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April 2011

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[Appealed from N.D. Ill., Judge Gettleman]

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[Appealed from E.D. Tex., Judge Ward]

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Abbreviations

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

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False Marking Claims Must Be Pled with Particularity

Rebecca L. Harker

Judges: Lourie, Gajarsa, Linn (author)

[Appealed from N.D. Ill., Judge Gettleman]

In *In re BP Lubricants USA Inc.*, No. 10-M960 (Fed. Cir. Mar. 15, 2011), the Federal Circuit granted a petition for writ of mandamus in part and directed the district court to dismiss the respondent's false marking complaint with leave to amend in accordance with the particularity requirements of Fed. R. Civ. P. 9(b) as described in the Court's Order.

BP Lubricants USA Inc. ("BP") manufactures motor oil products under the brand name CASTROL. BP's CASTROL products are distributed in a unique bottle design for which BP received a design patent. Respondent Thomas A. Simonian, a patent attorney, filed a qui tam relator complaint on behalf of the United States pursuant to 35 U.S.C. § 292, in which he alleged that BP's design patent expired on February 12, 2005, and BP continued to mark its bottles with the patent number after the patent expired. The complaint also asserts mostly "upon information and belief," that "(1) BP knew or should have known that the patent expired; (2) BP is a sophisticated company and has experience applying for, obtaining, and litigating patents; and (3) BP marked the CASTROL products with the patent numbers for the purpose of deceiving the public and its competitors into believing that something contained or embodied in the products is covered or protected by the expired patent." Slip op. at 3.

BP filed a motion to dismiss the complaint, arguing that the relator's complaint failed to allege any underlying facts upon which a court could reasonably infer that BP knew its patent had expired when it was marking its products. The district court concluded that the complaint stated an actionable claim and met the requirements of Rule 9(b). The district court explained that in addition to alleging that BP knew or should have known the patent expired, it was enough under Rule 9(b) for the relator to allege that BP had deliberately and falsely marked at least one line of its motor oil products with an expired patent and continues to falsely mark its products throughout the Northern District of Illinois and the rest of the United States with the intent to deceive its competitors and the public. BP petitioned the Federal Circuit for a writ of mandamus directing the U.S. District Court for the Northern District of Illinois to grant its motion to dismiss the relator's complaint.

The Federal Circuit found that the considerations presented in this case warranted the extraordinary remedy of mandamus because (1) the Court had not previously decided whether Rule 9(b) applies to

false marking cases or discussed the requisite level of pleading required, and (2) trial courts have been in considerable disagreement on this issue. Relying on Supreme Court precedent, the Federal Circuit noted that these exceptional circumstances warrant deciding this issue before final judgment.

“Instead, a complaint must in the § 292 context provide some objective indication to reasonably infer that the defendant was aware that the patent expired.” Slip op. at 7.

The Federal Circuit, as a preliminary matter, addressed whether Rule 9(b)'s particularity requirement applies to false marking claims under § 292. “In all cases sounding in fraud or mistake, Rule 9(b) requires a plaintiff to plead ‘with particularity the circumstances constituting fraud or mistake.’” *Id.* at 5 (quoting Fed. R. Civ. P. 9(b)). The Court noted that Rule 9(b) acts as a safety valve to assure that only viable claims alleging fraud or mistake proceed to discovery, thus preventing relators from using discovery as a fishing expedition.

The Court commented that under the False Claims Act, an analogous area of the law, every regional circuit has held that a relator must meet the requirements of Rule 9(b) when bringing complaints on behalf of the government. This is because “the False Claims Act condemns fraud ‘but not negligent errors or omissions.’” *Id.* at 6 (citation omitted). The Federal Circuit saw no sound reason to treat § 292 actions differently since § 292 condemns fraudulent or false marking. The Court reasoned that permitting a false marking complaint to proceed without meeting the particularity requirement of Rule 9(b) would sanction discovery and adjudication for claims that do little more than speculate that the defendant engaged in more than negligent action.

The Federal Circuit noted that “although ‘knowledge’ and ‘intent’ may be averred generally and that a plaintiff may plead upon information and believe under Rule 9(b), ‘our precedent, like that of several regional circuits, requires that the pleadings allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind.’” *Id.* at 6-7 (quoting *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1327 (Fed. Cir. 2009)). The Court emphasized that *Exergen's* pleadings requirements apply to all claims under Rule 9(b), not just inequitable conduct cases.

The Court concluded that the district court's reliance on the relator's general allegation that BP knew or should have known that the patent expired was clearly incorrect. “Instead, a complaint must in the § 292 context provide some objective indication to reasonably infer that the defendant was aware that the patent expired.” *Id.* at 7.

In reaching the conclusion that the complaint failed to meet the requirements for Rule 9(b), the Federal Circuit found (1) that alleging that BP is a “sophisticated company and has experience applying for, obtaining, and litigating patents” is equivalent to asserting that the defendant should have known the patent expired, and such conclusory allegations are not entitled to an assumption of truth at any stage in litigation; (2) that a false marking does not inherently show scienter; (3) that the naming of specific individuals is not the only way to set forth facts upon which intent to deceive can be reasonably inferred; rather, a relator can, for example, allege that the defendant sued a third party for infringement of the patent after the patent expired or made multiple revisions of the marking after expiration, although none of these or similar assertions are present in the complaint here; and (4) the bar for proving deceptive intent in false marking cases is particularly high, requiring that the relator show a purpose of deceit rather than simply knowledge that a statement is false. Thus, the complaint failed to meet the requirements of

Rule 9(b) “[b]ecause the relator’s complaint here provided only generalized allegations rather than specific underlying facts from which we can reasonably infer the requisite intent” *Id.* at 8.

Accordingly, the Court granted BP’s petition for mandamus in part, directing the district court to dismiss the complaint with leave to amend.

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PTO Confirmation of Validity in a Related Reexamination Proceeding, Even If Later Revoked, Can Provide Evidence of a Reasonable Basis for Patentee's Validity Arguments in the Context of a Motion for Attorneys' Fees

Maryann T. Puglielli

Judges: Newman, Bryson, Mayer (author)

[Appealed from N.D. Ohio, Senior Judge Dowd]

In *Old Reliable Wholesale, Inc. v. Cornell Corp.*, No. 10-1247 (Fed. Cir. Mar. 16, 2011), the Federal Circuit reversed the district court's finding that the preceding infringement trial was exceptional and the district court's award of attorneys' fees to Cornell Corporation ("Cornell").

Old Reliable Wholesale, Inc. ("Old Reliable") is the assignee of U.S. Patent No. 5,069,950 ("the '950 patent") directed to multilayered insulated roof board. Cornell sold two types of insulated roof boards: Vent-Top ThermaCal 1 ("VT-1"), which included a layer of paper felt; and Vent-Top ThermaCal 2 ("VT-2"), which included two layers of oriented strand board.

In 2006, Old Reliable filed suit against Cornell for infringement of the '950 patent in light of Cornell's VT-1 product. Cornell countersued that the '950 patent was invalid as anticipated by the VT-2 product and another competitor's product, among other reasons. During his deposition, Old Reliable's founder and inventor of the '950 patent testified that Old Reliable's commercial product, which was based on the claims of the '950 patent, the VT-1 product, and the VT-2 product, each did "exactly the same thing." The district court granted Cornell's motion for SJ of patent invalidity, concluding that the VT-2 product and the competitor's product anticipated the claims of the '950 patent. On appeal, the Court affirmed.

Thereafter, Cornell filed a motion in district court asking that the case be declared exceptional and seeking attorneys' fees under 35 U.S.C. § 285. The district court granted Cornell's motion but held that Cornell was only entitled to attorneys' fees for the portion of the infringement litigation that continued after the inventor's deposition. Prior to that point, the district court found that Old Reliable may have had some basis for its position that the VT-2 product did not anticipate the '950 patent claims.

Meanwhile, during the initial infringement suit, the PTO granted Cornell's request for ex parte reexamination of the '950 patent. Despite the fact that Old Reliable informed the PTO of the Federal Circuit's finding of anticipation and invalidity in the related infringement suit, the PTO issued a notice of intent to issue an ex parte reexamination certificate confirming patentability of all claims in the

'950 patent. Soon thereafter, the PTO withdrew the notice of intent, stating that the claims were invalid and noting the Federal Circuit's decision.

“We conclude, however, that the fact that the PTO confirmed the validity of the '950 patent on reexamination provides probative evidence on the issue of whether Old Reliable had a reasonable basis for its assertion that its patent was not anticipated.” Slip op. at 19.

Old Reliable appealed to the Court for a second time, seeking reversal of the district court's awarding attorneys' fees to Cornell. Citing *Brooks Furniture Manufacturing, Inc. v. Dutailier International, Inc.*, 393 F.3d 1378, 1381 (Fed. Cir. 2005), the Court explained that “[a]bsent misconduct in conduct of the litigation or in securing the patent, sanctions may be imposed against the patentee only if both (1) the litigation is brought in subjective bad faith, and (2) the litigation is objectively baseless.” The Court also noted the element of “objective baselessness” depends not on the state of mind of the party against whom fees are sought, but instead on an objective assessment of the merits of the challenged claims and defenses.

Keeping these standards in mind, the Federal Circuit concluded that the preceding infringement trial was not an exceptional case that merited awarding of attorneys' fees to Cornell. The Court addressed each of the damaging testimonies that emerged during the infringement trial along with the related PTO reexamination proceedings in turn. Regarding the inventor's deposition, Cornell argued that Old Reliable had no reasonable basis for maintaining its infringement action once the inventor admitted that Old Reliable's product, the VT-1 product, and the VT-2 product did exactly the same thing. The Court disagreed, noting that anticipation requires that all of the *claim elements* and their limitations be shown in a single reference. Regardless of whether the VT-2 and Old Reliable's product did the same thing, there could be no anticipation unless the VT-2 disclosed either expressly or inherently all the structural limitations contained in the asserted claims. Citing *In re Ruskin*, 347 F.2d 843, 846 (CCPA 1965), the Court explained that even where a prior art device is the “functional equivalent” of a patented product, it does not anticipate unless it discloses the structure required by the asserted claims. Thus, despite Mr. Crookston's admission and given the fact that Old Reliable had pointed to structural differences between the VT-2 and its claims, the Court found that Old Reliable still had a reasonable basis on which to argue that the VT-2 product did not anticipate the '950 patent claims.

The Court also addressed the alleged inconsistency between Old Reliable's arguments that the VT-1 infringed the '950 patent claims while the VT-2 failed to anticipate these claims. After reviewing the differences between the two products, the Court found that there was nothing frivolous or inherently implausible about Old Reliable's assertion that, from a physical standpoint, separating the insulation from spaced blocks by a thin layer of felt facing was different from separating these components with a bulky layer of oriented strand board. In addition, the Court noted that although Cornell had been selling its VT-2 product for many years before it introduced the VT-1 product, the VT-1 product sales quickly surpassed VT-2 product sales, providing a legitimate basis for Old Reliable's argument that commercial success of the infringing VT-1 product weighed against invalidity of the '950 patent.

Moreover, the Court recognized that, even though contrary to its earlier holding affirming invalidity, the PTO nonetheless initially issued a notice of intent to issue an *ex parte* reexamination certificate after concluding its analysis of the cited art. Though the Court is not bound by the PTO's actions and must make its own determination of invalidity, the Court acknowledged that it was equally true that the PTO

has expertise in evaluating prior art and assessing patent validity. The fact that the PTO initially concluded that the '950 patent claims were valid after assessing the relevant prior art undercut Cornell's contention that Old Reliable had no basis for arguing no anticipation of its claims. Moreover, the Court noted that the PTO's initial conclusion of validity, even if later revoked, provided probative evidence on the issue of whether Old Reliable had a reasonable basis for arguing that the '950 patent claims were valid and not anticipated.

Finally, the Court addressed the question of whether there was litigation misconduct that could warrant awarding attorneys' fees, even absent objective baselessness of the patentee's arguments. Citing *ICU Medical, Inc. v. Alaris Medical Systems, Inc.*, 558 F.3d 1368, 1380 (Fed. Cir. 2009), the Court described the standard for litigation misconduct as involving unethical or unprofessional conduct by a party or its attorneys during the course of adjudicative proceedings. Old Reliable's refusal to participate in settlement negotiations in the context of the facts and testimony of the infringement trial did not rise to litigation misconduct. Because Old Reliable had an objectively reasonable basis for maintaining an infringement suit, the refusal to make or accept a settlement was not in and of itself sufficient to establish litigation misconduct.

Thus, the Court reversed the district court and vacated the award of attorneys' fees.

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Resolving Disparate Claim Constructions by Two District Courts

Mindy L. Ehrenfried

Judges: Bryson, Gajarsa, Linn (author)

[Appealed from E.D. Va., Judge Smith; N.D. Cal., Judge Hamilton]

In *American Piledriving Equipment, Inc. v. Geoquip, Inc.*, No. 10-1283 (Fed. Cir. Mar. 21, 2011), the Federal Circuit affirmed the U.S. District Court for the Eastern District of Virginia's ("the Virginia district court") grant of SJ of noninfringement. And, in the consolidated appeal of *American Piledriving Equipment, Inc. v. Bay Machinery Corp.*, No. 10-1314 (Fed. Cir. Mar. 21, 2011), the Federal Circuit affirmed in part, reversed in part, and remanded the U.S. District Court for the Northern District of California's ("the California district court") grant of SJ of noninfringement.

American Piledriving Equipment, Inc. ("American Piledriving") owns U.S. Patent No. 5,355,964 ("the '964 patent"), which relates to counterweights for so-called "vibratory" pile drivers. The counterweights consist of an "eccentric weight portion" either "integral" to (claim 1) or "connected" to (claim 16) a cylindrical gear portion. Each "eccentric weight portion" contains at least one "insert-receiving area."

American Piledriving brought two similar infringement suits—one against Geoquip, Inc. in the Virginia district court and one against Bay Machinery Corporation in the California district court. American Piledriving alleged that both defendants infringed the '964 patent by selling Model 250 and Model 500 vibratory pile drivers. Additionally, in the California district court proceeding, American Piledriving also accused an earlier, different version of the Model 500, known as the Early Model 500.

In both actions, the parties disputed the meaning of the claim terms "eccentric weight portion," "integral," "insert-receiving area," and "connected to." The district courts adopted the same construction for "integral" and "connected to," but different constructions for "eccentric weight portion" and "insert-receiving area." In each action, the parties moved for SJ regarding infringement. Each district court granted the respective defendant's SJ motion of noninfringement, holding that the accused pile drivers did not meet the "integral" and "insert-receiving area" claim limitations. American Piledriving appealed both decisions, and the appeals were consolidated before the Federal Circuit.

Given the unusual circumstance of consolidated appeals from two district courts construing the same claim terms, the Federal Circuit commented: "In the course of construing the claims in this case, the Virginia district court carefully avoided redefining the claims and reading limitations into the claims from

the written description. The California district court, however, inappropriately added several limitations not contained in the inventor's claimed definition of the scope of his invention. This disparate treatment of the same issues before two competent and capable district courts is thus instructive." Slip op. at 10.

"In the course of construing the claims in this case, the Virginia district court carefully avoided redefining the claims and reading limitations into the claims from the written description. The California district court, however, inappropriately added several limitations not contained in the inventor's claimed definition of the scope of his invention. This disparate treatment of the same issues before two competent and capable district courts is thus instructive." Slip op. at 10.

The Federal Circuit first addressed the construction of the term "eccentric weight portion." The Court rejected American Piledriving's argument that the term should be construed functionally rather than structurally. In particular, the Federal Circuit agreed with the Virginia district court's construction, noting that (1) the claim language, "an eccentric weight portion connected to said cylindrical gear portion," suggested that the term should not be construed as broadly as American Piledriving proposes because that construction would include the gear itself, thus incorrectly resulting in a requirement that the structure connect to itself; (2) the specification's consistent reference to the "eccentric weight portion" as structure extending from the face of the gear made it apparent that it relates to the invention as a whole and not just the preferred embodiment as contended by American Piledriving, and the use of the words "thereto" and "therewith" to describe the relationship between the gear portion and weight portion suggested a structural rather than a functional construction; and (3) the prosecution history was consistent with the term referring to a structure extending from the gear portion. Additionally, the Court rejected the California district court's overly narrow construction, finding that nothing in the specification compelled reading additional limitations into the construction.

The Federal Circuit then addressed the meaning of the term "integral," agreeing with the district courts that it means "formed or cast as one piece." Focusing on the claims and prosecution history, the Court noted that claim 16 recited an eccentric weight portion *connected to* the gear portion, whereas claim 19 (which depends from claim 16) recited an eccentric weight portion *integral with* the gear portion. While the parties disputed the meaning of the term "integral," they did not dispute that "connected to" means "joined together, united, or linked." The Federal Circuit rejected American Piledriving's argument that "integral" should not be limited to one piece because (1) "where, as here, the claims describe the same relationship using different terms, the assumption is that the term in the dependent claim has a narrower scope[.]" *id.* at 17, and since claim 16 encompasses one-piece counterweights as well as two-piece counterweights that are joined together, there is nothing inherently incorrect in interpreting "integral" in claim 19 to mean one piece; and (2) during reexamination, American Piledriving attempted to distinguish a prior art reference by arguing that "integral" meant one piece, and that argument was sufficient to disavow any potentially broader claim scope.

Finally, with respect to claim construction, the Federal Circuit adopted the Virginia district court's construction of "insert-receiving area." The Court agreed with American Piledriving that the California district court improperly imported a limitation from the preferred embodiment into the claims because the intrinsic record did not suggest or indicate that the additional limitation must always be present in the claimed invention.

The Federal Circuit next examined the district courts' findings of noninfringement, concluding that the Model 250 and Model 500 lack "an eccentric weight portion integral with said cylindrical gear portion," as required by the claims, and also lack the "insert-receiving area" recited in several of the claims. The Court, however, found that the Early Model 500 satisfies all of the limitations of claim 16, which merely requires that the components be "connected to" one another, as well as claims 17 and 18, and thus infringes those claims.

Accordingly, the Federal Circuit agreed with the claim constructions of the Virginia district court, modified the claim constructions of the California district court to match the Virginia district court's constructions, affirmed the noninfringement judgment of the Virginia district court, and affirmed in part, reversed in part, and remanded the noninfringement judgment of the California district court.

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Federal Circuit Vacates SJ of Nonobviousness Based on Erroneous Findings as to the Analogousness of the Prior Art and the Level of Skill in the Art

Clara N. Jimenez

Judges: Rader, Lourie (author), Whyte (sitting by designation)

[Appealed from E.D. La., Judge Feldman]

In *Innovention Toys, LLC v. MGA Entertainment, Inc.*, No. 10-1290 (Fed. Cir. Mar. 21, 2011), the Federal Circuit affirmed the district court's grant of SJ of literal infringement and vacated the grant of SJ of nonobviousness. The Court remanded on the issue of obviousness.

Innovention Toys, LLC ("Innovention") sued MGA Entertainment, Inc., Wal-Mart Stores, Inc., and Toys "R" Us, Inc. (collectively "MGA") for infringement of U.S. Patent No. 7,264,242 ("the '242 patent"), based on MGA's Laser Battle game. The '242 patent is directed to a chess-like, light-reflecting board game and methods of playing the game. All of the asserted claims include a "key playing pieces" limitation in which the key pieces are "movable." MGA's Laser Battle game is a board game for playing a chess-like strategy game. The game's Tower pieces, which are placed on the board at the beginning of the game, can be placed at different locations, and do not need to remain in their standard positions during "Advanced Game Play."

MGA denied infringement and alleged that the '242 patent was invalid for obviousness under 35 U.S.C. § 103. In alleging obviousness, MGA relied on the combination of two articles describing electronic, computer-based, chess-like strategy games (collectively "the Laser Chess references") and a U.S. patent describing a chess-like strategy board game. The parties moved for SJ on the issues of infringement and invalidity. The district court granted Innovention's motions for SJ of literal infringement and nonobviousness, and its motion for a permanent injunction. MGA appealed.

On appeal, the Federal Circuit affirmed the grant of SJ of literal infringement. The Court based its decision on the district court's construction of "movable" as "capable of movement," because MGA did not directly challenge the construction. The Court held that the district court's construction encompassed movement during game setup, and, therefore, MGA's Laser Battle game infringed.

"If a reference disclosure has the same purpose as the claimed invention, the reference relates to the same problem, and that fact supports the use of that

reference in an obviousness rejection.” Slip op. at 13 (quoting *In re Clay*, 966 F.2d 656, 659 (Fed. Cir. 1992)).

The Federal Circuit vacated the grant of SJ of nonobviousness, concluding that the district court clearly erred in finding that the Laser Chess references were not analogous art, and that a person of ordinary skill in the art was a layperson.

First, the Federal Circuit found that the Laser Chess references were analogous art, even though they describe electronic games and the '242 patent is directed to a physical board game. The Court found that the '242 patent and the references were directed to the same purpose of detailing specific game elements comprising a chess-like, laser-based strategy game. The Court stated that “[i]f a reference disclosure has the same purpose as the claimed invention, the reference relates to the same problem, and that fact supports the use of that reference in an obviousness rejection.” Slip op.

at 13 (quoting *In re Clay*, 966 F.2d 656, 659 (Fed. Cir. 1992)). The Court concluded that no reasonable jury could find that the Laser Chess references did not qualify as analogous prior art, and that the district court erred in concluding otherwise. The Federal Circuit found that because of this error, the district court did not properly consider the scope and content of the prior art, or the differences between the art and the claimed invention. The Court thus remanded these factual determinations to the district court to consider in the first instance.

The Federal Circuit also found that the district court erred in basing its obviousness analysis on the level of skill of a layperson. The Federal Circuit reasoned that Innovention conceded that the level of ordinary skill in the art was greater than that of a layperson, and that the district court appeared to agree, stating that “it seems some knowledge of mechanical engineering or optics is required.” The Court concluded that the district court found nonobviousness based on an inappropriately low level of skill in the art, and that the error was not harmless. The Federal Circuit remanded with instruction for the district court to make a finding on the level of skill in the art and to base its obviousness analysis on that level of skill.

Because the Federal Circuit vacated the district court’s grant of SJ of nonobviousness, the Federal Circuit also vacated the permanent injunction.

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Prior Litigation Involving the Same Patent Cannot Override a Compelling Showing That Transfer Is Warranted Under 28 U.S.C. § 1404(a)

Angela Y. Dai

Judges: Lourie, Gajarsa, Linn (author)

[Appealed from E.D. Tex., Judge Ward]

In *In re Verizon Business Network Services Inc.*, No. 10-M956 (Fed. Cir. Mar. 23, 2011), the Federal Circuit granted a petition for writ of mandamus to overturn the trial court's denial of transfer under 28 U.S.C. § 1404(a).

This petition arises out of a patent infringement suit brought by Red River Fiber Optic Corporation ("Red River") against Verizon Services Corp., Verizon Business Network Services Inc., Verizon Enterprise Delivery LLC, AT&T Corp., Qwest Corporation, and Qwest Communications Corporation (collectively "the petitioners"). Red River brought this suit in the Eastern District of Texas, Marshall Division ("Marshall"), but the petitioners moved to transfer this case to the Northern District of Texas, Dallas Division ("Dallas"). While a number of party witnesses resided within 100 miles of Dallas, none resided within 100 miles of Marshall.

The petitioners' motion for transfer was initially denied by a Magistrate Judge, who although agreed with the petitioners that Dallas would likely be more convenient for the parties and the witnesses, nevertheless held that judicial economy favored maintaining this suit in Marshall. The Magistrate Judge noted that the court had previously handled a lawsuit, which settled over five years ago, involving the same patent and had construed a number of the patent's terms. The district court later affirmed the Magistrate Judge's decision, rejecting the petitioners' contention that the length of time between the previous suit and this case and a more recent reexamination warranted a different result.

"[T]he Eastern District's previous claim construction in a case that settled more than five years before the filing of this lawsuit [is] too tenuous a reason to support denial of transfer." Slip op. at 6.

"To interpret § 1404(a) to hold that any prior suit involving the same patent can override a compelling showing of transfer would be inconsistent with the policies underlying § 1404(a)." *Id.* at 5-6.

Upon petition, the Federal Circuit noted that the principal question was whether the trial court could plausibly justify denying transfer to a far more convenient venue based solely on its previous handling of a lawsuit involving the same patent that settled over five years before this suit was filed. The Court acknowledged that a trial court has great discretion in deciding a motion to transfer under § 1404(a), but noted that a mandamus may issue when the trial court's decision is patently erroneous. The Court analogized the current case to *In re Volkswagen of America, Inc.*, 545 F.3d 304, 310 (5th Cir. 2008) (en banc), where the Fifth Circuit held that the trial court's denial of transfer from Marshall to Dallas was patently erroneous, in part because every witness would be required to expend significant time and cost to attend trial. The Court explained that, as in *In re Volkswagen*, there is a stark contrast in convenience and fairness with regard to the identified witnesses in this case. The Court reasoned that because many witnesses resided within 100 miles of Dallas and would also be subject to the Northern District's subpoena powers, and no witness resided within 100 miles of Marshall, maintaining trial in Marshall rather than Dallas would be far less convenient, requiring witnesses to expend significant costs, time, and expense of travel.

The Court rejected Red River's conclusion that denial of transfer was plausible based on the fact that the trial court previously handled a lawsuit involving the same patent that settled over five years before the current suit was filed. The Court noted that the Eastern District of Texas would have to relearn a considerable amount based on the lapse in time between the two suits and would likely have to familiarize itself with reexamination materials that were not part of the previous record. The Court stated that "[t]o interpret § 1404(a) to hold that any prior suit involving the same patent can override a compelling showing of transfer would be inconsistent with the policies underlying § 1404(a)." Slip op. at 5-6. The Court advised against such ironclad rules in *In re Vistaprint Ltd.*, 628 F.3d 1342, 1347 n.3 (Fed. Cir. 2010), even though in that case, the Court denied mandamus to overturn a denial of transfer based on the district court's previous experience construing claims of the patent at issue and copending litigation before the district court involving the same patent and underlying technology. The Court reasoned that unlike *In re Vistaprint*, there was no assertion in this case of a copending lawsuit in the Eastern District involving the same patent and technology. Absent that, the Court deemed "the Eastern District's previous claim construction in a case that settled more than five years before the filing of this lawsuit to be too tenuous a reason to support denial of transfer." *Id.* at 6.

Thus, the Court granted the petition for a writ of mandamus to overturn the trial court's denial of transfer to the Northern District of Texas, Dallas Division.

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April 2011

A Cross-Appeal Is Improper When It Would Not Expand the Scope of a District Court Judgment in Favor of the Cross-Appellant

Ryan J. Cudnik

Judges: Prost, Mayer, Moore (author)

[Appealed from D. Del., Chief Judge Sleet]

In *Aventis Pharma S.A. v. Hospira, Inc.*, Nos. 11-1018, -1047 (Fed. Cir. Mar. 24, 2011), the Federal Circuit granted Aventis Pharma S.A. and Sanofi-Aventis U.S., LLC's (collectively "Aventis") motion to dismiss Apotex Inc. and Apotex Corp.'s (collectively "Apotex") improper cross-appeal because, if successful, the cross-appeal would not expand the district court's judgment in Apotex's favor.

Aventis separately sued Apotex and Hospira, Inc. ("Hospira") for infringing the same patents. After consolidating the two cases, the district court entered final judgment in favor of Apotex and Hospira, finding that all asserted claims of the patents-in-suit were invalid for obviousness and unenforceable due to inequitable conduct. The district court, however, also found some of the asserted claims not invalid for double patenting. Aventis appealed to the Federal Circuit, and Apotex filed a "protective" cross-appeal to preserve its ability to challenge the district court's double-patenting finding if the Federal Circuit reversed the obviousness and inequitable conduct judgments.

Prior to filing its motion to dismiss, Aventis contacted Apotex and requested that Apotex voluntarily withdraw its cross-appeal, citing the Federal Circuit's Practice Notes to Federal Rule of Appellate Procedure 28.1 and *TypeRight Keyboard Corp. v. Microsoft Corp.*, 374 F.3d 1151 (Fed. Cir. 2004). Aventis explained that the Court's Practice Notes warn against filing a cross-appeal that does not seek to modify or overturn the judgment of the trial court. Aventis also noted that *TypeRight* instructed against using a cross-appeal to seek review of either noninfringement or alternative invalidity arguments when the relevant claims of a patent are found invalid. Apotex rejected Aventis's request, stating that it believed its cross-appeal was proper and claiming that *TypeRight* could be distinguished (without providing any citation or explanation). Apotex also claimed, without citation, that the Court's precedent supported its position and that other appellate courts allow conditional cross-appeals. Aventis subsequently moved to dismiss.

"Where, as here, the district court has entered a judgment of invalidity as to all of the asserted claims, there is no basis for a cross-appeal as to either

(1) additional claims for invalidity or (2) claims of non-infringement.” Slip op. at 4 (quoting *TypeRight*, 374 F.3d at 1157).

The Federal Circuit began by noting: “Our precedent consistently warns against the improper use of a cross-appeal to reach issues that do not otherwise expand the scope of the judgment.” Slip op. at 3. The Court explained that a cross-appeal may only be filed “when a party seeks to enlarge its own rights under the judgment or to lessen the rights of its adversary under the judgment.” *Id.* (quoting *Bailey v. Dart Container Corp.*, 292 F.3d 1360, 1362 (Fed. Cir. 2002)). The Court also explained the rationale behind its practice—“an unwarranted cross-appeal ‘unnecessarily expands the amount of briefing,’ and also gives ‘the appellee an unfair opportunity to file the final brief and have the final oral argument, contrary to established rules.’” *Id.* (quoting *Bailey*, 292 F.3d at 1362). The Federal Circuit noted that its practice does not limit the arguments that can be presented on appeal and that the responsive briefing is the proper means for raising alternative grounds for affirming a judgment. In the Court’s view, this opportunity is thus substantively the same as that provided in other appellate circuits, even if the means used to do so differs in form.

Turning to the case at hand, the Federal Circuit reiterated that although the district court held all asserted claims invalid for obviousness and all patents-in-suit unenforceable for inequitable conduct, Apotex nevertheless filed a cross-appeal regarding (1) additional claims for invalidity and (2) claims of noninfringement directed to the same patent claims. The Court stated that its precedent is clear: “Where, as here, the district court has entered a judgment of invalidity as to all of the asserted claims, there is no basis for a cross-appeal as to either (1) additional claims for invalidity or (2) claims of non-infringement.” *Id.* at 4 (quoting *TypeRight*, 374 F.3d at 1157). The Federal Circuit also rejected Apotex’s attempt to distinguish *TypeRight*, finding Apotex’s conduct particularly egregious because Aventis had explained that *TypeRight* prohibited the precise type of cross-appeal filed by Apotex. Finally, the Court noted that even though it has not sua sponte struck every improperly filed cross-appeal, “[t]his infrequent leniency is not an invitation to flaunt [the Court’s] practice and precedent, and the improper use of a cross-appeal directly contrary to [the Court’s] precedent may meet with sanctions.” *Id.* at 5.

Accordingly, because Apotex’s cross-appeal, if successful, would not expand the scope of the district court’s judgment in Apotex’s favor, the Federal Court granted Aventis’s motion and dismissed Apotex’s improper cross-appeal.

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Federal Circuit Affirms Finding of No Likelihood of Confusion Between CITIBANK Marks and CAPITAL CITY BANK Marks

Stephanie H. Bald

Judges: Rader, Gajarsa (author), Prost
[Appealed from TTAB]

In *Citigroup Inc. v. Capital City Bank Group, Inc.*, No. 10-1369 (Fed. Cir. Mar. 28, 2011), the Federal Circuit affirmed the TTAB's dismissal of Citigroup Inc.'s ("Citigroup") opposition to registration of Capital City Bank Group, Inc.'s ("CCB") CAPITAL CITY BANK marks based on a likelihood of confusion with Citigroup's CITIBANK marks.

CCB filed applications for several CAPITAL CITY BANK-formative marks (the "CAPITAL CITY BANK marks") covering various banking and financial services. Citigroup opposed registration of the CAPITAL CITY BANK applications on the grounds of likelihood of confusion and dilution based on Citigroup's alleged family of CITIBANK marks for financial services. Citigroup asserted numerous registrations for its CITIBANK marks for banking and financial services.

The TTAB found that four of the six likelihood-of-confusion factors set forth in *Application of E.I. DuPont de Nemours & Co.*, 476 F.2d 1357, 1362 (CCPA 1973), favored Citigroup: (1) the fame of the CITIBANK marks; (2) the similarity between the parties' services; (3) the similarity between Citigroup's and CCB's trade channels; and (4) the similarity of the parties' consumers. The TTAB found that two of the relevant *DuPont* factors favored CCB: (1) the nature and extent of any actual confusion; and (2) the similarity of the marks. After weighing the factors, the TTAB determined that there was no likelihood of confusion or dilution.

On appeal, Citigroup challenged only the TTAB's finding on the issue of likelihood of confusion and, in particular, its findings on the similarity-of-marks and actual confusion factors. The Federal Circuit, however, found that the TTAB's findings were supported by substantial evidence. First, the Court agreed that CCB's marks were not similar to Citigroup's marks based on the distinctive spellings of the marks, third-party usage of the phrase "City Bank" in the financial services industry, and the role of the word "Capital" in distinguishing the parties' marks. Regarding the spelling of the marks, the Court found that the marks were not similar because the CAPITAL CITY BANK marks started with the word CAPITAL; "City Bank" is two words, not a compound word; and CCB's "City" is spelled with a "y," not an "i." The Court also noted the 40+ third-party websites whose names contained the term "City Bank" and the

registration of the third-party mark SURF CITY BANK. Further, the Court agreed that “Capital” was the dominant element of CCB’s mark and that the public would be sensitive to the differences in the first word of the parties’ marks, given the extensive third-party use of marks ending in “City Bank.”

“The consideration of only ‘reasonable’ manners of depicting a standard character mark is unsupported by anything other than [TTAB] practice. The [TTAB] should not first determine whether certain depictions are ‘reasonable’ and then apply the *DuPont* analysis to only a subset of variations of a standard character mark. The [TTAB] should simply use the *DuPont* factors to determine the likelihood of confusion between depictions of standard character marks that vary in font, style, size, and color and the other mark.” Slip op. at 12-13.

Citigroup argued that the TTAB had not considered as many variations of the CAPITAL CITY BANK marks as it should have in its likelihood-of-confusion analysis. Specifically, Citigroup pointed to a footnote in the TTAB’s opinion that stated that minimizing “CAPITAL” and emphasizing “CITY BANK” was not a “reasonable manner” of depicting CCB’s marks and, thus, was not considered in the analysis. Because CCB’s applications for the CAPITAL CITY BANK marks had been filed in standard character font, Citigroup argued that the TTAB should have considered *all* manners of depicting the marks (not just “reasonable” manners). The Federal Circuit agreed with Citigroup that its “reasonable manner” restriction was unduly narrow. The Court explained, “The [TTAB] should not first determine whether certain depictions are ‘reasonable’ and then apply the *DuPont* analysis to only a subset of variations of a standard character mark. The [TTAB] should simply use the *DuPont* factors to determine the likelihood of confusion between depictions of standard character marks that vary in font style, size, and color and the other mark.” Slip op. at 13. The Court added that illustrations of how the mark is actually used may help the TTAB visualize other forms in which the mark might appear.

Notwithstanding the TTAB’s misapplication of the “reasonable manner” standard, however, the Court ultimately held that substantial evidence supported the finding that the parties’ marks were dissimilar in appearance, sound, connotation, and commercial impression.

Additionally, the Court found that substantial evidence supported the TTAB’s finding of the absence of actual confusion. The Court agreed that the concurrent use of the parties’ marks in the same geographic markets since 1975 presented a reasonable opportunity for confusion to have occurred, and neither party was aware of any such confusion. Further, the Court dismissed Citigroup’s argument that the lack of any actual confusion was negated because CCB had not used all of the potential variations of the CAPITAL CITY BANK mark. Although the most potentially confusing form of that mark—a version deemphasizing “Capital” and emphasizing “City Bank”—had not yet been used, the Court found that the critical words were all in use and there had been no confusion. Thus, the Court concluded that the TTAB’s decision was supported by the record.

Finally, the Court found that the TTAB did not err in finding no likelihood of confusion based on its weighing of the relevant *DuPont* factors. In so doing, the Court found that Citigroup’s approach of “mechanically tallying” the *DuPont* factors was improper, as the factors have differing weights. *Id.* at 18.

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Prima Facie Case Established When Examiner Sufficiently Articulates Statutory Basis of Rejection and Identifies References Relied Upon

Trenton J. Roche

Judges: Gajarsa, Linn (author), Dyk
[Appealed from Board]

In *In re Jung*, No. 10-1019 (Fed. Cir. Mar. 28, 2011), the Federal Circuit affirmed the Board's ruling of invalidity, finding that the examiner properly established a prima facie case of invalidity, and that the Board did not act improperly as a "super-examiner" in its review of the examiner's rejection.

Edward K.Y. Jung and Lowell L. Wood, Jr. (collectively "Jung") filed U.S. Patent Application No. 10/770,072 ("the '072 application") directed to a photo-detector array system for transforming light inputs into electrical signals. The relevant claims at issue recite a well-charge-level controller of the system. During prosecution, the examiner issued a first office action, rejecting all claims of the '072 application in view of U.S. Patent No. 6,380,571 ("Kalnitsky"). The examiner's rejection, in addressing the claimed well-charge-level controller, cited by page and line number to a controller disclosed in Kalnitsky. Jung responded to the office action, indicating that the well-charge-level controller recited in the claim was different from the controller in Kalnitsky. The examiner found this argument unpersuasive and issued a final rejection of all pending claims, prompting Jung to appeal the rejection to the Board.

On appeal to the Board, Jung argued for the first time that the well-charge-level controller must perform certain operations disclosed in an exemplary embodiment of the '072 application. The Board rejected this argument, noting that Jung had the opportunity to amend the claims to achieve more precise claim coverage, i.e., to limit the claim to the exemplary embodiment argued on appeal, but failed to do so. Accordingly, the Board affirmed the examiner's rejection of the independent claims, but reversed the examiner's rejection of a dependent claim. Jung filed a request for rehearing, alleging that the Board erred in failing to address whether the examiner had set forth a prima facie rejection, but the Board rejected Jung's argument. Jung appealed to the Federal Circuit, arguing that the examiner failed to make a prima facie case of anticipation, and that the Board acted as a "super-examiner" by performing independent fact-finding and applying an improperly deferential standard of review to the examiner's rejections.

On appeal, the Federal Circuit rejected Jung's arguments, affirming the Board's decision and holding

certain claims of the '072 application not patentable as anticipated. First addressing Jung's argument that the examiner failed to make a prima facie case of anticipation, the Court noted that Jung did not challenge the *substance* of the prima facie rejection, but only the *procedure* used in establishing a prima facie case. The Court emphasized that the prima facie case is merely a procedural device that enables an appropriate shift of the burden of production. The Court noted that the PTO satisfies its initial burden of establishing a prima facie case when a rejection satisfies 35 U.S.C. § 132, in notifying the applicant by stating the reasons for the rejection, together with such information and references as may be useful in determining whether to continue prosecution of the application. The Court found that the examiner's office actions satisfied this initial burden, as they put Jung on notice that the examiner considered Jung's well-charge-level controller to equate to Kalnitsky's controller.

“There has never been a requirement for an examiner to make an on-the-record claim construction of every term in every rejected claim and to explain every possible difference between the prior art and the claimed invention in order to make out a prima facie rejection.” Slip op. at 11-12.

Jung argued for a heightened burden for establishing a prima facie case requiring an examiner to provide an on-the-record showing of a claim construction and a record of evidence bridging the facial differences between the claim construction and the purported anticipatory reference. The Court rejected this argument, noting that there has never been such a requirement, and such additional procedural requirements would be both manifestly inefficient and entirely unnecessary. As the Court noted, § 132 merely ensures that an applicant at least be informed of the broad statutory basis for the rejection of claims. The Court held that the examiner's discussion of Kalnitsky, with citations to specific column and line numbers, was more than sufficient to establish a prima facie case.

Additionally, the Court rejected Jung's argument that the Board improperly assumed the position of a “super-examiner” in reviewing the examiner's rejection. The Court acknowledged the Board's “findings of fact,” noting that each finding was a simple factual assertion drawn either from Kalnitsky or the '072 application, and that the assertions from Kalnitsky were substantially the same, down to the line and column number, as the examiner's citations. As the Court observed, the Board merely made explicit in its “findings of fact” the bases for a rejection “that would have been apparent to one with even a cursory command of prosecution practice from the examiner's office actions.” Slip op. at 15. The Court noted that to assert, as Jung did, that the Board's thoroughness in responding to Jung's appeal put it in the position of a “super-examiner” would limit the Board to verbatim repetition of the examiner's office actions, which would ill-serve the Board's purpose as a reviewing body.

The Court concluded that Jung, when before the examiner, merely argued that the claim controller differed from Kalnitsky and chose not to proffer a serious explanation of the difference. It was not until before the Board that Jung offered a more detailed explanation regarding how the claims differed from Kalnitsky. To respond to this detailed explanation, the Board explained the examiner's rejection in greater thoroughness. The Court found that this thorough explanation by the Board did not change the rejection, that Jung had a fair opportunity to respond to the rejection, and that the Board did not act as a “super-examiner” in its decision.

Finally, the Court rejected Jung's argument that the Board improperly deferred to the examiner's rejection by requiring Jung to identify a reversible error by the examiner, which Jung alleged improperly shifted the burden of proving patentability onto Jung. As the Court noted, the examiner properly established a prima

facie case of anticipation, shifting the burden of rebuttal to Jung. Furthermore, the Court acknowledged that it has long been the Board's practice to require an applicant to identify the alleged error in the examiner's rejections, and the Board's actions in this case were entirely consistent with that long-standing practice.

Thus, the Court concluded that the examiner properly set forth a prima facie case of anticipation, and that the Board did not act as a "super-examiner" in reviewing the examiner's rejection. Accordingly, the Court affirmed the Board's decision holding that certain claims of the '072 application are anticipated.

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Federal Circuit Imposes Sanction for Improperly Marking as Confidential Legal Arguments That Do Not Disclose Facts or Figures of Genuine Competitive or Commercial Significance

Mary R. Henninger

Judges: Dyk (author), Prost, Moore
[Appealed from D.N.J., Judge Pisano]

In *In re Violation of Rule 28(d)*, No. 11-M976 (Fed. Cir. Mar. 29, 2011), the Federal Circuit imposed monetary sanctions on counsel for Sun Pharmaceutical Industries, Ltd. and Caraco Pharmaceutical Laboratories, Ltd. (collectively “Sun”) for violating Federal Circuit Rule 28(d) by improperly designating material as confidential that fell outside the scope of the protective order.

Sanofi-Aventis U.S. LLC (“Sanofi”) sued Sun and other generic drug manufacturers, alleging the infringement of Sanofi’s patent directed to the colorectal cancer drug oxaliplatin. Sanofi and Sun reached a settlement and entered into a license agreement that permitted Sun to market its generic version of oxaliplatin upon the occurrence of certain triggering events. Shortly thereafter, the district court denied SJ of invalidity and granted SJ of noninfringement. Sanofi then refused to deliver a fully executed version of the settlement documents to Sun and, as a result, the related consent judgment was never entered by the district court. Following a series of other events, the district court, upon Sanofi’s request, entered a revised version of the consent judgment and enjoined Sun from manufacturing, using, offering to sell, selling, or importing its generic oxaliplatin.

Sun appealed to the Federal Circuit, arguing that the district court erred in entering the revised consent judgment and injunction because the revised consent judgment was inconsistent with the license agreement. Specifically, Sun challenged the district court’s interpretation of the terms of the license agreement pertaining to the triggering events. After oral argument, the Federal Circuit issued a nonprecedential opinion, concluding that the contested triggering provision was ambiguous and vacated the revised consent judgment and injunction, and remanded to the district court to resolve the ambiguity.

In the briefing on the merits of the appeal, both parties marked as confidential discussion of aspects of the license and settlement agreements. Following the Court’s questioning regarding the appropriateness of these markings in light of Fed. Cir. R. 28(d) and Fed. R. Civ. P. 26, Sun submitted a motion to modify the protective order to remove the confidentiality designations. The Federal Circuit subsequently granted Sun’s motion.

“The marking of legal argument as confidential under Rule 26(c)(1)(G) cannot be justified unless the argument discloses facts or figures of genuine competitive or commercial significance.” Slip op. at 14.

At oral argument, the Federal Circuit did not suggest that marking the license and settlement agreements confidential was itself sanctionable; rather, the Court questioned whether counsel for Sun had violated the Court’s rules by marking confidential those parts of its briefs that set forth Sun’s legal argument. Following oral argument, the Federal Circuit issued a show-cause order to Sun to explain why the Court should not impose sanctions for violating Fed. Cir. R. 28(d). In response to the Federal Circuit’s show-cause order, Sun did not admit error and instead argued that, without the confidentiality designation, the attorney discussion would have divulged the confidential terms of the license agreement.

The Federal Circuit explained that Fed. Cir. R. 28(d) permits parties to mark information in briefs as confidential only if the material is subject to confidentiality under a statute or protective order. Implicit in its rule is a requirement that the district court’s protective order comply with Fed. R. Civ. P. 26. In this case, the Sanofi-Sun protective order permitted the parties to designate as confidential any form of trade secret or other confidential research, development, or commercial information within the meaning of Rule 26(c)(1)(G) and it properly required the parties to establish good cause and the district court to rule on any motions to seal.

For the purpose of considering sanctions, the Federal Circuit determined that it need not decide whether the district court’s protective order properly granted confidentiality to the items in question, and instead assumed that the license and settlement agreements were properly designated as confidential. Despite that assumption, the Federal Circuit found Sun’s confidential designation of case citations, direct quotations from published opinions, and legal argument improper. In particular, the Court reasoned that since the existence and nature of the triggering event was publicly disclosed in the consent judgment, legal argument pertaining to the triggering event was not, and could not, be properly marked as confidential.

Further, “[t]he marking of legal argument as confidential under Rule 26(c)(1)(G) cannot be justified unless the argument discloses facts or figures of genuine competitive or commercial significance.” Slip op. at 14. Since that was not the case here, and Sun made no argument to the contrary, the Federal Circuit concluded that Sun’s confidential markings were not justified under Rule 26(c)(1)(G). Additionally, the Federal Circuit explained that much of the material marked as confidential by Sun did not even disclose the nature of the triggering event. The result of the extensive and improper markings was that the nonconfidential version of the brief was virtually incomprehensible.

In conclusion, the Court found that “[n]o good faith reading of our rule could support Sun’s marking of its legal arguments as confidential. The action of Sun’s counsel bespeaks an improper causal approach to confidentiality markings that ignores the requirements of public access, deprives the public of necessary information, and hampers this court’s consideration and opinion writing.” *Id.* at 15.

Accordingly, the Federal Circuit held that, pursuant to Fed. R. App. P. 46(c), Sun’s extensive use of improper confidentiality markings in its briefs severely violated Fed. Cir. R. 28(d) and justified the imposition of \$1,000 in monetary sanctions on Sun’s counsel.

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Spotlight Info

In *In re BP Lubricants USA Inc.*, No. 10-M960 (Fed. Cir. Mar. 15, 2011), the Federal Circuit granted a petition for writ of mandamus in part and directed the district court to dismiss the respondent's false marking complaint with leave to amend. BP Lubricants USA Inc. ("BP") distributes its motor oil products in a unique bottle design for which BP received a design patent. Respondent Thomas A. Simonian, a patent attorney, filed a qui tam relator complaint on behalf of the United States pursuant to 35 U.S.C. § 292. Simonian's complaint alleged that after BP's design patent expired on February 12, 2005, BP continued to mark its bottles with the patent number for the purpose of deceiving the public and its competitors into believing that the bottle was protected by the expired design patent. Upon a motion to dismiss from BP, the district court concluded that the complaint stated an actionable claim and met the requirements of Fed. R. Civ. P. 9(b) and denied the motion to dismiss. BP petitioned the Federal Circuit for a writ of mandamus directing the Northern District of Illinois to grant its motion to dismiss Simonian's complaint. The Federal Circuit found that the considerations presented in this case warranted the extraordinary remedy of mandamus because (1) the Court had not previously decided whether Rule 9(b) applies to false marking cases or discussed the requisite level of pleading required, and (2) trial courts have been in considerable disagreement on this issue. The Court concluded that the district court's reliance on Simonian's general allegation that BP knew or should have known that the patent expired was clearly incorrect, because a complaint must provide some objective indication to reasonably infer that the defendant was aware that the patent expired.

Accordingly, the Court granted BP's petition for mandamus in part, directing the district court to dismiss the complaint with leave to amend, noting that leave to amend was particularly appropriate since the Court had not previously opined on the applicability of Rule 9(b) to false marking claims. See the full summary in this issue.

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Looking Ahead

On April 4, 2011, the Federal Circuit heard oral argument in *Association for Molecular Pathology v. U.S. Patent & Trademark Office*, No. 10-1426, which addresses a district court's determination that "isolated DNA" lacks patent eligibility under 35 U.S.C. § 101. In 2009, several plaintiffs filed a lawsuit claiming that patents on two human genes associated with breast and ovarian cancer are unconstitutional and invalid. The district court, inter alia, concluded that the patents at issue, directed to isolated DNA containing sequences found in nature, are unpatentable subject matter. One of the defendants, Myriad Genetics ("Myriad"), appealed, challenging the district court's jurisdiction and its decision. In addition to raising arguments in favor of patent eligibility, Myriad argued that the plaintiffs lacked standing to file a DJ suit. A decision is expected in the summer of 2011.

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