

Latest Intellectual Property News



From Hauptman Ham, LLP

VOL. 7, NO. 8

SEPTEMBER 2016

Welcome to The Latest Intellectual Property News, a newsletter for updating you with recent information about Intellectual Property.

CONTENTS

Obviousness and secondary considerations	1
Claim construction's impact on appeal	2
Additional information.....	3

OBVIOUSNESS AND SECONDARY CONSIDERATIONS

By **Greg Brummett, Esq.** (gbrummett@ipfirm.com)

ClassCo, Inc. v. Apple, Inc., slip op. 2015-1853 (Fed. Cir. Sep. 22, 2016).

ClassCo was the assignee of U.S. Patent No. 6,970,695, which was directed to caller ID technology. At the conclusion of an *inter partes* reexamination, the Examiner held certain of the pending claims¹ obvious under 35 U.S.C. §103 in light of a combination of the Fujioka and Gulick patents.

ClassCo appealed the Examiner's determination to the Patent Trial and Appeal Board (PTAB), which affirmed the Examiner's rejections and, in so doing, dismissed ClassCo's objective evidence of nonobviousness on the grounds that ClassCo had failed to establish a sufficient nexus between the claimed invention and the objective evidence.

ClassCo then appealed the PTAB's decision to the United States Court of Appeals for the Federal Circuit which, in turn, affirmed the PTAB's decision.

ClassCo argued that the PTAB's decision ran contrary to the Supreme Court's use of the term "combination" in *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007) with ClassCo asserting that a *KSR* "combination" can only unite known elements without changing their respective functions. The Court found that the PTAB's approach was, in fact, consistent with *KSR* in that while neither Fujioka nor Gulick used a single speaker to announce both voice signals and identity information, substantial evidence supported a finding that a PHOSITA would have been motivated to convert Fujioka to a single speaker configuration in light of Gulick's teaching that a telephone system speaker can be used to produce audio from multiple inputs (e.g., voice signals, tonal ringing, or call-alerts).

ClassCo also argued that the PTAB had wrongly dismissed ClassCo's objective evidence of

¹ Claims 1, 11-13, 15, 16, 19-22, 25, 31-33, 35 and 36 were canceled.
Claims 2-4, 9, 10, 17, 18, 26, 27, 30 and 34 were deemed patentable.
Claims 5-8, 23, 24, 28 and 29 were not part of the reexamination.

nonobviousness as lacking a sufficient nexus between the claimed invention and the objective evidence. In this instance, the Federal Circuit agreed with ClassCo that the PTAB should have considered and given at least some weight to ClassCo's evidence of praise and commercial success.

The Federal Circuit, however, agreed with the PTAB that much of the objective evidence deserved little weight since ClassCo had failed to establish the critical nexus between the evidence and the merits of the claimed invention. A nexus may not be established when, for example, the alleged merits of the claimed invention were "readily available in the prior art" or when the evidence is not "reasonably commensurate with the scope of the claims."

The Federal Circuit explained that, while the PTAB should have afforded ClassCo's objective evidence some weight, there is no hard-and-fast rule for evaluating the degree to which a nexus has been established. Such evaluations are highly fact-specific and, accordingly, are not generally suitable for resolution using appellate-created rules and procedures for assigning relative weight to the proffered evidence. The blanket dismissal of objective evidence by the PTAB, however, constituted an error.

CLAIM CONSTRUCTION'S IMPACT ON APPEAL

By Joshua A. Hauptman, Technical Specialist (jhauptman@ipfirm.com)

LifeNet Health v. LifeCell Corporation, slip op. 2015-1549 (Fed. Cir. Sep. 16, 2016).

This case concerns infringement of LifeNet Health's U.S. Patent No. 6,569,200 for plasticized soft tissue grafts used for transplantation in humans. The use of plasticized grafts seeks to avoid problems associated with the usual freeze-drying of tissues before a transplant. In district court, the jury found that LifeCell's grafts infringed the patent, and that LifeCell failed to successfully establish any of the invalidity defenses it raised. The district court awarded LifeNet close to \$35,000,000 in damages, and LifeCell appealed raising three primary issues.

First, LifeCell argued that the district court erred by allowing the jury to resolve a dispute about scope of the claim limitation regarding "said one or more plasticizers are not removed from [an] internal matrix of [the] plastized soft tissue graft" and that the accused products do not meet this limitation. LifeCell argued that the district court should have instructed the jury that the claims prohibited the removal of any plasticizer from any part of the graft relying on the holding in *O2 Micro Int'l Ltd. V. Beyond Innovation Technology* – when "parties raise an actual dispute regarding the proper scope of . . . claims, the court, not the jury, must resolve that dispute." The Federal Circuit concluded that the problem with LifeCell's argument is that it did not timely request modification of the district's court's claim construction. At the end of trial, Life Cell asked the Federal Circuit to replace "[n]o further construction needed" with a plain-meaning construction consistent with the Federal Circuit's prior statements: "[p]lain meaning, that no plasticizer is deliberately removed from the internal matrix of the soft tissue graft prior to transplantation into a human." LifeCell never asked for clarification of what constitutes removal "from the internal matrix." LifeCell's evidentiary challenges and request for a claim construction did not adequately present the refashioned claim construction argument that it raised on appeal.

Second, LifeCell argued that they did not directly infringe because independent surgeons or other medical professionals prepared the grafts for transplantation. "Direct infringement of an apparatus claim 'requires that each and every limitation set forth in a claim appear in an accused product.'" *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d

1293, 1310 (Fed. Cir. 2005). Direct infringement of a method claim requires all steps of the claimed method to be performed by or attributable to a single entity. *BMC Res., Inc. v. Paymentech, L.P.*, 498 F.3d 1373, 1379-81 (Fed. Cir. 2007). The Federal Circuit disagreed because “the non-removal limitation is satisfied by the graft from the moment it is manufactured unless and until the plasticizer is removed.”

Third, LifeCell also contended that because the non-removal limitation describes a method of use while the remaining claims 1-4 describe an apparatus, said claims are indefinite for covering both an apparatus and a method. The Federal Circuit found that the claim does “not mix an apparatus with a method of using that apparatus” since “no later action by a user of the tissue graft is necessary.”

Finally, LifeCell argued that the claims were either anticipated or obvious in view of the Werner prior art reference. “With respect to a ‘plasticized soft tissue graft,’ the district court construed that limitation to specifically require ... that plasticization occur ‘without altering the orientation of the collagen fibers, *such that the mechanical properties, including the material, physical and use properties, of the tissue product are similar to those of normal hydrated tissue.*’” J.A. 69. The difference in mechanical properties between the reference’s tissues and native tissue still provided a basis for finding that those properties were not similar enough to meet the court’s construction of “plasticized soft tissue graft.”

The Federal Circuit affirmed the district court’s judgment.

ADDITIONAL INFORMATION

To subscribe or unsubscribe to this newsletter, please email rnoranbrock@ipfirm.com.



Archived copies of this newsletter are available at www.ipfirm.com.

Follow us on Facebook:



Follow us on Twitter:



Follow us on LinkedIn:



**2318 Mill Road, Suite 1400
Alexandria, VA 22314 USA**

**Tel: +1 (703) 684-1111
Fax: +1 (703) 518-5499**

**Chiyoda Kaikan Bldg. 6F
1-6-17 Kudan Minami, Chiyoda-Ku,
Tokyo 102-0074 Japan**

**Tel: +81-3-6256-8970
Fax: +1 (703) 518-5499**

**201, No. 47, Yuancyu 2nd Rd.
IP Innovation Center
Hsinchu Science Park 300
Hsinchu City, Taiwan, R.O.C.
Tel: +886-3-5775912
Fax: +866-3-5779280**

**642-6 Sungji 3 cha Bldg., Suite No.
1111
Yeoksam-dong, Kangnam-gu
Seoul, Korea**

**Tel: +82-2- 567-3710
Fax : +82-2-567-3712**

The articles in this newsletter are for informational purposes only and not for the purpose of providing legal advice or soliciting legal business. You should contact your attorney to obtain advice about each issue. Use of and access to this newsletter or any of the e-mail links contained herein do not create an attorney-client relationship between Hauptman Ham, LLP and the user. The opinions expressed at or through this newsletter are the opinions of the individual author and may not reflect the opinions of the firm, any individual attorney, or the firm's clients. Unsolicited information sent to Hauptman Ham, LLP by persons who are not clients of the firm is not subject to any duty of confidentiality on the part of Hauptman Ham, LLP.

All rights reserved. © 2016