

# Last Month at the Federal Circuit

January 2008

## Table of Contents

### FEDERAL CIRCUIT CASES:

**A Patent Specification Is Not “New Evidence” When Submitted as Evidence of Priority** 2  
*In re Garner*, No. 07-1221 (Fed. Cir. Dec. 5, 2007)

**Claim Limitation Clearly and Unambiguously Defined by Patentees Acting as Own Lexicographers** 4  
*U.S. Sinorgchem Co., Shandong v. International Trade Commission*, No. 06-1633 (Fed. Cir. Dec. 21, 2007)

- In *Sinorgchem Co., Shandong v. International Trade Commission*, No. 06-1633 (Fed. Cir. Dec. 21, 2007), the Federal Circuit, inter alia, vacated the ITC’s finding of literal infringement, holding that the ITC’s infringement determination was based on an erroneous claim construction of the phrase “controlled amount” and that under the correct construction, there was no literal infringement. In so holding, the Court pointed to two drafting features as demonstrating that the patentees acted as their own lexicographers. It noted that “controlled amount” was set off by quotation marks, which often gives “a strong indication that what follows is a definition,” and that the use of the word “is” may “signify that a patentee is serving as its own lexicographer.” Slip op. at 7 (citation omitted). See the full summary in this month’s issue below.

## A Patent Specification Is Not “New Evidence” When Submitted as Evidence of Priority

*Bart A. Gerstenblith*

**Judges: Rader, Schall, Moore (author)**

**[Appealed from the Board]**

In *In re Garner*, No. 07-1221 (Fed. Cir. Dec. 5, 2007), the Federal Circuit affirmed the Board’s decision in which the Board awarded judgment against Harold R. Garner for failure to make a prima facie showing of priority.

Garner is the inventor of U.S. Application No. 09/998,341. During prosecution, he copied claims of U.S. Patent No. 6,480,324 (“the ’324 patent”) to provoke an interference. Garner had the burden of establishing priority since the effective filing date of his application was later than the effective filing date of the ’324 patent.

Garner attempted to establish priority by showing an actual reduction to practice of an invention within the proposed count before the

’324 patent’s effective filing date. Garner submitted a declaration that he executed in 2001 and that he had submitted under 37 C.F.R. § 1.131 in a parent application to overcome a prior art rejection (“2001 Garner declaration”). To corroborate his claim that he had built the device depicted in photographs that were included in the 2001 Garner declaration, Garner also submitted a declaration of John Fondon (“Fondon declaration”). In response to a letter sent by the examiner that his 2001 declaration was “insufficient” to provoke an interference under 37 C.F.R. § 41.202(d) (“Rule 202(d)”), Garner retitled his 2001 declaration to be a “Rule 202(d) declaration,” re-executed it, and filed it without making any substantive changes. Garner also resubmitted the Fondon declaration without change. The Examiner forwarded Garner’s request to provoke an interference to the Board.

---

“[Patent] specifications . . . before the Board in [an] interference proceeding pursuant to Rule 202(a) . . . cannot be new evidence under Rule 202(d).”  
Slip op. at 7.

---

The Board found Garner’s filing insufficient to establish a prima facie showing of priority. It declared an interference, but issued an Order to Show Cause why judgment should not be entered against Garner. In response to the Board’s order, Garner relied on three items that he did not submit previously: (i) a declaration filed in 2003 in an attempt to overcome a prior art rejection (“2003 Garner declaration”); (ii) the specification of his provisional application; and (iii) the specification of his utility application. The Board found that these three items were “new evidence” under Rule 202(d) and that Garner had not attempted to show good cause for his belated reliance. Accordingly, the Board entered judgment against Garner. Garner appealed.

Garner argued that the Board’s interpretation of “new evidence,” namely, that the 2003 Garner declaration and the provisional and utility patent specifications were new evidence, was incorrect. Garner asserted that the Board’s interpretation of “new evidence” under Rule 202(a)(5) conflicted with its interpretation of “new evidence” under Rule 202(d)(2). Rule 202(a)(5) requires an applicant suggesting an interference to “provide a claim chart showing the written description for each claim in the applicant’s specification,” while Rule 202(d)(2) excludes new evidence in support of priority unless good cause is shown. Slip op. at 5. Garner argued that under the PTO’s interpretation, the Board is expected to consider the specification of the application at issue when evaluating the applicant’s claim chart under Rule 202(a)(5) but not when considering the applicant’s sufficiency under Rule 202(d), unless the specification was submitted to the PTO as part of the applicant’s initial showing.

Agreeing with Garner, the Federal Circuit observed that an agency’s interpretation of its own regulations is entitled to substantial deference and will be accepted unless it is plainly erroneous or inconsistent with the regulation. It noted that since there had been no previous interpretation of Rule 202(d), the Board’s interpretation is reviewed to determine whether it is plainly erroneous or inconsistent with the regulation.

The Court explained that both Rule 202(a)(5) and Rule 202(d) addressed elements an applicant must satisfy to provoke an interference and that there was no textual support for reading these two subsections separately for purposes of evidentiary submissions. It observed that Rule 202(d) restricted the admission of new evidence generally and that all of the specific requirements the applicant must satisfy to suggest an interference pertained to that ultimate function, and that nothing in Rule 202(d) suggested otherwise. It concluded that the Board’s interpretation of “new evidence” was inconsistent with the regulation, as the Board interpreted Rule 202 in a way that required it to consider the specification under 202(a), but not under 202(d), unless the applicant resubmitted the application. It added that because the specifications were already before the Board in the interference proceeding pursuant to Rule 202(a), they could not be “new evidence” under Rule 202(d) and that the Board erred when it concluded otherwise. The Court noted, however, that the Board’s holding that the 2003 Garner declaration constituted “new evidence” was not plainly erroneous or inconsistent with the regulation.

Nonetheless, the Federal Circuit found that even with the specifications in evidence, Garner failed to establish a prima facie showing of priority. It noted that in order to establish an actual reduction to practice, the inventor must prove that (1) he constructed an embodiment or performed a process that met all the limitations of the interference count; and (2) he determined that the invention would work for its invented purpose. The Court added that an inventor's testimony as to the facts of invention must be corroborated by independent evidence. Applying these principles, the Court explained that Garner's submissions to the Board did not sufficiently corroborate his claim of actual reduction to practice. It noted that while the Fondon declaration stated that Fondon saw the device, it did not state that the device operated or worked for its intended purpose. Accordingly, the Court held that the Board's ultimate holding regarding the insufficiency of Garner's showing was supported by substantial evidence and that the Board's failure to consider the specifications was harmless error.

## Claim Limitation Clearly and Unambiguously Defined by Patentees Acting as Own Lexicographers

*Bart A. Gerstenblith*

**Judges: Dyk (author), Newman (dissenting), Yeakel (District Judge sitting by designation)**

**[Appealed from the ITC]**

In *Sinorgchem Co., Shandong v. International Trade Commission*, No. 06-1633 (Fed. Cir. Dec. 21, 2007), the Federal Circuit vacated the

ITC's finding of literal infringement, holding that the ITC's infringement determination was based on an erroneous claim construction and that under the correct construction, Sinorgchem Co., Shandong ("Sinorgchem") did not literally infringe. The Court did not address Sinorgchem's invalidity arguments because those issues were raised before the ITC only as affirmative defenses. The Court remanded for further consideration of infringement under the DOE and Sinorgchem's invalidity defenses in light of its revised claim construction.

Flexsys America L.P. ("Flexsys") filed a complaint with the ITC alleging, inter alia, that Sinorgchem's method for producing compounds known as 6PPD and 4-ADPA infringes claims 30 or 61 of U.S. Patent No. 5,117,063 ("the '063 patent") or claims 7 or 11 of U.S. Patent No. 5,608,111 ("the '111 patent"). Each asserted claim includes four steps, (a) through (d), and it was undisputed that Sinorgchem practiced steps (a), (c), and (d). Thus, the issue was whether Sinorgchem practiced step (b), specifically, the "controlled amount of protic material" limitation. The '111 and '063 patent specifications are substantially identical except that the '111 patent includes additional examples numbered 13 through 21. The '111 patent issued from a CIP application to the application that led to the '063 patent and is subject to a terminal disclaimer based on the earlier filed '063 patent.

Before the ALJ, ITC, and Federal Circuit, the parties focused on a common portion of the specifications, which states: "A 'controlled amount' of protic material is an amount up to that which inhibits the reaction of aniline with nitrobenzene, e.g., up to about 4% H<sub>2</sub>O based on the volume of the reaction mixture when aniline is utilized as the solvent." Because Sinorgchem's process uses more than

4% water when aniline is used as a solvent, if a “controlled amount” were limited to 4% or less water, it could not literally infringe. The ALJ accepted Flexsys’s interpretation of the “controlled amount of protic material,” as “the amount of protic material should be controlled between an upper limit and a lower limit,” where the upper limit was “that amount beyond which the reaction between nitrobenzene and aniline is inhibited,” and the lower limit was “that amount below which the desired selectivity for 4-ADPA intermediates is not maintained.” The ALJ rejected Sinorgchem’s proposed construction, which included the latter portion of the language quoted above: “up to about 4% water in the reaction mixture when aniline is the solvent.” Thus, the ALJ found (1) Sinorgchem’s processes for making 4-ADPA and 6PPD literally infringed the asserted claims, (2) the claims as construed were not invalid as indefinite, and (3) the claims were not invalid as obvious in view of the prior art.

On appeal, the ITC modified the ALJ’s construction, but also excluded the 4% limitation language. The ITC relied on language in the same paragraph of the specifications, which it interpreted as teaching that the amount of protic material can change based on other reaction conditions, even where aniline is used as the solvent. The ITC also found that a 4% limitation was inconsistent with Example 10 of the specifications, which utilized 10% water. Based on its construction, the ITC also found literal infringement and that the claims were not indefinite or obvious.

On appeal to the Federal Circuit, Sinorgchem contended that the ITC misconstrued the term “controlled amount” and, on that basis, erred in finding infringement. In addressing the

proper construction for the claim limitation, the Court noted that the parties agreed that “controlled amount” did not have any well-accepted meaning in the field of chemistry. The Court reiterated that *Phillips v. AWH Corp.*, 415 F.3d 1303, 1316 (Fed. Cir. 2005) (en banc), recognized that “the specification may reveal a special definition given to a claim term by the patentee that differs from the meaning it would otherwise possess. In such cases, the inventor’s lexicography governs.” Slip op. at 7.

The Court pointed to two drafting features as demonstrating that the patentees acted as their own lexicographers:

(1) “controlled amount” was set off by quotation marks, which often gives “a strong indication that what follows is a definition”; and (2) the use of the word “is” may

“signify that a patentee is serving as its own lexicographer.” *Id.* (citation omitted). Thus, the definition included the 4% limitation language following “e.g.” in the quoted portion of the specifications.

In addressing Flexsys’s and the ITC’s arguments, the Court made several important determinations. First, other language in the specifications relied on by the ITC did not overcome the express definitional language chosen by the patentees. When aniline is used as the solvent, the express definition is neither ambiguous nor incomplete—the “controlled

“Where, as here, multiple embodiments are disclosed, we have previously interpreted claims to exclude embodiments where those embodiments are inconsistent with unambiguous language in the patent’s specification or prosecution history.” Slip op. at 11 (citation omitted).

amount” is “up to about 4% H<sub>2</sub>O based on the volume of the reaction mixture”—and there was no need to look any further for its meaning. The language relied upon by the ITC was not inconsistent with the express definition of “controlled amount,” since the passage referred generally to at least six different solvents while the definition referred specifically to reactions in which aniline is the solvent.

Second, the specifications set forth a different limit of “about 8% water” for the “controlled amount” of protic material when DMSO is the solvent. Aniline and DMSO were the only two solvents of the six solvents mentioned in the specifications for which an express numerical limit was given for the “controlled amount.” Thus, other language noting that the amounts would vary depending on other variables appeared to refer to the four other solvents for which a specific percentage was not provided.

Third, the Court acknowledged that the 4% limitation was inconsistent with Example 10, one of twenty-one examples described as preferred embodiments. However, “[w]here, as here, multiple embodiments are disclosed, we have previously interpreted claims to exclude embodiments where those embodiments are inconsistent with unambiguous language in the patent’s specification or prosecution history.” Slip op. at 11.

Fourth, Example 10 did not specifically disclose the amount of water used in the reaction. Instead, the amount of water could only be determined by a complex calculation. In stark contrast, Examples 3 and 8 specifically disclosed the amount of water

used in the particular reactions described. The Court found that Example 3 supported its construction because increasing the amount of water from 2.2 to 4.7% in an aniline solvent resulted in the yield dropping to an unacceptably low level. Similarly, Example 8 demonstrated an upper limit of “about 8% water”—the other numerical limitation explicitly set forth in the specifications for a “controlled amount”—when DMSO is the solvent.

Fifth, Example 10 was not directed toward illustrating the control of the amount of protic material to be used in the reaction. Examples 3 and 8, on the other hand, were explicitly directed toward the control of the amount of protic material. Under those circumstances, “the fact that the calculated amount of water in Example 10 exceeds 4% where aniline is used as the solvent is entitled to little weight, and cannot override the clear definitional language set forth in the specification.” Slip op. at 13.

Sixth, the Court remarked that the parties agreed before the ITC that a “controlled amount” must be construed to mean the same thing in the claims of the ’111 patent as in the ’063 patent. Thus, additional examples in the CIP application that led to the ’111 patent could not alter the meaning of the term as it appeared in the ’063 patent.

In reaching its construction, the Court “attribute[d] no weight” to expert testimony that a person of skill in the art would recognize the example of 4% water to be limited to the conditions of room temperature and ambient pressure “because the experts did not identify any evidence that those skilled in the art would recognize that ‘controlled amount,’ or any term used in the specification, has an accepted meaning in the field of

chemistry.” Slip op. at 10 n.3 Under those circumstances, the Court found that “testimony as to how one skilled in the art would interpret the language in the specification is entitled to little or no weight.” *Id.*

Lastly, the Court rejected Flexsys’s argument that reading a 4% water limit into the claims violated the doctrine of claim differentiation because the dependent claims were sufficiently narrower in scope, referring to only aniline solvents, while the independent claims referred to “suitable solvent system[s],” of which aniline was but one.

In a dissenting opinion, Judge Newman criticized the majority for adding inconsistency and unpredictability by construing the claims in a way that conflicted with the detailed and unchallenged text of the patent specifications, and for construing the claims to exclude a major part of the invention

described in the patents. Judge Newman remarked that there was no disclaimer of the scope set forth in the patent specifications and claims, no prior art to limit the claims in the way selected by the panel majority, no evidence contradicting the expert testimony of the range of protic material set forth in the specifications and, thus, no reason to insert an absolute numerical limit of “about 4%” protic material into claims that do not contain a numerical limit when the specifications of both patents demonstrate significantly higher percentages. Thus, she would have found that (1) the ITC correctly construed the “controlled amount of protic material” to match the content of the specifications and claims; (2) the ITC’s findings concerning the amount of protic material shown in the specifications were supported by substantial evidence, the statutory standard for review of the agency’s findings; and (3) its claim construction was in accordance with law.

# Abbreviations | Acronyms

|              |   |      |   |
|--------------|---|------|---|
| ALJ          | Administrative Law Judge                  | IDS  | Information Disclosure Statement          |
| ANDA         | Abbreviated New Drug Application          | IP   | Intellectual Property                     |
| APA          | Administrative Procedures Act             | ITC  | International Trade Commission            |
| APJ          | Administrative Patent Judge               | JMOL | Judgment as a Matter of Law               |
| Board        | Board of Patent Appeals and Interferences | MPEP | Manual of Patent Examining Procedure      |
| Commissioner | Commissioner of Patents and Trademarks    | PCT  | Patent Cooperation Treaty                 |
| CIP          | Continuation-in-Part                      | PTO  | United States Patent and Trademark Office |
| DJ           | Declaratory Judgment                      | SEC  | Securities and Exchange Commission        |
| DOE          | Doctrine of Equivalents                   | SJ   | Summary Judgment                          |
| FDA          | Food & Drug Administration                | SM   | Special Master                            |
|              |   | TTAB | Trademark Trial and Appeal Board          |

## Looking Ahead

- A hearing is scheduled for February 8, 2008, on cross-motions for SJ in *Tafas v. Dudas*, No. 1:07cv846 (E.D. Va. 2007). The district court will determine whether to make permanent its preliminary enjoining of the enforcement of the new PTO rules.

If you have any questions or need additional information, please contact:



**Esther H. Lim**  
Editor-in-Chief  
202.408.4121  
esther.lim@finnegan.com



**Edward J. Naidich**  
Assistant Editor  
202.408.4365  
ed.naidich@finnegan.com



**Naveen Modi**  
Assistant Editor  
202.408.4065  
naveen.modi@finnegan.com

## Last Month at the Federal Circuit



### DISCLAIMER:

*The case summaries are intended to convey general information only and should not be construed as a legal opinion or as legal advice. The firm disclaims liability for any errors or omissions and readers should not take any action that relies upon the information contained in this newsletter. You should consult your own lawyer concerning your own situation and any specific legal questions. This promotional newsletter does not establish any form of attorney-client relationship with our firm or with any of our attorneys.*