

DEVELOPMENTS IN PATENT LAW 2006

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INTELLECTUAL PROPERTY LAW**

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A. PATENTABILITY, VALIDITY, AND PROCUREMENT

1. ON-SALE BAR

Gemmy Indus. Corp. v. Chrisha Creations Ltd., 452 F.3d 1353 (Fed. Cir. 2006). A district court's summary judgment ruling invalidating a patent covering an inflatable Santa Claus figure was vacated by the Federal Circuit because the prototype unit allegedly offered for sale differed slightly from the claimed invention. Whereas the prototype unit was inflated by a hair dryer through a long tube, the patent claims required that the unit include a fan in the base. The Federal Circuit stated that in order to invoke the on-sale bar, the product offered for sale must be the same product claimed in the patent.

2. PRINTED PUBLICATIONS

Bruckelmyer v. Ground Heaters, Inc., 445 F.3d 1374 (Fed. Cir. 2006). A Canadian patent application having two figures that were canceled during prosecution and never appeared in the printed Canadian patent was nevertheless considered to be a "printed publication" that invalidated a later-filed U.S. patent. The U.S. patent covered a method of heating frozen earth to permit concrete curing by circulating hot water through rubber hoses. An earlier Canadian patent application included two figures showing similar structures for use on frozen earth, but the figures were canceled before the Canadian patent issued. The Federal Circuit held that the Canadian patent was classified and indexed, and open for public inspection. Judge Linn dissented, arguing that the published abstract of the Canadian patent application would not have led one of skill in the art to Canada to find two canceled figures in the file.

3. DEFINITENESS

Pfizer, Inc. v. Ranbaxy Labs., Ltd., 457 F.3d 1284 (Fed. Cir. 2006). In a case of first impression, the Federal Circuit held that a claim was invalid under 35 U.S.C. § 112, fourth paragraph, because it did not further limit the claim from which it depended. The dependent claim recited a feature that was incongruous with a feature recited in the parent claim – in other words, it recited non-overlapping subject matter. As a result, one of the patents covering the drug Lipitor was held to be invalid.

4. ANTICIPATION

SmithKline Beecham Corp. v. Apotex Corp., 439 F.3d 1312 (Fed. Cir. 2006). A product-by-process claim covering the antidepressant drug Paxil was held to be anticipated by an earlier patent that disclosed the product itself but not the process recited in the claim. According to the Federal Circuit, "Once a product is fully disclosed in the art, future claims to that same product are precluded, even if the product is claimed as made by a new process." Id. at 1315. The court said it

was not resolving the apparent conflict between Scripps Clinic & Research Foundation v. Genentech, Inc., 927 F.2d 1565 (Fed. Cir. 1991) (scope of product-by-process claims determined without regard to process steps recited in the claims) and Atlantic Thermoplastics Co. v. Faytex Corp., 970 F.2d 834 (Fed. Cir. 1992) (infringement of product-by-process claims must be evaluated with regard to the process steps recited in the claim). Judge Newman dissented, concluding that the process steps should be considered to be claim limitations. In dissenting from the denial of a petition to rehear the case en banc, Judge Rader noted that, "Whether all the words in a product-by-process claim are limiting is a question that patent attorneys, trial courts, and apparently this court, still cannot confidently answer." 453 F.3d at 1348 (Fed. Cir. 2006).

5. OBVIOUSNESS

KSR Int'l v. Teleflex, Inc., 126 S.Ct. 2965 (2006) (granting petition for certiorari). The Supreme Court granted certiorari and heard oral argument on November 28, 2006 in this case involving obviousness. The Federal Circuit, in a nonprecedential opinion, had vacated a district court's summary judgment of invalidity. The district court had ruled that a patent covering an adjustable gas pedal for automobiles having electronic throttle controls would have been obvious. The Federal Circuit held that although adjustable gas pedals were known and electronic throttle controls were known, the district court had failed to make specific findings as to the understanding or principle that would have motivated a person of skill in the art to make the combination. According to the Federal Circuit, "the district court was required to make specific findings as to a suggestion or motivation to attach an electronic control to the support bracket of the Asano [prior art] assembly." The Supreme Court struggled during oral argument to define the term "motivation," and seemed to suggest that the Federal Circuit was applying an overly strict obviousness test in its cases. A decision is expected by summer 2007.

In re Kahn, 441 F.3d 977 (Fed. Cir. 2006). In this obviousness case, decided several months after the petition for certiorari was filed in KSR v. Teleflex, the Federal Circuit reaffirmed its prior statements that a teaching, suggestion or motivation ("TSM") need not be found explicitly in the prior art, but may instead be implicitly found from the prior art as a whole. It clarified, however, that "in considering motivation in the obviousness analysis, the problem examined is not the specific problem solved by the invention but the general problem that confronted the inventor before the invention was made." In this case, the court concluded that a claim to a reading machine used by the blind would have been obvious in view of a combination of three earlier patents, given the problem of trying to give a visually-impaired user better control over word localization.

Dystar Textilfarben GmbH & Co. v. C.H. Patrick Co., 464 F.3d 1356 (Fed. Cir. 2006). In another obviousness case decided after the KSR v. Teleflex petition for certiorari was granted, the Federal Circuit stated that its "suggestion" test was not a rigid categorical rule. Instead, "the motivation [to combine prior art references] need not be found in the references sought to be combined, but may be found in any number of sources, including common knowledge, the prior art as a whole, or the nature of the problem itself. The court conceded that "obviousness is a complicated subject requiring sophisticated analysis, and no single case lays out all facets of the legal

test."

Alza Corp. v. Mylan Labs, Inc., 464 F.3d 1286 (Fed. Cir. 2006). The testimony of an expert witness was held to be sufficient to provide the motivation to combine several prior art references in supporting an obviousness determination.

6. UTILITY

Laboratory Corp. of Am. Holdings v. Metabolite Labs., Inc., 126 S.Ct. 2921 (2006). After granting the petition for certiorari in this case to decide whether a patent allegedly seeking to cover a basic scientific relationship was invalid, the Supreme Court dismissed the petition as having been improvidently granted. Justice Breyer dissented from the dismissal, arguing that the inventors merely discovered a natural phenomenon. He also called into doubt the Federal Circuit's earlier decision in State Street Bank (holding that an invention could be patented as long as it produced a "useful, concrete, and tangible result), stating that, "this Court has never made such a statement and, if taken literally, the statement would cover instances where this Court has held to the contrary." Chief Justice John Roberts recused himself from the case.

In re Nuijten, Fed. Cir. No. 06-1371. In this pending Federal Circuit appeal, the applicant is appealing the PTO's rejection of claims to a "signal" per se. Although this type of claiming was permitted by the PTO for a brief period of time, the PTO has recently taken the position that such claims are non-statutory under 35 U.S.C. § 101. A decision should be rendered in 2007.

7. PRIOR INVENTION UNDER 35 U.S.C. 102(g)

Medichem, S.A. v. Rolabo, S.L., 437 F.3d 1157 (Fed. Cir. 2006). In this interfering patents case, the Federal Circuit held that an unwitnessed notebook of a non-inventor was insufficient to support a claim of actual reduction to practice by an alleged earlier inventor. "Where a laboratory notebook authored by a non-inventor is offered into evidence pursuant to authentication by an inventor, where the author of the notebook has not testified at trial or otherwise attested to its authenticity, and where the notebook has not been signed or witnessed and has not been maintained in reasonable accordance with good laboratory practices sufficient to reasonably ensure its genuineness under the circumstances, then the corroborative value of the notebook is minimal." Id. at 1173.

8. FUNCTIONALITY OF DESIGN PATENTS

PHG Tech., LLC v. St. John Cos., 2006 WL 3334937 (Fed. Cir. Nov. 17, 2006). The Federal Circuit vacated a preliminary injunction concerning infringement of a design patent. The defendant successfully argued that the label pattern for a medical label sheet claimed in the design patent was primarily dictated by function rather than ornamental aspects, thus raising substantial questions regarding the validity of the design patent. According to the Federal Circuit, the placement of labels at the bottom of the sheet made it easier for a right-handed person to remove the label in hospitals,

such that alternative locations would adversely affect the utility of the claimed article.

B. INTERPRETATION OF PATENTS

1. CLAIM CONSTRUCTION

Conoco, Inc. v. Energy & Environmental Int'l, L.C., 460 F.3d 1349 (Fed. Cir. 2006). A claim that recited a material "consisting of" water or water-alcohol mixtures was deemed to encompass impurities normally associated with water or water-alcohol mixtures. According to the court, even an impurity intentionally added (here, MIBK added to industrial alcohols to prevent their use as liquor) qualified as an impurity that was not excluded by the "consisting of" language. Note: this result seems to equate the "consisting of" transition phrase used in the claim in this case to a "consisting essentially of" transition phrase, which permits addition only of things that do not materially affect the basic and novel characteristics of the claimed invention. See MPEP § 2111.03.

Inpro II Licensing, S.A.R.L. v. T-Mobile USA, Inc., 450 F.3d 1350 (Fed. Cir. 2006). A claim that recited a "host interface" was interpreted to be limited to a direct parallel bus connection. The Federal Circuit relied on (1) a statement in the patent specification that a "very important feature" of the invention was a "direct parallel bus interface;" (2) a statement in the prosecution history criticizing serial connections; and (3) a statement in an appeal brief in the parent application characterizing "the invention" as providing a direct connection.

On Demand Mach. Corp. v. Ingram Indus. Inc., 442 F.3d 1331 (Fed. Cir. 2006). A patent applicant who repeatedly used the word "customer" in the patent specification to refer to a retail consumer was held to that definition for claim interpretation purposes, avoiding infringement by book resellers. According to the court, "when the scope of the invention is clearly stated in the specification, and is described as the advantage and distinction of the invention, it is not necessary to disavow explicitly a different scope. . . . The Ross specification repeatedly reinforces its usage of the term 'customer' as the retail consumer." A customer's placing an order with Amazon, who in turn obtained the book, even if it is printed in a single copy, "is not the Ross invention."

Amgen Inc. v. Hoechst Marion Roussel, Inc., 457 F.3d 1293 (Fed. Cir. 2006). The Federal Circuit held, based in part on statements in the patent specification, that the term "therapeutically effective amount" was not limited to also increasing hematocrit, although that was one of the listed examples. Chief Judge Michel dissented, complaining that the case had already dragged on for 10 years through two appeals. Note: On November 22, 2006, the Federal Circuit denied the petition for rehearing en banc in this case. However, four of the 12 judges dissented, arguing that the Cybor rule of de novo claim construction review should be revisited. Three other judges concurred in the denial, but indicated that in a future case involving different facts, they would be willing to reconsider the Cybor de novo review standard. Judge Mayer, who is well known for his criticism of the Cybor rule, did not vote for rehearing en banc. So, it seems that a majority of the judges would like to revisit the de novo review standard in a future case. The heavily fractured voting may also influence the U.S. Supreme Court to take up the case.

Massachusetts Inst. of Tech. v. Abacus Software, 462 F.3d 1344 (Fed. Cir. 2006). The claimed phrase "colorant selection mechanism" was deemed to be a means-plus-function clause subject to 35 U.S.C. § 112, sixth paragraph, despite the fact that it did not use the word "means." According to the court, "the term 'mechanism' standing alone connotes no more structure than the term 'means.'" The term "colorant selection" was not defined in the specification, had no dictionary definition, and had no generally accepted meaning in the art. Chief Judge Michel, who filed a dissenting opinion, argued that another clause reciting "aesthetic correction circuitry" should also have been interpreted to be a means-plus-function clause.

2. PROSECUTION HISTORY ESTOPPEL

Amgen Inc. v. Hoechst Marion Roussel, Inc., 457 F.3d 1293 (Fed. Cir. 2006). Amgen, the patent owner, failed to adequately rebut the Festo presumption surrendering equivalents to the claimed substance. During prosecution, the claim at issue was amended to refer to a 166-amino acid sequence shown in one of the figures. The district court had held that the patentee could not reasonably have been expected to have described the 165-amino acid equivalent because those of skill in the art would have interpreted the amendment to cover the 165-amino acid equivalent. The Federal Circuit reversed, concluding that the patentee knew of the 165-amino acid sequence at the time of the amendment, and that "there were no shortcomings of language that might have prevented the patentee from claiming EPO having 165 amino acids. The patentee could have simply claimed mature human EPO without reference to Figure 6." Accordingly, the "some other reason" option for rebutting the Festo presumptive surrender was not available in this case.

C. ENFORCEMENT OF PATENTS

1. INFRINGEMENT OF DESIGN PATENTS

Lawman Armor Corp. v. Winner Int'l, LLC, 437 F.3d 1383 (Fed. Cir. 2006). A design patent for a vehicle steering wheel lock was held to be not infringed because there were no "points of novelty" that distinguished the design from the prior art. The court rejected the argument that one "point of novelty" was the combination of eight design features each one of which was found in the prior art. In dissenting from the denial of the petition for rehearing en banc, Judges Newman, Rader and Gajarsa argued that the decision was contrary to established precedent and would have an adverse effect on design patent law. Senior Judge Friedman replied in a supplemental opinion that "in appropriate circumstances a combination of design elements itself may constitute a 'point of novelty,' but that such a combination is a different concept than the overall appearance of a design which, as case law holds, cannot be a point of novelty.

2. INJUNCTIONS

eBay Inc. v. v. Mercexchange, L.L.C., 126 S.Ct. 1837 (2006). The Supreme Court vacated and remanded a permanent injunction granted by the Federal Circuit against eBay for a patent covering a method of selling goods over the Internet. A jury had found the patents valid and infringed, and awarded \$30 million in damages. The district court, however, refused to enter a permanent injunction, based partly on the fact that the patent owner was not using its patents, and the court's concerns about "business method" patents. The Federal Circuit reversed, applying its general rule that injunctions should issue once infringement and validity have been proven. The Supreme Court held that a patent owner must satisfy the same four-factor test as other plaintiffs before a court may grant a permanent injunction: (1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction. The Supreme Court concluded that the district court focused too much on the patent owner's failure to use its own patent and to license it, and concluded that the Federal Circuit went too far in the other direction, applying a "general rule" instead of applying the four-factor test.

3. DAMAGES

Glenayre Elec., Inc. v. Jackson, 443 F.3d 851 (Fed. Cir. 2006). A patent owner who agreed to a remitted damages award for direct infringement against a manufacturer was precluded from pursuing that manufacturer for indirect infringement on account of the manufacturer's customers' use of the infringing products. According to the Federal Circuit, "when a patentee receives full compensation for the wrongful use of an invention in devices made and sold by a manufacturer, the patentee effectively adopts the sales by the manufacturer such that purchasers and users of the devices receive implied licenses that free them from liability for infringement of the patent. The Federal Circuit distinguished earlier cases in which the patent owner received either no damages or nominal damages for the sold products.

Aero Prods. Int'l, Inc. v. Intex Recreation Corp., 466 F.3d 1000 (Fed. Cir. 2006). Patent and trademark damages based on sales of the same accused devices constituted an impermissible double recovery. According to the Federal Circuit, "all of the damages awarded to Aero flowed from the same operative facts: sales of the infringing Intex mattresses. Aero was fully compensated for defendants' patent infringement when it was awarded a reasonable royalty for patent infringement based on sales of the infringing Intex mattresses. It could not also be awarded defendants' profits for trademark infringement based on the same sales of the same accused devices."

4. EXTRATERRITORIAL EFFECT OF PATENTS

Microsoft Corp. v. AT&T Corp., 127 S.Ct. 467 (2006) (granting petition for certiorari). The U.S. Supreme Court granted Microsoft's petition for certiorari on October 27, 2006 to consider whether the exporting of a copy of computer software that was later replicated overseas created

liability under 35 U.S.C. § 271(f). In its 2005 decision, AT&T Corp. v. Microsoft Corp., 414 F.3d 1366 (Fed. Cir. 2005), the Federal Circuit held that Microsoft's export of "master" computer disks to foreign computer companies, which then duplicated software on the disks when installing them on new computers, constituted an infringing export of a "component" of a patented invention under 35 U.S.C. § 271(f), and Microsoft was liable in damages not only for the extent of the exported disks, but for the copies of the disks that were made overseas. Based on how software is supplied (i.e., by copying), and the word "supplied" in the patent statute, the court concluded that sending a single copy abroad with the intent that it be replicated invokes liability for foreign-made copies. The court rejected Microsoft's position "as it fails to account for the realities of software distribution" and it "would be subverting the remedial nature of § 271(f), permitting a technical avoidance of the statute by ignoring the advances in a field of technology." Judge Rader dissented, arguing that foreign-made copies should not be included for purposes of damages. A decision is expected in 2007.

5. RIGHT TO JURY TRIAL

Agfa Corp. v. Creo Prods. Inc., 451 F.3d 1366 (Fed. Cir. 2006). There is no right to a jury trial on the issue of inequitable conduct. The Federal Circuit held that a district court is permitted to conduct a bench trial on the issue of inequitable conduct and submit validity issues to the jury, despite the fact that there may be overlapping facts between the two issues.

6. SOVEREIGN IMMUNITY FOR PATENT ACTIVITIES

Intel Corp. v. Commonwealth Scientific and Industrial Research Organisation, 455 F.3d 1364 (Fed. Cir. 2006). In a case of first impression, the Federal Circuit held that Australia's national science agency was engaging in "commercial activity" in the United States by entering into license negotiations over its patents, thus subjecting it to suit in the United States. Intel and other companies had sued Australia's CSIRO (national science agency) in a declaratory judgment action seeking to declare certain wireless networking patents invalid and not infringed. CSIRO moved to dismiss based on the Foreign Sovereign Immunities Act (FSIA). Applying an exception to FSIA, the Federal Circuit concluded that by obtaining a U.S. patent and offering licenses to potential infringers, CSIRO engaged in "commercial activity" that stripped it of its immunity.

7. INEQUITABLE CONDUCT

Digital Control, Inc. v. Charles Mach. Works, 437 F.3d 1309 (Fed. Cir. 2006). The Federal Circuit concluded that the PTO's adoption of the new Rule 56 in 1992, creating an arguably narrower standard for materiality which replaced the older "reasonable examiner" standard, "merely provides an additional test of materiality." According to the Federal Circuit, "if a misstatement or omission is material under the new Rule 56 standard, it is material. Similarly, if a misstatement or omission is material under the 'reasonable examiner' standard or under the older three tests, it is also material. As we reasoned in American Hoist, to the extent that one standard requires a higher showing of materiality than another standard, the requisite finding of intent may be lower."

Purdue Pharma L.P. v. Endo Pharm., Inc., 438 F.3d 1123 (Fed. Cir. 2006). A patent describing a painkiller contained a statement that "It has now been surprisingly discovered that the presently claimed controlled release oxycodone formulations acceptably control pain over a substantially narrower four-fold range." During prosecution, the patent owner relied on this language to distinguish the prior art, suggesting the existence of clinical results. A district court concluded that the patent owner had intentionally misrepresented information to the PTO because no tests had been conducted as suggested. After initially affirming the district court's inequitable conduct ruling, on rehearing the Federal Circuit changed its mind, concluding that the patent owner's actions did not represent a very high degree of materiality, and remanded for the district court to reconsider its inequitable conduct ruling.

Ferring B.V. v. Barr Labs, Inc., 437 F.3d 1181 (Fed. Cir. 2006). Ferring's patent application relating to an anti-diuretic medication was rejected by the PTO based on a prior patent. During prosecution, the PTO examiner suggested that applicants obtain evidence from a "non-inventor" to support their interpretation of the term "peroral" used in a prior art reference. The applicants submitted declarations from several persons, including two who had received research funding from the assignee of the patent application. The PTO was not informed of the relationship between the declarants and the assignee, and the patent issued. In later litigation, the district court ruled that the patent was unenforceable for inequitable conduct because the applicants failed to reveal the relationship between the declarants and the assignee. A split Federal Circuit affirmed, concluding that the past relationship between the declarants and the assignee was material. As to intent, the majority held that summary judgment was appropriate if (1) the applicant knew of the information; (2) the applicant knew or should have known of the materiality of the information; and (3) the applicant has failed to provide a credible explanation for the withholding. Based on some evidence suggesting that the relationships might have been concealed from the PTO (mainly failure to submit a C.V. that would have revealed the relationship), the Federal Circuit upheld the district court's ruling. Judge Newman dissented, arguing that the majority was reviving the discredited "should have known" standard of materiality.

M. Eagles Tool Warehouse v. Fisher Tooling Co., 439 F.3d 1335 (Fed. Cir. 2006). The mere failure to disclose prior art to the PTO, coupled with the lack of any good faith explanation for the nondisclosure, cannot constitute clear and convincing evidence sufficient to support a determination of culpable intent. In this case, the patent applicant failed to submit material information and provided no explanation for the non-disclosure. Nevertheless, the Federal Circuit found that there was insufficient evidence of intent to deceive, stating that, "when the absence of a good faith explanation is the only evidence of intent, that evidence alone does not constitute clear and convincing evidence warranting an inference of intent." The court distinguished an earlier case in which prior art was provided to the FDA but simultaneously withheld from the PTO.

8. FIFTH AMENDMENT TAKING OF PATENT

Zoltek Corp. v. United States, 442 F.3d 1345 (Fed. Cir. 2006). In this unusual case, the Court of Federal Claims had instructed the plaintiff to amend its complaint to allege that the U.S.

government's use of his invention amounted to an actionable "taking" under the Fifth Amendment to the Constitution, for which the plaintiff would have a remedy (aside from any infringement claim under 28 U.S.C. § 1498) under the Tucker Act. The Court of Federal Claims then ruled that patent owners can sue the U.S. government under the Tucker Act for patent infringement as a form of Fifth Amendment taking. The Federal Circuit reversed, producing four separate opinions by three judges, concluding that an 1894 Supreme Court case prohibited suing the government for patent infringement under the Tucker Act. (The patent owner was unable to recover under § 1498 because some of the steps of the method claim were performed outside the United States, which barred recovery under the court's earlier NTP v. RIM case.)

9. ANTITRUST/PATENT MISUSE

Illinois Tool Works Inc. v. Independent Ink, Inc., 126 S.Ct. 1281 (2006). The Supreme Court rejected the Federal Circuit's conclusion that the existence of a U.S. patent could create a presumption of market power for purposes of antitrust liability. Trident, a subsidiary of Illinois Tool Works, holds a patent over its printhead technology. Trident's standard licensing agreement allows purchasers to use its patented printheads only if they also purchase their ink from Trident. Thus, the sale of patented printheads is conditioned on the purchase of unpatented ink. Independent Ink sued for antitrust violations, but the district court granted summary judgment in favor of Trident, finding that it had failed to prove market power. The Federal Circuit reversed, interpreting several old Supreme Court cases as supporting the proposition that market power could be presumed where a patent was used to tie unpatented technology. The Supreme Court disagreed, relying in part on 1988 Congressional amendments to the patent code eliminating the presumption of market power in the patent misuse context.

Monsanto Co. v. Scruggs, 459 F.3d 1328 (Fed. Cir. 2006). Monsanto's license restrictions on its patented herbicide-resistant soybean seeds, which forced growers to use Monsanto's Roundup herbicide on plants grown from the seeds and prohibited growers from replanting seeds produced by the plants, were held not to be an antitrust violation. As to the requirement to use Monsanto's herbicide, the court noted that Roundup was the only EPA-approved glyphosate herbicide at the time, so growers could not legally use any other brand. As to the prohibition against replanting, the court concluded that "Monsanto has a right to exclude others from making, using, or selling its patented plant technology . . . and its no replant policy simply prevents purchasers of the seeds from using the patented biotechnology when that biotechnology makes a copy of itself." The court also concluded that Monsanto was not guilty of patent misuse because its activities fell within the scope of the patent grant. Judge Dyk dissented, arguing that tying the purchase of Monsanto's herbicide to its patented seeds was an illegal tying arrangement.

10. PROCEDURE

Exigent Tech., Inc. v. Atrana Solutions, Inc., 442 F.3d 1301 (Fed. Cir. 2006). A moving party on summary judgment need not introduce any evidence of non-infringement – merely raising arguments of non-infringement are sufficient. According to the Federal Circuit, "nothing more is

required than the filing of a summary judgment motion stating that the patentee had no evidence of infringement and pointing to the specific ways in which the accused systems did not meet the claim limitations.

Unitherm Food Sys. Inc. v. Swift-Eckrich, Inc., 126 S.Ct. 980 (2006). Before its patent infringement defense case was submitted to the jury, ConAgra moved for a directed verdict under Rule 50(a) based on insufficiency of the evidence, but the district court denied the motion. After the jury ruled in favor of Unitherm, ConAgra failed to renew its motion under Rule 50(b) and failed to move for a new trial under Rule 59. On appeal to the Federal Circuit, ConAgra argued that there was insufficient evidence to support the jury's verdict. The Federal Circuit nevertheless permitted ConAgra to challenge the sufficiency of the evidence. The Supreme Court reversed, holding that failure to renew a Rule 50(a) motion under Rule 50(b) leads to waiver of the right to challenge the sufficiency of the evidence on appeal.

11. WAIVER OF PRIVILEGE

In re Echostar Comm. Corp., 448 F.3d 1294 (Fed. Cir. 2006). Tivo sued Echostar for patent infringement. Prior to the filing of the lawsuit, Echostar relied on the advice of its in-house counsel. After the lawsuit was filed, Echostar obtained additional legal advice from an outside law firm, but did not rely on it. In litigation, Echostar relied on the advice-of-counsel defense, and Tivo sought to compel production of documents and communication with both the in-house counsel and the outside law firm. The Federal Circuit held that (1) Federal Circuit law, not regional circuit law, applied to the scope of the waiver of privilege; (2) by relying the advice-of-counsel defense, Echostar waived the attorney-client privilege as to all communications relating to the same subject matter, including those with the outside law firm that were not relied upon; (3) work product protection was waived as to documents containing or discussing a communication between the attorneys and the client concerning the subject matter of the case (even though they are not themselves communications from the client); but that (4) protection was not waived as to work product that was not communicated to the client. "While an accused infringer may waive the immunity for work product that embodies an opinion in letters and memorandum communicated to the client, he does not waive the attorney's own analysis and debate over what advice will be given." The court suggested that certain documents may need to be redacted or inspected *in camera* to prevent disclosure of non-communicated work product.

12. RIGHT OF LICENSEE TO CHALLENGE VALIDITY OF PATENT

MedImmune, Inc. v. Genentech, Inc., 126 S.Ct. 1329 (2006). The Supreme Court granted certiorari in this case to decide whether a patent licensee may bring a declaratory judgment action to challenge the validity of the patent where the licensee continues to pay royalties under the license. The Federal Circuit held, 427 F.3d 958 (Fed. Cir. 2005) that no "actual controversy" existed between the patent licensor and licensee, since the license was a defense to any infringement charge. (This effectively forces the licensee to terminate the license and risk an infringement suit). Argument was heard in October, and a decision is expected in late 2006 or early 2007.