

## Federal Circuit Patent Updates - January 2005

JANUARY 31, 2005

***Silicon Image, Inc. v. Genesis Microchip Inc., et al.* (No. 04-1207) (Michel, Gajarsa, Linn)**

January 28, 2005 10:27 AM

(Gajarsa) Dismissing appeal for lack of jurisdiction where there was no final judgment. The defendants sought to appeal from a decision of the district court enforcing a settlement agreement. However, the underlying patent infringement action was never dismissed because it was contingent on the payment of the settlement amount.

***Merck & Co., Inc. v. Teva Pharmaceuticals USA, Inc.* (No. 04-1005) (Rader, Gajarsa, Prost)**

January 28, 2005 10:23 AM

(Gajarsa) In an ANDA case involving a patent for the treatment of osteoporosis, reversing a judgment of the trial court and holding claims obvious. The patentee's statements in the specification were not sufficient to alter the ordinary meaning of the word "about" under the rule that a patentee can be his own lexicographer. Evidence of commercial success was judged irrelevant because the patentee had a right to exclude others from practicing the claimed invention based on an earlier patent and exclusive statutory rights. Accordingly, others would not have motivated to make the invention.

***The Supreme Court has granted certiorari in Merk v. Integra Lifesciences* (No. 03-1237)**

January 25, 2005 11:23 AM

A case in which the Federal Circuit held that the "safe harbor" of Section 271(e)(1) of the Patent Act did not shield from infringement liability pre-clinical use of a patented technology to develop and identify new drugs.

***Independent Ink, Inc. v. Illinois Tool Works, Inc., et al.* (No. 04-1196) (Clevenger, Dyk, Prost)**

January 25, 2005 11:20 AM

(Dyk) For purposes of a Sherman Act section 1 antitrust claim, based upon Supreme Court precedent, "[w]e hold that a rebuttable presumption of market power arises from the possession of

a patent over a tying product." "Once the plaintiff establishes a patent tying agreement, it is the defendant's burden to rebut the presumption of market power and consequent illegality that arises from patent tying." "The presumption can only be rebutted by expert testimony or other credible economic evidence of the cross-elasticity of demand, the area of effective competition, or other evidence of lack of market power." However, "[t]he patent tying cases do not create any presumption that market power over a tying product confers the degree of market power over the tied product necessary to establish a monopolization or attempted monopolization claim" under section 2 of the Sherman Act.

***Independent Ink, Inc. v. Illinois Tool Works, Inc., et al. (No. 04-1196) (Clevenger, Dyk, Prost)***

January 25, 2005 10:14 AM

(Dyk) Reversing summary judgment against the plaintiff on a Sherman Act Section 1 claim, but affirming summary judgment on a Sherman Act Section 2 claim. The antitrust consequences of patent tying is a question governed by Federal Circuit law. A rebuttable presumption exists that the owner of a patent over a tying product has market power. "The presumption can only be rebutted by expert testimony or other credible economic evidence of the cross-elasticity of demand, the area of affected competition, or other evidence of lack of mark power." There is no presumption that the market power over the tying product confers the degree of market power necessary to establish a monopolization or an attempt of monopolization claim under a Sherman Act Section 2 claim.

***Teva Pharmaceuticals USA, Inc. v. Pfizer, Inc. (No. 04-1186)(Mayer, Clevenger, Schall)***

January 21, 2005 11:15 AM

(Schall) Affirming dismissal of declaratory judgment (DJ) action commenced by a generic drug manufacturer for lack of jurisdictional case or controversy. Merely listing a patent in the Orange Book does not constitute an explicit threat or other action by the patentee that would create a reasonable apprehension of suit (a constitutional requirement for a DJ action) on behalf of a generic manufacturer who filed a paragraph IV ANDA certification with respect to the patent. The patentee's refusal to grant the generic manufacturer a covenant not to sue also did not create a reasonable apprehension of suit. The 2004 Medicare Amendments did not change this result and did not give a generic manufacturer who filed a paragraph IV ANDA certification the automatic right to file a DJ action after the patentee did not file suit within 45 days thereafter. Mayer dissents.

***Trintec Industries v. Pedre Promotional Products (No. 04-1293)(Rader, Friedman, Bryson)***

January 19, 2005 11:07 AM

(Friedman) Vacating dismissal for lack of personal jurisdiction.

***Commissariat à l'Energie Atomique v. Chi Mei Optoelectronics (No. 04-1139) (Rader, Friedman, Dyk)***

January 19, 2005 11:05 AM

(Dyk) Vacating dismissal for lack of personal jurisdiction in Delaware and remanding for

jurisdictional discovery. Discussion of "stream of commerce" theory of personal jurisdiction.

***Fuji Photo Film Co., LTD. v. Jazz Photo Corp., et al. (No. 03-1324) (Clevenger, Rader, Linn)***

January 14, 2005 10:58 AM

(Rader) Affirming jury verdict of infringement and award of reasonable royalty damages and district court's denial of enhanced damages and of a permanent injunction. Discussions of affirmative defense of permissible repair, the patent exhaustion doctrine, and inducement of infringement. "Because the proofs required for determining future infringing activity are not insignificant and not amenable to a narrowly tailored order, the district court did not abuse its discretion in denying [patentee's] request for a permanent injunction."

***Bruno Independent Living Aids, Inc. v. Acorn Mobility Services LTD, et al. (No. 04-1114)***

January 11, 2005 10:51 AM

(Lourie) Affirming award of attorney fees against patentee for an exceptional case based on inequitable conduct during prosecution. The patentee had argued to the FDA that its patented device was similar to a prior art device but simultaneously withheld the prior art device from the PTO during prosecution.

***Lamle v. Mattel, Inc., (No.04-1151)(Newman, Clevenger, Dyk)***

January 7, 2005 11:48 AM

(Dyk) Vacating summary judgment on a contract claim but affirming summary judgment on patent infringement claims and claims for intentional interference with economic relations. The contract claim concerned whether the parties had reached an agreement on a license under California law. The Court rejected the patent claim in a single footnote stating that there was no evidence that Mattel's activities were not authorized. Newman dissented.

***Business Objects, S.A. v. Microstrategy, Inc., (No. 04-1009) (Rader, Schall, Prost)***

January 6, 2005 11:43 AM

(Rader) Affirming summary judgment of no literal infringement and no infringement under the doctrine of equivalents based on prosecution history estoppel with respect to some claims directed to databases. However, the Court reversed summary judgment of no infringement under the doctrine of equivalents with respect to one claim after holding that the claim had not been been narrowed during prosecution.

***Electronics for Imaging, Inc. v. Coyle, et al. (No. 04-1266)(Lourie, Rader, Gajarsa)***

January 5, 2005 11:41 AM

(Lourie)Reversing district court dismissal of a declaratory judgment action. Even if a party is certain about its legal position, it can bring a declaratory judgment case to resolve "uncertainty" which means, in the context of the Declaratory Judgment Act, "reasonable apprehension created by a

patentee's threats and the looming specter of litigation that results from those threats."

***Brooks Furniture Manufacturing, Inc. v. Dutailier Int'l, Inc. et al ., (No.03-1379)(Newman, Lourie, Dyk)(Newman)***

January 4, 2005 11:30 AM

(Newman) Newman vacating an award of attorneys fees based on a finding that a declaratory judgment action of patent invalidity and noninfringement constituted an "exceptional case" because of a lack of merit to the case.

***Star Fruits S.N.C., et al. v. U.S. et al., (No.04-1160)(Newman, Clevenger, Dyk)***

January 3, 2005 11:28 AM

(Clevenger)Affirming PTO decision finding application abandoned for failing to respond to request for information concerning prior sales or public distributions. The applicant argued that it was not required to provide the information because it could not be used to reject the application. The Court held that the PTO was authorized to require an applicant to provide any information that is "either relevant to patentability under any non-frivolous legal theory, or is reasonably calculated to lead to such relevant information." Newman dissented.