

CAFC Happenings

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Not even the formidable Richard Posner is immune from having his claim constructions reversed by the CAFC. The CAFC reverses a judgement of non-infringement of the Paxil7 patent that read simply "Crystalline paroxetine hydrochloride hemihydrate" because the district court had limited the claim to cover compounds that had more than a trace amount of hemihydrate in an anhydrate version of the drug. Specifically, the district court had limited the claim to commercially significant amounts, based on various policy considerations, with the CAFC noting that "claim construction is not a policy-driven inquiry, but a contextual interpretation of language". Since the CAFC found no disclaimer to the broader construction, it reversed.

Also, infringer's difficulty in determining whether accused product contains trace amounts of the patented compound does not give rise to "indefiniteness", because the claim itself was definite, and the test for compliance with Section 112 does not depend on a potential infringer's ability to ascertain the nature of its own accused product.

But the patent, while infringed, is held to be invalid for prior use by the CAFC. Reversing the district court, CAFC holds that clinical trials before the critical date were not "experimental use" because this exception applies to the claimed invention, and here, the claimed invention was a compound, pure and simple, without reference to field of use, safety, or efficacy, distinguishing testing to reduce an invention to practice from experimental use activities, *Smithkline Beecham Corp. v. Apotex Corp.*, nos. 03-1285, -1313.

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CAFC vacates and remands S/J of non-infringement of claims to electronic chip inspection apparatus because claim element "illuminating apparatus" in device claim and "illuminating" in method claim erroneously limited to one and only one light source, since no clear intent evident in claim or specification to so limit the claim, *Scanner Technologies Corp. v. Icos Vision Systems Corp. N.V.*, no. 03-1465.

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Reversing judgement of invalidity for on-sale bar violation, a communication that fails to constitute a definite offer to sell and fails to include material terms is not a bar-triggering "offer". Here, the accused letter failed to mention quantities, time and place of delivery, or prices, but only up-front "license" payments to continue a business partnership, *Elan Corp. PLC v. Andrx Pharmaceuticals, Inc.*, nos. 03-1354, -1355, -1386, -1387.

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There is little question that the rift in the CAFC regarding claim construction under *Texas Digital Sys., Inc. v. Telegenix, Inc.*, 308 F.3d 1193, 64 USPQ2d 1812 (Fed. Cir. 2002) has grown into a chasm, the resolution of which is of the utmost interest and importance. Does a claim term take on all relevant dictionary meanings that have not been disclaimed, as developed in the *Texas Digital* line, or not? Recall that last month in *Kinik Co. v. ITC* Judge Newman observed that while "precedent is sound" that claims are not limited to preferred embodiments or specific examples in the specification, "precedence does not hold that claims are not limited by what is described and enabled", without specifically repudiating *Texas Digital*. Along comes *Housey Pharmaceuticals, Inc. v. Astrazeneca UK Ltd.*, nos. 03-1193, -1210, wherein the majority followed *Texas Digital* to broadly construe the claim term "inhibitor or activator of a protein" to be a substance that yields a positive response to a claimed method for finding a protein of interest without necessarily binding to the protein of interest, a construction which resulted in the invalidity of the claim. Judge Newman in dissent notes that the patent itself and the file history demonstrated that binding

was part of the invention, a now familiar exercise in every claim interpretation dispute, but then to her credit tackles the larger issue head-on: "It is time to restore the law of claim construction to a more apt wisdom and more usable simplicity...my colleagues' approach is based on confusing recent pronouncements of panels of this court, contravening earlier precedent... precedent is exactly contrary: a claim is "inimical" to any broader construction than the invention set forth in the specification, and reliance on dictionaries, even technical dictionaries, without due consideration of the context of the invention may lead to absurd results."

Indeed, one of the confusing aspects of *Texas Digital* dictionary focus (what dictionary do you use?) is brought forth in *Vanderlande Industries Nederland BV v. ITC*, no. 03-1349, wherein the CAFC upholds an ITC claim construction in favor of the patentee and admonishes the accused infringer for relying on a general usage dictionary in advocating its claim construction position when evidence such as technical dictionaries exist that demonstrate that skilled artisans attach a special meaning to a term. But in almost all *Texas Digital* cases it is more than probable that technical dictionaries existed when general purpose dictionaries nonetheless were used.

We aren't sure which rule is better, but it would be helpful to all concerned if the CAFC would decide *en banc* which one it will apply, to the exclusion of the other. We also aren't so sure that picking one rule over the other will result in any greater clarity. Even now, within *Texas Digital* line cases (designed to clear up the uncertainty inherent in Judge Newman's preferred approach), different approaches exist to determining when a claim meaning has been disclaimed (compare the cases listed below, for instance). And you never know what dictionary might be used at trial. On the other hand, under the more conventional approach favored by Judge Newman, defining what the inventor disclosed the invention to be and limiting claims to that has resulted in the very line of *Texas Digital* cases she now regrets. Specifically, *Texas Digital* was designed to eradicate that old bugaboo of differentiating between two sides of the same coin, i.e., interpreting claims in light of the specification without crossing the line and importing unclaimed limitations from the specification into the claims (arguably the

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very thing that in fact Judge Newman advocated in the majority in *Kinik* and in dissent in *Housey*). It would seem almost unarguable that more than a single area of opaqueness has emerged in the CAFC's claim construction jurisprudence.

Texas Digital line cases that found no disclaimer of claim scope: *Inverness Medical Switzerland GmbH v. Princeton Biomedtech Corp.*, 309 F.3d 1365 (Fed. Cir. 2002); *Inverness Medical Switzerland GmbH v. Warner Lambert Co.*, 309 F.3d 1373 (Fed. Cir. 2002); *Storage Tech. Corp. v. Cisco Sys. Inc.*, 329 F.3d 823 (Fed. Cir. 2003); *Middleton Inc. v. Minnesota Mining and Mfrg. Co.*, 311 F.3d 1384 (Fed. Cir. 2003).

Texas Digital line cases finding disclaimer of claim scope: *Biogen Inc. v. Berlex Labs. Inc.*, 318 F.3d 1132 (Fed. Cir. 2003); *Intellectual Prop. Dev. Inc. v. UA Columbia Cablevision*, 336 F.3d 1308 (Fed. Cir. 2003); *Nomos Corp.* and *Microsoft* cases reported in April 2004 issue.

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Reversing S/J of invalidity due to obviousness, CAFC holds that it is permissible to use evidence of unexpected results despite the evidence coming into being after patent issuance, in order to “respond to litigation attacks on validity”, *Knoll Pharmaceutical Co., Inc. v. Teva Pharmaceuticals USA, Inc.*, no. 03-1300. **IPT**

ST. LOUIS JURIES AWARD SUBSTANTIAL VERDICTS IN PATENT INFRINGEMENT SUITS

Polster, Lieder, Woodruff & Lucchesi, L.C. announced that the joint efforts of two St. Louis-based law firms resulted a Federal jury verdict of patent infringement in favor of their client On Demand Machine Corporation (ODMC) against Ingram Industries, Inc., Lightning Source, Inc. and Amazon.com. ODMC was represented at trial by William Cunningham and McPherson Moore of Polster Lieder and by David Helfrey and Michael Musich of Helfrey, Simon & Jones P.C.

The patent was invented by Harvey Ross, the founder of ODMC. Mr. Ross started work on his invention in 1990 at the age of 69. His patent was granted in 1995. In 2001, the Patent Office, in a reexamination, confirmed the validity of the claims upon which the suit was based. Mr. Ross died in January 2002, shortly after the lawsuit was filed.

The jury found that the patent was valid, that the defendants infringed ODMC's '213 patent, and had induced others to infringe. The jury awarded ODMC damages of \$15,000,000 for past infringement up to the period ending December 2003. The jury also found by clear and convincing evidence that Ingram's, Lightning's and Amazon's the infringement was willful. The court could increase the damage award up to \$45,000,000, plus interest and award ODMC its attorney fees. In addition, ODMC has asked the court to issue an injunction to prevent future infringement.

McPherson D. Moore, was also involved in another patent lawsuit for which a verdict was recently returned. Moore wrote a patent application for St. Louis based Meridian Enterprise Corporation, entitled "System and Method for Administration of Incentive Award Program Through Use of Credit." Moore represented Meridian in the proceeding before U.S. Patent Office which led to the issuance on June 18, 1991, of U.S. Patent No. 5,025,372. Meridian filed a patent infringement lawsuit against Carlson Marketing Group, Inc., in U.S. District Court in St. Louis. After trial, on February 18, 2004, the jury returned a verdict in Meridian's favor finding that the patent was valid and willfully infringed by Carlson, and set damages at \$10,500,000.