

## Federal Circuit Patent Updates - February 2006

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***M. Eagles Tool Warehouse (doing business as S&G Tool Aid Corp.) v. Fisher Tooling Co. (doing business as Astro Pneumatic Tool Co.) (05-1224) (Lourie, Rader, Bryson)***

February 27, 2006 12:57 PM

(Lourie) Reversing summary judgment of inequitable conduct and commission of related tort claims because lack of evidence demonstrating requisite intent. "When the absence of a good faith explanation is the only evidence of intent, . . . that evidence does not constitute clear and convincing evidence warranting an inference of intent."

***SmithKline Beecham Corp. v. Apotex (No. 04-1522) (Newman, Schall, Dyk)***

February 24, 2006 1:02 PM

Affirming summary judgment that product-by-process claim to drug made by an allegedly novel process was invalid in light of prior art product made by different process. The court refused to resolve perceived conflict in panel decisions in "Scripps Clinic & Research Foundation v. Genentech, Inc., 927 F.2d 1565 (Fed. Cir. 1991) (which the district court viewed as holding that the process steps were not claim limitations) and Atlantic Thermoplastics Co., Inc. v. Faytex Corp., 970 F.2d 834 (Fed. Cir. 1992) (which the district court viewed as holding that the process steps were claim limitations)." Footnote arguing that products were in fact different deemed insufficient to preserve issue on appeal. Newman dissented.

***Lawman Armor Corporation v. Winner International, LLC, et al. (No. 05-1253) (Michel, Friedman, Dyk)***

February 22, 2006 12:54 PM

(Friedman) Affirming summary judgment of noninfringement of design patent because each of the alleged "points of novelty" of the patented design was disclosed in the prior art. Rejecting argument that the combination in the patent of several non-novel "points of novelty" was itself a "point of novelty."

***The Nautilus Group, Inc. (formerly known as Direct Focus, Inc.) v. Icon Health and Fitness, Inc.***  
**[order] (No. 05-1577) (Michel, Newman, Bryson)**

February 15, 2006 12:52 PM

(Per curiam) Precedential Order dismissing a conditional cross-appeal from a claim construction order. Newman dissents.

***Golden Blount, Inc. v. Robert H. Peterson, Co.*** (No. 04-1609) (Michel, Lourie, Linn)

February 15, 2006 12:50 PM

(Linn) Affirming judgment of willful infringement and award of attorney fees but vacating damages award for recalculation. Circumstantial evidence of direct infringement such as instruction sheets given to customers supported a finding of inducement of infringement. However, lost profits damages based upon inducement must be reduced to account for devices sold but then being returned before being assembled into an infringing configuration. "[T]here can be no cognizable lost sale on which to base a damages award under the patent laws without an act of infringement to warrant it."

***Ferring B.V., et al. v. Barr Laboratories, Inc.*** (No. 05-1284) (Newman, Mayer, Dyk)

February 15, 2006 12:48 PM

(Dyk) Affirming summary judgment of inequitable conduct in the submission of declarations to the PTO that failed to disclose the declarants' past relationships with the applicant. "[A]t least where the objectivity of the declarant is an issue in the prosecution, the inventor must disclose the known relationships and affiliations of the declarants so that those interests can be considered in weighing the declarations." Newman dissents.

***Curtiss-Wright Flow Control, Corp. v. Velan, Inc.*** (No. 05-1373) (Rader, Friedman, Dyk)

February 15, 2006 12:45 PM

(Rader) Vacating preliminary injunction because of erroneous construction of claim term "adjustable;" the term should be narrowed from the "nearly meaningless" ordinary definition of the term in light of statements in the specification. Extensive discussion of the doctrine of claim differentiation.

***Hazelquist v. Guchi Moochie Tackle Company, Inc., et al.*** (No. 05-1446) (Lourie, Clevenger, Bryson)

February 9, 2006 11:25 AM

(Clevenger) Reversing district court's dismissal of action based on discharge in bankruptcy. "Each act of patent infringement gives rise to a separate cause of action." Therefore, acts of infringement occurring after a bankruptcy are not discharged.

***Jazz Photo v. U.S. (No. 05-1096) (Newman, Lourie, Schall)***

February 8, 2006 1:00 PM

(Lourie) Affirming order requiring customs to release disposable cameras subject to ITC exclusion order for entry into the United States based on affirmative defense of first sale and permissible repair.

***Digital Control Inc., et al. v. The Charles Machine Works (also known as Ditch Witch) (No. 05-1128) (Michel, Clevenger, Schall)***

February 8, 2006 11:22 AM

(Clevenger) Remanding inequitable conduct determination of district court because of disputed issue of fact with respect to whether undisclosed art was cumulative, and hence not material. The Court reaffirmed that materiality could be found under the "reasonable examiner" standard or under the standards set forth in Rule 56 of the PTO rules. The Court affirmed a finding of materiality in a Rule 131 declaration, but a remand was necessary because it was unclear whether the district court's finding of intent was also based on the undisclosed art.

***Brown v. Barbacid (No. 05-1119) (Newman, Rader, Prost)***

February 2, 2006 2:15 PM

(Newman) Reversing award of priority to the junior part in an interference. The Board erred in holding that reasonable diligence had not been shown. "The basic inquiry is whether, on all the evidence, there was reasonably continuing activity to reduce the invention to practice. There is no rule requiring a specific kind of activity in determining whether the applicant was reasonably diligent in proceeding toward an actual or constructive reduction to practice."

***Varco, L.P. v. Pason Systems USA Corp. (No. 05-1136) (Clevenger, Rader, Dyk)***

February 1, 2006 2:09 PM

(Rader) Vacating denial of preliminary injunction because of unduly narrow claim construction.

***Purdue Pharma v. Endo Pharmaceuticals (No. 04-1189) (Gajarsa, Plager, Linn)***

February 1, 2006 2:03 PM

(Plager) Upon rehearing, withdrawing opinion at 410 F.3d 690 and vacating judgment of inequitable conduct and affirming judgment of infringement. "A failure to inform the PTO whether a 'surprising discovery' was based on insight or experimental data does not in itself amount to a material omission." The description in prosecution of a property or result of the invention to distinguish the prior art did not amount to a disclaimer of any product that did not achieve that result. WilmerHale was of counsel to the plaintiff-appellant Purdue Pharma.