is all the claims require. Consequently, each symbol in a multistroke, multi-symbol character in Graffiti is definitively recognized when the pen is lifted, even though the characters that are displayed may be altered by subsequent strokes.

The third error found by the Federal Circuit concerned the district court’s conclusion that Graffiti does not employ “spatial independence.” As noted above, the district court had correctly stated that spatial independence required the invention to be capable of properly distinguishing and recognizing symbols without reference to where a previous symbol was written on the writing surface. Nevertheless, in applying the claims, the district court had concluded that there was no infringement because Graffiti requires the computer to consider the placement of the stroke on the writing surface when performing recognition of a symbol after the pen is lifted. This was error because the location of the current symbol on the writing surface is not the issue in determining whether the “spatial independence” limitation was met. Rather, that limitation would be met if a computer recognizes the current symbol without reference to where a previous symbol was written.

In his concurring opinion, Judge Cleverger emphasized that for infringement to be found on remand, every symbol made by a single stroke that is used by the Defendants must be a “unistroke symbol,” as defined by the Court.

[Don Dunner, Tom Jenkins, and Bruce Bower of our firm successfully represented Xerox on this appeal.]

Sales with a Supplier Violates On-Sale Bar

Donald D. Min

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

In *Special Devices, Inc. v. OEA, Inc.*, No. 01-1053 (Fed. Cir. Oct. 26, 2001), the Federal Circuit affirmed a district court's SJ of invalidity of the asserted claims of the patent at issue based on a violation of the on-sale bar.

OEA, Inc. ("OEA") manufactures all-glass header assemblies that are used to trigger the inflation of automobile airbags. In April 1991, OEA sent Coors Ceramics Company ("Coors") a proposal requesting that Coors manufacture at least half of OEA's needs for these all-glass header assemblies. In May 1991, Coors had accepted OEA's proposal and, in June 1991, OEA had ordered 20,000 units from Coors. In July 1991, OEA and Coors had further agreed to general terms of a requirements contract.

Over a year later, on August 27, 1992, OEA and Coors filed separate patent applications. Both patent applications were prosecuted by the same law firm, which did not disclose the 1991 sales to the PTO. The patent applications eventually issued as U.S. Patent Nos. 5,404,263 ("the '263 patent") to OEA and 5,243,492 ("the '492 patent") to Coors.

In 1995, after the patents had issued, Coors obtained new attorneys to prosecute a reissue application for the '492 patent, and the new attorneys informed the PTO about the 1991 Coors-OEA sales. OEA filed a protest, emphasizing that the 1991 Coors-OEA sales were an on-sale bar under 35 U.S.C. § 102(b). The PTO rejected all of Coors's reissue application claims, and Coors abandoned the reissue application.

OEA later sought to enforce the apparatus claims of the '263 patent against Special Devices, Inc. ("Special Devices"). In 1999, after receiving threat letters from OEA, Special Devices sued OEA and requested a DJ that the apparatus claims of the '263 patent were invalid and not infringed. OEA counterclaimed for infringement of those same claims. On October 10, 2000, the district court granted partial SJ, holding that the on-sale bar from the 1991 Coors-OEA sales rendered the asserted claims of the '263 patent invalid.

On appeal, OEA asked the Federal Circuit to recognize a "supplier exception" to the on-sale bar rule. OEA argued that the Court had never expressly applied the on-sale bar to a patentee supplier relationship; therefore, precedent prevents such an exception.

The Federal Circuit disagreed, finding that neither the statutory text of § 102(b), nor any relevant precedent, nor the primary purpose of the on-sale bar rule justifies a "supplier exception." The Court found no reasoning in its precedent to support such an exception and concluded that if such an exception is to be created, Congress must do so.

In a related appeal, *Special Devices, Inc. v. OEA, Inc.*, No. 01-1201 (Fed. Cir. Oct. 29, 2001), the Federal Circuit dismissed an appeal of the district court's award of attorney fees for lack of jurisdiction.

Two weeks after entry of the district court's judgment granting SJ of invalidity of the '263 patent, Special Devices had filed a motion for attorney fees. The district court had granted the motion, deeming the case exceptional within the meaning of 35 U.S.C. § 285. In particular, the district court had found that an award of attorney fees was warranted given (1) OEA's failure to disclose the 1991 Coors-OEA sales and misrepresentation of inventorship to the PTO, and (2) OEA's litigation misconduct concerning nonproduction of documents related to the 1991 Coors-OEA sales.

However, because the district court did not have evidence regarding the amount of attorney fees to which Special Devices was entitled, the court deferred quantifying the award. OEA filed an appeal before the district court could quantify the award.

On appeal, the Federal Circuit concluded that an unquantified award of attorney fees was not a final decision and, therefore, dismissed the appeal for lack of jurisdiction.

Failure to Appreciate Invention When Offered for Sale Does Not Save Patent

Arie M. Michelson

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

In *Scaltech, Inc. v. Retec/Tetra, L.L.C.*, No. 01-1005 (Fed. Cir. Oct. 23, 2001), the Federal Circuit affirmed the district court's SJ of invalidity based on a violation of the on-sale bar.

Scaltech, Inc. ("Scaltech") owns U.S. Patent No. 5,443,717 ("the '717 patent") directed to a process for using oil refinery waste to make coke, which can be burned as a fuel. The '717 patent claims an improvement over prior art processes of this sort, the improvement involving the treatment of waste in a manner that increases the amount of solids in the waste to within a particular range and

reduces the particle size distribution of the solids to the point where about 70% of the solids are composed of particles smaller than 15 microns. The claimed invention allows for the processing of significantly larger amounts of waste.

After Scaltech sued Retec/Tetra, L.L.C. (“Retec”) for infringement, Retec moved for SJ of invalidity based on a violation of the on-sale bar, which the district court granted. Scaltech appealed that decision to the Federal Circuit, which vacated the SJ and remanded for consideration of whether the process that was offered for sale inherently possessed each of the claim limitations. On remand, the district court, again on SJ, found that the process offered had met this condition and again found the patent invalid on the existing record. Scaltech once again appealed.

Scaltech’s undisputed activities prior to the critical date of January 19, 1992, included offers in 1988 to process refinery waste for two refining companies. The processing was to involve the use of a DC-6 centrifuge on “DAF” waste. Scaltech submitted formal proposal documents to both companies, stating that the quotation was based on one centrifuge and that the offer was firm for ninety days. Scaltech argued on appeal that these activities did not constitute an on-sale bar because (1) while the offered process would inherently produce solids within the claimed limitations for DAF waste, which already has a small particle size, it would not necessarily do so for other kinds of waste; (2) Scaltech did not appreciate that the offered process would allow the processing of larger amounts of DAF waste; and (3) this lack of appreciation meant there was no conception of the invention and, therefore, no reduction to practice.

As to Scaltech’s first argument, the Federal Circuit concluded that while a genuine issue of material fact exists with respect to whether the DC-6 centrifuge will produce particle sizes within the claim limitations for waste other than DAF waste, that is irrelevant because it is sufficient to show that one embodiment of the invention was offered for sale during the one-year period. As to Scaltech’s appreciation argument, the Court pointed out that appreciation of the invention is not a requirement to trigger the statutory bar.

With respect to conception, the Court first pointed out that an inquiry into conception is not required to establish reduction to practice when the invention is on sale. The Court also concluded that a document used to persuade one of the companies to accept Scaltech’s offer provided a description sufficient to satisfy the requirement that an invention is ready for patenting if the inventor’s drawings or descriptions enable the practice of the claimed invention. Clarifying that Scaltech’s offer

to employ a process was sufficiently definite to constitute a commercial offer for sale of the invention and having concluded that the offer for sale was within the scope of a claimed invention that was ready for patenting before the critical date, the Court affirmed the SJ below.

Federal Circuit Rejects District Court’s Action to Delist Patent from FDA’s Orange Book

Gregory A. Chopskie

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

In *Mylan Pharmaceuticals, Inc. v. Thompson*, No. 01-1257 (Fed. Cir. Oct. 12, 2001), the Federal Circuit reversed a district court’s grant of a preliminary injunction that had ordered Bristol-Myers Squibb (“BMS”) to delist a patent from the Orange Book, concluding that there is no private right of action to seek delisting.

BMS owns U.S. Patent No. 4,182,763 (“the ‘763 patent”), which claims a method of treating anxiety by administering buspirone hydrochloride, the active ingredient in BMS’s BuSpar®. Mylan Pharmaceuticals, Inc. (“Mylan”) had received tentative Food and Drug Administration (“FDA”) approval for its generic version of BuSpar® and had prepared to enter the market on November 21, 2000, the day that the ‘763 patent would expire.

Approximately eleven hours before that expiration, BMS identified to the FDA a newly issued patent, U.S. Patent No. 6,150,365 (“the ‘365 patent”), for listing in the Orange Book. Upon receiving the ‘365 patent from BMS, the FDA listed it in the Orange Book and, as required by the statute, suspended approval of Mylan’s Abbreviated New Drug Application.

Mylan brought suit in the District Court for the District of Columbia for a DJ that BMS had improperly listed the ‘365 patent and sought a preliminary injunction requiring BMS to take steps to have it delisted from the Orange Book. The district court had determined that it had subject-matter jurisdiction, that Mylan was not attempting to enforce the Food, Drug, and Cosmetic Act (“FDCA” or “the Act”) against BMS, and that Mylan was entitled to a preliminary injunction ordering BMS to have the ‘365 patent delisted. BMS appealed to the Federal Circuit.

On appeal, BMS argued that Mylan had not asserted a cognizable cause of action, but rather was impermissibly attempting to enforce the FDCA against BMS. According to Bristol, declaratory relief

was improper because, under the well-pleaded complaint rule for analyzing DJ suits, BMS would have had no action against Mylan to “list” the ‘365 patent.

Mylan insisted that the “mirror image” of its DJ suit was not a suit to list the patent, but rather was the expected patent infringement suit under 35 U.S.C. § 271(e)(2)(A) that BMS would likely bring. Mylan argued that had it filed a Paragraph IV certification for the ‘365 patent, BMS would have charged it with infringement. According to Mylan, one of the defenses available to it in response to that hypothetical suit would have been a counterclaim that the ‘365 patent was improperly listed in the Orange Book.

The Federal Circuit disagreed. First, the Court observed that delisting is not one of the recognized statutory or equitable defenses to charges of patent infringement. Moreover, the Federal Circuit determined that the Hatch-Waxman amendments to the Act did not create a new defense to patent infringement. Rather, the Court concluded, Mylan’s action was in essence an attempt to assert a private right of action for delisting under the Act. The FDCA, however, expressly prohibits private actions to enforce its provisions. Accordingly, Mylan’s request for a preliminary injunction to have the patent delisted should have been denied.

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Comments Distinguishing Prior Art During Prosecution Prevent Infringement

Rebecca M. McNeill

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

In *Ballard Medical Products v. Allegiance Healthcare Corp.*, No. 00-1393 (Fed. Cir. Oct. 9, 2001), the Federal Circuit affirmed a SJ that Allegiance Healthcare Corporation and Sorenson Critical Care, Inc. (collectively “Sorenson”) did not infringe Ballard Medical Products’ (“Ballard”) patents on ventilating and aspirating tracheobronchial catheters.

The claimed tracheobronchial catheter both ventilates and aspirates a patient’s breathing passages. The claimed device contains a valve that should remain closed during ventilation, but may be opened to allow for aspiration of (i.e., removal of fluid from) a patient’s lungs. The Sorenson device also serves to ventilate and aspirate the lungs, but has a plunger valve that controls the aspiration function.

The district court granted Sorenson’s motion for SJ of noninfringement based on its construction of a means-plus-function limitation found in the asserted claim.

On appeal, Ballard argued that the district court did not conduct a proper claim-construction analysis because it did not construe the meaning of each claim limitation. The parties had made arguments at a pretrial conference regarding SJ and claim-construction issues. The Federal Circuit noted that the district court did not need to follow any specific procedure in its claim-construction analysis and, as long as its reasoning was sound, the Federal Circuit would not overturn its claim-construction analysis. The Federal Circuit stated that if a district court considers one issue to be dispositive, it may cut to the heart of the matter and need not exhaustively discuss all other issues presented by the parties. As long as the trial court construes the claims to the extent necessary to determine whether the accused device infringes, it may approach the task in any way it deems best.

Ballard also argued that the district court had mistakenly found that a means-plus-function valve element of the claims did not read on the accused device. The Federal Circuit agreed with the district court’s reliance on the prosecution history in construing the claims and finding no infringement. In particular, the Court agreed that arguments made to distinguish prior art prevented Ballard from now arguing that such structure infringes.

Means-Plus-Function Limitations “Short-Circuit” Summary Judgment

Lawrence F. Galvin

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

In *Asyst Technologies, Inc. v. Empak, Inc.*, No. 00-1514 (Fed. Cir. Oct. 10, 2001), the Federal Circuit reversed and remanded a district court’s decision granting SJ of noninfringement of the asserted claims.

The processing of semiconductor wafers into integrated circuits must occur in an ultraclean environment, such as a sealed transportable container, to avoid manufacturing defects. The complexity and minute dimensions involved in this processing require computer monitoring and verification systems to ensure the quality of the resulting integrated circuits.

Asyst Technologies, Inc. (“Asyst”) owns U.S. Patent Nos. 4,974,166 (“the ‘166 patent”) and

5,097,421 (“the ‘421 patent”) directed to these systems. Asyst sued Jenoptik AG and other parties (collectively “Jenoptik”) in the United States District Court for the Northern District of California, alleging infringement of the ‘166 and ‘421 patents. On Jenoptik’s motion, the district court had granted SJ of noninfringement as to the four independent claims and associated dependent claims asserted.

In its claim construction, the district court had focused on four specific means-plus-function limitations, one from each of the independent claims. The district court had held that three limitations—“microprocessor means for receiving and processing digital information,” “workstation data processing means for receiving . . . and transporting data,” and “means for controlling . . . and for transmitting information”—all referred to a structure disclosed in the specifications of the ‘166 and ‘421 patents that included a path formed by a line directly connecting a local control processor to a two-way communication means. However, in the accused device, the analogous path included a computer, not merely a line.

Regarding the fourth limitation, the district court had held that no structure corresponded to the “means for sensing.” In this determination, the district court had rejected Asyst’s argument that a “ready, set” protocol provided the corresponding structure for the sensing function, because that protocol did not include any step that triggered sending the ready signal. As a result of these holdings, the district court had found that the accused device did not infringe the asserted claims.

On appeal, the Federal Circuit disagreed with the district court’s claim construction related to two of the means-plus-function limitations. For the “microprocessor means” limitation, the Federal Circuit found the local control processor, not the line, to be the structure that performs the receiving and processing functions. Similarly, the Court interpreted the “workstation data processing means” limitation as associating the functions recited in that claim with the local control processor due to the “data processing” language.

For the “means for controlling . . . and for transmitting information” limitation, the Federal Circuit agreed with the district court’s identification of the structure corresponding to the recited functions. However, the Federal Circuit found a genuine issue of material fact as to whether the analogous path in the accused device was equivalent to the path formed by the line.

The Court next looked at the “means for sensing” limitation, identifying the “ready, set” protocol as sufficient structure corresponding to the sensing

function to give meaning to the claim. In discussing the district court’s rejection of Asyst’s argument regarding this question, the Federal Circuit noted that the recited function was “sensing,” not “initiating a sensing protocol.” As a result, the Court found it unnecessary for the specification to set forth structure to initiate the sensing protocol.

Finding the district court’s decision flawed with respect to each of the asserted independent claims, the Federal Circuit reversed the SJ of noninfringement as to all claims and remanded the case to the district court for further consideration.

State Court’s Judgment Concerning License Precludes Federal Patent Suit

Kenneth D. Bassinger

[Judges: Lourie, Bryson, and Linn (per curiam)]

In *Johnson v. Way Cool Manufacturing, L.L.C.*, No. 01-1306 (Fed. Cir. Oct. 10, 2001) (nonprecedential decision), the Federal Circuit affirmed a district court’s dismissal of a patent infringement lawsuit because of the preclusive effect of a prior state court’s judgment.

Robert and Janice Johnson had entered into an exclusive licensing agreement (“Agreement”) with Way Cool Manufacturing, L.L.C. (“Way Cool”) that granted Way Cool the exclusive right to make, use, or sell evaporative cooling units based on U.S. Patent No. 5,857,350 (“the ‘350 patent”). After manufacturing cooling units for a period of time, Way Cool concluded that its products were not covered by the ‘350 patent and stopped making royalty payments. The Johnsons asserted that Way Cool had breached the Agreement and that the license was thus terminated. Pursuant to an arbitration clause in the Agreement, Way Cool served the Johnsons with a demand for arbitration. When the Johnsons refused to submit to arbitration, Way Cool filed suit in Minnesota state court to compel arbitration.

The Johnsons countered by filing suit in the United States District Court for the District of Minnesota, alleging that Way Cool was infringing the ‘350 patent, had breached the Agreement, and had tortiously interfered with business relations. After the Johnsons filed this action, the state court appointed an arbitrator. An arbitration hearing was held, but the Johnsons failed to attend. The arbitrator determined that the Johnsons had breached the Agreement and ordered both monetary and injunctive relief against them. The state court then

entered a judgment confirming the arbitrator's award. On cross motions for SJ, the federal district court dismissed the Johnsons' complaint.

The Federal Circuit affirmed under the Rooker-Feldman Doctrine, which precludes lower federal courts from reviewing state courts' judgments. Because lower federal courts lack jurisdiction to review state courts' judgments and must accord them full faith and credit, a lower federal court may not entertain an action that directly or in effect seeks to overturn a state court's judgment. The Rooker-Feldman Doctrine deprives lower federal courts of jurisdiction not only over claims that are identical to claims adjudicated in the state court, but also over claims that are inextricably intertwined with claims that were the subject of a state court's judgment, even if the state and federal claims were not identical. In other words, a federal action is precluded if the relief requested would effectively reverse a state court's decision or void its ruling.

Specifically, the Federal Circuit found that all causes of action asserted by the Johnsons were precluded. The Johnsons' contract and tort claims were obviously subject to the Rooker-Feldman Doctrine because a ruling by the district court could effectively reverse the state court's judgment. In addition, the Johnsons' patent infringement claim was inextricably linked to the state court's judgment despite the fact that the arbitrator never visited the infringement issue. Instead, the arbitrator had found that the Agreement was valid. As such, the Federal Circuit noted that an infringement action cannot proceed in

the face of a valid license to practice a patent. By asserting infringement, the Johnsons were essentially challenging the state court's judgment that the Agreement was valid. Therefore, the patent infringement action was precluded.

The Johnsons argued that the Rooker-Feldman Doctrine did not apply because the state court did not have jurisdiction over the contract dispute. If the state court lacked jurisdiction, then its judgment would be invalid, thus allowing a federal case to proceed. The Federal Circuit noted that both parties consented to jurisdiction in Minnesota under a choice of forum clause in the Agreement. In addition, the Federal Circuit held that the state court obviously had jurisdiction over the contract and tort claims and noted that jurisdiction was properly asserted over the patent infringement action to the extent that it arises as a defense to the contract action.

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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