Finnegan's monthly update on developments affecting licensing and other IP transactions

July 2014

Refusal to Approve Competitor's Consumable Material for Use in 3D Printers Found Not To Amount to Antitrust Violation

by John C. Paul and D. Brian Kacedon

The Federal Circuit recently affirmed dismissal of a plaintiff's federal antitrust claims, and its state-law claims for tortious interference and deceptive trade practices. The plaintiff had challenged restrictions that the defendant implemented in its stereolithography machines (used for rapid prototyping) that prevented the use of unauthorized materials with those machines. After a supplier of alternative materials was unable to obtain the machine manufacturer's approval to sell authorized materials, the supplier pursued its claims in court. The Federal Circuit held that the supplier failed to show that either the machines or the materials form a distinct product market—an element necessary for the antitrust claims. The court further held that the technological restrictions were not implemented out of spite or ill will, and that the manufacturer's statements were not deceptive by stating that the supplier's materials were not approved or licensed.

Delay by a Prior Patent Owner in Enforcing Patent Rights Can Be Imputed to a Current Patent Owner to Limit Recovery of Damages Under the Doctrine of Laches

by John C. Paul, D. Brian Kacedon, and Justin E. Loffredo

A Minnesota court recently applied the doctrine of laches to prevent a patent owner from recovering damages for infringement prior to the filing of its lawsuit based, in part, on the delay by the prior patent owner in bringing suit. Even though the current patent owner filed suit within three years after acquiring the patents, which was short of the six years delay required for a presumption of laches, the court imputed the predecessor's delay in enforcing the patent to the current patent owner, resulting in a cumulative delay of over six years. This entitled the defendant to a presumption of laches, which the patent owner failed to rebut.

Prior Litigation Bars Suit Against Products Found Noninfringing in a Prior Litigation Even As to Previously Non-Asserted Claims

by John C. Paul, D. Brian Kacedon, and Kevin D. Rodkey

In *Brain Life, LLC v. Elekta Inc.*, the Federal Circuit held that the Kessler doctrine, which arose in the Supreme Court's decision in *Kessler v. Eldred*, precludes a patent owner or its licensee from bringing an infringement action against an

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accused product previously found not to infringe the patent even as to previously non-asserted claims. In this way, the doctrine is distinguishable from traditional doctrines of claim preclusion and issue preclusion, which would permit a patent owner to later litigate the same patent if the accused acts occurred after final judgment or the patent claims were not fully adjudicated.

Court Grants Preliminary Injunction Against Willful Infringer but Tailors Injunction to Protect Public's Interest in Having Access to Effective Medical Treatment

by John C. Paul, D. Brian Kacedon, and Daniel F. Roland

A Delaware court recently enjoined a willful infringer from freely selling its medical devices, finding that the infringer was the patent owner's only competitor and that further sales of infringing medical devices created a likelihood the plaintiffs would not only lose market share and sales to the infringer, but also suffer erosion of the price of its medical devices. Although the court acknowledged the need to enforce the patent owner's rights against its competitor, it also recognized that a category of high-risk patients could not be served by patent owner's medical devices; they could only be helped by the infringer's devices. Thus, to protect both the patent owner's rights and the public interest, the court tailored the injunction to allow the infringer to continue to sell its devices to patients who could not be helped by the patent owner's products.

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