

# The Latest Intellectual Property News



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Hello from everyone in Lowe Hauptman & Ham, LLP, and welcome to The Latest Intellectual Property News, a newsletter for updating you with recent information about Intellectual Property.

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## DE NOVO REVIEW OF CLAIM CONSTRUCTION UPHELD

By Michael P. McComas ([mmccomas@ipfirm.com](mailto:mmccomas@ipfirm.com))

In a 6-4 *en banc* decision, the United States Court of Appeals for the Federal Circuit upheld a prior Federal Circuit panel decision, confirming the *Cybor* standard of *de novo* review of claim construction set forth in its 1998 *en banc* decision. In the underlying case, the panel had reversed a district court’s holding on a matter of claim construction, instead invalidating a claim for indefiniteness. *Lighting Ballast Control Llc, V. Philips Electronics North America Corp.*, slip op. 2012–1014 (Fed. Cir. Feb. 21, 2014).

The majority gave considerable weight to the doctrine of *stare decisis*, indicating that overturning the previous *en banc* decision required “more than controversy about the prior rule.” It found no developments from the United States Supreme Court, Congress, or the Federal Circuit itself since *Cybor* to justify a change. Further, as opposed to finding a demonstration of unworkability of *de novo* review, the majority cited risks to a deference standard including lengthy peripheral litigation to disentangle factual and legal aspects of claim construction and heightened forum shopping. A concurring opinion also cited the possibility of the Federal Circuit confirming conflicting claim constructions arising from different district courts.

The dissent argued that *Cybor* directly conflicted with Rule 52(a)(6) of the Federal Rules of Civil Procedure, which requires deference to all findings of fact “unless clearly erroneous.” The majority, however, dismissed the applicability of the rule “to decide if a question is properly characterized as one of fact,” instead emphasizing the Supreme Court’s indication in *Markman II* that “‘treating interpretive issues as purely legal’ would have benefits of

‘intra-jurisdictional uniformity.’”

With respect to a patent’s prosecution history, the majority expressed a viewpoint with a limited role for expert testimony, stating that claim construction “does not turn on witness credibility, but on the content of the patent documents.” According to the concurring opinion, “the inventor had his chance to define his invention and should not be heard in later testimony to get another bite at the apple by redefining that language,” and that “providing formal deference to district courts would encourage migration away from reliance on the intrinsic written record of the patent specification and its prosecution history.” The dissent criticized the majority viewpoint, stating that the majority “believes we do not need to hear from experts regarding the state of the known science or art at the time of the invention, the commonly understood meaning, if any, of the particular terms or phrases employed,” or “the level of education and skill one reading such a patent would have.”

## **FORESEEABILITY DOES NOT PRECLUDE DOCTRINE OF EQUIVALENTS**

**By Ronald H. Pawlikowski, Esq. ([rpawlikowski@ipfirm.com](mailto:rpawlikowski@ipfirm.com))**

ARB Corporation LTD. (ARB) sued Ring & Pinion Service Co. (Ring) in district court alleging infringement of U.S. Patent No. 5,591,098 (‘098 patent). ARB filed a motion for summary judgment contending that the accused products infringed the asserted patent. Ring also filed a motion for summary judgment contending that the accused products did not infringe, because the doctrine of equivalents did not apply to equivalents that were foreseeable at the time of the patent application. During this time, Ring and ARB stipulated “that there were ‘no issues of material fact regarding infringement under the doctrine of equivalents,’” because Ring’s product literally met all but one claim limitation, and that an equivalent existed for such a limitation. Ring and ARB further stipulated that the equivalent would have been foreseeable at the time the patent application was filed.

The district court entered an order approving the parties’ joint stipulation. The district court held that foreseeability did not preclude the application of the doctrine of equivalents, but Ring’s accused products did not infringe the ‘098 patent, because claim vitiation prevented a finding of infringement. ARB appealed the district court’s ruling. In *Ring & Pinion Service INC., v. ARB Corporation LTD.*, slip op. 2013-1238 (Fed. Cir. Feb. 19, 2014), the Federal Circuit reversed and remanded the district court’s decision with instructions to enter judgment of infringement for ARB.

On appeal, relying upon *Sage Products, Inc., v. Devon Industries, Inc.*, 126 F.3d 1420 (Fed. Cir. 1997), Ring argued that “the doctrine of equivalents does not apply to equivalents that were foreseeable at the time of the patent application.”

The Federal Circuit disagreed with Ring’s argument in concluding that “the foreseeability of an equivalent at the time of patenting is not a bar to a finding of infringement under the doctrine of equivalents.” The Federal Circuit reasoned that excluding equivalents that were foreseeable at the time of patenting would conflict with the holding in a number of cases (including *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997), *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605 (1950) and *Corning Glass Works v. Sumitomo Elec. U.S.A., Inc.*, 868 F.2d 1251 (Fed. Cir. 1989)). The Federal Circuit disagreed with the district court’s finding of claim vitiation, since the stipulation the parties entered into precluded the consideration of other potential issues (e.g., the claim vitiation). The Federal Circuit reversed and remanded the district court’s decision with instructions to enter judgment of infringement for ARB.

## **FAILED TO REDEFINE A WELL-KNOWN TERMINOLOGY**

**By Tony Chang, Esq. ([tchang@ipfirm.com](mailto:tchang@ipfirm.com))**

Starhome GmbH (Starhome) owns a U.S. Patent No. 6,920,487 (the '487 patent), which is related to improving the functionality of phone services for users in a roaming telephone network using *inter alia* "an intelligent gateway." *Starhome GmbH V. At&T Mobility Llc*, slip op. 12-1694 (Fed. Cir. Feb. 24, 2014). Starhome sued its competitor, Roamware, and Roamware's customers, AT&T Mobility and T-Mobile USA, for infringing the '487 patent. Starhome and the Defendants disputed the claim construction of the term "intelligent gateway," which the district court construed to mean "a network element that transfers information to and from a mobile network and another network external to the mobile network." Starhome appealed and contended that a connection to an external network is not a required feature of an "intelligent gateway."

Quoting the rules summarized in *Thorner v. Sony Computer Entm't Am. LLC*, 669 F.3d 1362, 1365 (Fed. Cir. 2012), the Federal stated that "[t]he words of a claim are generally given their ordinary and customary meaning as understood by a person of ordinary skill in the art when read in the context of the specification and prosecution history." Moreover, "[t]here are only two exceptions to this general rule: 1) when a patentee sets out a definition and acts as his own lexicographer, or 2) when the patentee disavows the full scope of a claim term either in the specification or during prosecution."

The district court construed the term "intelligent gateway" based on well-known technical meaning as evidenced by IEEE dictionary and concluded that Starhome did not clearly redefine this term. Starhome argued that the district court's claim construction of "gateway" excludes a preferred embodiment depicted in Figure 2, which differs from Figure 1 by not showing an external network connected to the gateway. The Federal Circuit found that the specification's Figure 2 is a simplified drawing of Figure 1 and does not depict a different embodiment. The Federal Circuit also disagreed with Starhome's argument based on the doctrine of claim differentiation, because the relevant dependent claims indeed further limit the scope of external network to a packet-switched network. Therefore, the Federal Circuit held that the district court's construction is not inconsistent with the ordinary meaning of "gateway," and the Federal Circuit found no error in the district court's construction of "intelligent gateway."

#### **"UNIVERSALLY ACCEPTED" STANDARD OF ERROR NOT READ INTO CLAIMS**

**By Brad Copely ([bcopely@ipfirm.com](mailto:bcopely@ipfirm.com))**

A "universally accepted" standard of error will not be read into the claims. *Takeda Pharmaceutical Company Limited v. Zydus Pharmaceuticals USA, Inc.*, Slip op. 2013-1406 (Fed. Cir. Feb. 20, 2014). Takeda Pharmaceutical Company Limited (Takeda) owns patents for the brand-name drug Prevacid® SoluTab™, which contains the active ingredient lansoprazole and is the only orally-disintegrable tablet currently available for treating acid reflux.

Zydus Pharmaceutical filed an application with the United States Food and Drug Association in 2010 to produce a generic version of Prevacid® SoluTab™. Takeda sued Zydus for infringement of several claims of several patents. At issue is the infringement of claim 1 of U.S. Patent No. 6,328,994 (the '994 patent). Zydus counterclaimed that claim 1 was invalid based on the requirements of 35 U.S.C. §112 (indefiniteness).

The issue of infringement turned on the particle size recited in claim 1. Claim 1 recites in part "an average particle diameter of 400 µm or less." Zydus argued that "400 µm or less" means "precisely 400 µm or less," and Takeda argued that a "universally accepted" 10% size

deviation should be incorporated into the claim.

The district court sided with Takeda and also found claim 1 valid under 35 U.S.C § 112. Based on these determinations, Zydus's product was judged as infringing on claim 1 of the '994 patent, and the court entered an injunction preventing Zydus from manufacturing or selling their proposed product. Zydus appealed both rulings.

On appeal, the Federal Circuit reversed the district court's determination of infringement and affirmed the lower court's determination of validity under 35 U.S.C. § 112.

In finding that the 10% size deviation should not be read into claim 1, the Federal Circuit relied on the language of the claim, the specification, and the prosecution history of the '994 patent. The Federal Circuit reasoned that the phrase "400  $\mu\text{m}$  or less" in claim 1 was not modified by any words which would indicated that the size is imprecise, and that such language could have been easily added. The Federal Circuit also found several instances in the language of the specification where distinctions were made between particles with a diameter larger than 400  $\mu\text{m}$  and particles with a diameter less than that size, and a preference was stated for the smaller particle size. The Federal Circuit then turned to the prosecution history of the '994 patent and noted that during prosecution, an argument was made to overcome prior art based on non-disclosure of an average particle diameter of 400  $\mu\text{m}$  or less.

While the Federal Circuit found several of Zydus's arguments under 35 U.S.C. § 112 to be moot based on the prior infringement analysis, the Federal Circuit did consider Zydus's arguments that claim 1 was indefinite, because the '994 patent does not teach how to measure particle size post-tableting, or specify the way by which particle size is to be measured. After considering expert testimony from both sides relating to measurement methods, the Federal Circuit upheld the validity of the '994 patent concluding that the claim language is not indefinite simply because there are multiple ways to determine particle size. Moreover, the Federal Circuit disagreed with Zydus's argument that the inventors were not in possession of the invention, because the '994 patent only taught measuring particle size before the particles were formed into a tablet and not post-tableting. The Federal Circuit dismissed this argument, because evidence presented tended to show that forming the particles into a tablet did not have an impact on tablet size.

## EXAMINER FORCED AMENDMENT SAVES CLAIM, FOR NOW

**By Sean A. Passino, Ph.D., Esq./Partner ([spassino@ipfirm.com](mailto:spassino@ipfirm.com))**

A broadest reasonable claim construction can rely on a prosecution file history. *Tempo Lighting, Inc. V. Tivoli, LLC*, Slip op. 2013-1140 (Fed. Cir. Feb. 10, 2014). Tivoli, LLC (Tivoli) owns U.S. Patent No. 6,554,446 ('446 patent) directed to a stair-step lighting apparatus that uses a reflective strip to alert users to the edge of a step in low-light environments using a material *inert to light*. After Tivoli sued Tempo for patent infringement in 2004, Tempo filed an *inter parte* reexamination in 2005.

During the reexamination, the examiner rejected the claims as obvious and construed *inert to light* by referencing a dictionary to support the construction of the term as "a material that either does not react, e.g. by degrading, when exposed to light or a material that does not react because it has been treated with or includes some additive, which inhibits degradation of the material when exposed to light." On appeal in the USPTO, the Board rejected the examiner's construction, because Tivoli defined the term during the original prosecution of the application that matured into the '446 patent.

During original prosecution, Tivoli initially amended the asserted claim to recite a

*nonphotoluminescent material*. The original examiner objected, because the claims “should recite positive limitations.” In response, Tivoli further amended the claim, stating that the amended claim discloses “a material that is *inert to light*” as a positive limitation indicating that the material ... **is nonphotoluminescent and not activated to glow by absorbing ambient light.**” The original examiner allowed the amended claim to issue as the '446 patent. Thus, based on the original prosecution history, the Board held that the proper construction for inert to light is “nonphotoluminescent and not activated to glow by absorbing ambient light.”

Although the Board rejected the examiner’s construction of *inert to light*, it nevertheless relied on the examiner’s findings that each of the primary prior art references lacks the *inert to light* limitation.

On appeal to the Federal Circuit, Tempo argued, among other things, that the Board erred in construing *inert to light* differently from the examiner and alternatively that the Board erred by relying on the examiner’s factual findings under a different claim construction.

The Federal Circuit, in an opinion written by the Chief Judge, affirmed the Board’s claim construction. In claim construction, primacy is given to the language of the claims, followed by the specification. Additionally, the prosecution history serves as intrinsic evidence for purposes of claim construction, even when construing patent claims before the USPTO. Here, the prosecution history supports the Board’s definition. Contrary to this interpretation, the examiner’s interpretation adds multiple limitations not in the intrinsic record, which is silent regarding whether the material degrades in a reaction with light. The examiner merely relied on extrinsic evidence (a dictionary), which has little probative value in view of the intrinsic evidence. The examiner’s definition is inconsistent with the specification, while the Board’s definition is not inconsistent.

Although not presented in this case, the panel emphasized that, during a USPTO proceeding, a prosecution history definition or disclaimer is binding only to the patentee: “This court also observes that the USPTO is under no obligation to accept a claim construction proffered as a prosecution history disclaimer, which generally only binds the patent owner.” In this instance, however, the USPTO itself requested Tivoli to rewrite the “nonphotoluminescent” limitation in positive terms. Tivoli complied, and then supplied clarification about the meaning of the *inert to light* limitation. For all these reasons, the panel affirmed the Board’s construction of *inert to light*.

In reversing the Board’s obviousness decision, the panel found that the Board’s reasoning is deficient. The Board stated that the prior art references do not disclose the *inert to light* limitation as properly construed, but only cites to the examiner’s findings under the reversed—and substantially different—claim construction. Thus, the Federal Circuit remanded for the USPTO to make new factual findings under the proper construction.

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