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Federal Circuit Reverses Judgment Of Infringement Under The Doctrine Of Equivalents

In Integrated Technology Corp. v. Rudolph Technologies, Inc. (Appeal No. 2012-1593, -1618), the Federal Circuit held that prosecution history estoppel precluded the application of the doctrine of equivalents and reversed the judgment of infringement under the doctrine of equivalents.

The case related to inspection equipment for probe cards used to test chips on semiconductor wafers. During prosecution of the patent-in-suit, the patent owner filed an amendment which narrowed the scope of the original claim in response to patentability rejections. The Federal Circuit determined that the patent owner had surrendered the territory between the original and issued claims, including the equivalent, and further had not established that the reason for the narrowing amendment was no more than tangentially related to the equivalent or that the equivalent would have been objectively unforeseeable to one of ordinary skill in the art. Thus, the Federal Circuit held that prosecution history estoppel barred the application of the doctrine of equivalents.

Additionally, the Federal Circuit reversed the finding of willfulness, vacated the award of enhanced damages, affirmed the award of damages for literal infringement, vacated the award of attorneys' fees and costs, and *remanded* the case. The Federal Circuit also held that the district court did not abuse its discretion in finding no laches.

Federal Circuit Reverses Grant Of Preliminary Injunction

In *LifeScan Scotland, Inc. v. Shasta Technologies, LLC* (Appeal No. 2013-1271), the Federal Circuit reversed the district court's grant of a preliminary injunction.

The case concerned blood glucose monitoring systems, which are used by individuals with diabetes to assist them in maintaining healthy blood glucose levels. The patent-in-suit claimed a method for testing blood glucose using a "meter." LifeScan sold 40% of its meters at below cost prices and distributed the remaining 60% through health care providers, who in turn gave the meters to diabetic individuals for free. LifeScan distributes its meters in this way with the expectation and intent that customers will use LifeScan meters with LifeScan test strips. Shasta does not sell blood glucose meters, but competes with LifeScan in the market for test strips. Shasta argued that the sale and distribution of LifeScan's meters exhausted LifeScan's rights under its method patent because the meters substantially embody the invention. The Federal Circuit agreed with Shasta, and held that "patent exhaustion principles apply equally to all authorized transfers of title in property, regardless of whether the particular transfer at issue constituted a gift or a sale." The Federal Circuit further concluded that LifeScan's meters substantially embody the methods claimed in the patent and that their distribution therefore exhausts LifeScan's patent rights. Accordingly, the district court's grant of a preliminary injunction was reversed and the case was remanded.

Judge Reyna dissented.

Federal Circuit Affirms Summary Judgment Of Collateral Estoppel And Invalidity, But Reverses Summary Judgment Of No Inequitable Conduct

In *Ohio Willow Wood Co. v. Alps South, LLC*, (Appeal No. 2012-1642, 2013-1024), the Federal Circuit affirmed the district court's grant of summary judgment that OWW was collaterally estopped from challenging the invalidity of certain claims of the '237 patent and that other claims were invalid for obviousness. However, the Federal Circuit reversed and remanded the issue of inequitable conduct.

During the district court proceeding, Alps initiated two consecutive *ex parte* reexaminations of the '237 patent in the PTO. The district court stayed the litigation during these reexamination proceedings.

While the case was stayed, OWW sued another party in the U.S. District Court for the Eastern District of Texas for infringement the '182 patent. The '182 patent issued from a continuation application of the '237 patent. The Texas district court found the claims of the '182 patent invalid for obviousness, and the obviousness determination was affirmed on appeal.

On appeal, OWW argued that the mere existence of different language in the adjudicated claims of the '182 patent and unadjudicated claims of the '237 patent was sufficient to overcome collateral estoppel. The Federal Circuit disagreed, stating that it's "precedent does not limit collateral estoppel to patent claims that are identical. Rather, it is the identity of the issues that were litigated that determines whether collateral estoppel should apply." The Federal Circuit then held that the asserted claims of the '237 patent were substantially similar to the invalidated claims of the '182 patent such that collateral estoppel applied.

In overturning the district court's grant of summary judgment of no inequitable conduct, the Federal Circuit found that there were genuine issues of material fact regarding materiality of withheld information and misrepresentations during the reexamination proceedings and the alleged intent to deceive which precluded the grant of summary judgment.

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Federal Circuit Remands Case To Reconsider Apple's Request For A Permanent Injunction

In Apple Inc. v. Samsung Electronics Co., Ltd. (Appeal No. 2013-1129), the

Federal Circuit affirmed the district court's denial of injunctive relief with respect to Apple's design patents and trade dress, but vacated the denial of injunctive relief with respect to Apple's utility patents.

Apple's patents claimed certain "ease-of-use" features for touchscreen devices. After prevailing at trial, Apple requested entry of a permanent injunction against Samsung from importing or selling certain infringing devices. The district court denied the request.

On appeal, the Federal Circuit agreed with the district court that Apple's evidence of ease-of-use as well as Samsung's copying were insufficient to establish the required causal nexus between the infringement and the alleged harm. Accordingly, the Federal Circuit upheld the denial of an injunction for infringing the design patents and trade dress. However, with respect to the utility patents, the Federal Circuit held that additional analysis was required to assess whether Apple's other evidence, including its ease-of-use evidence and evidence of copying, in combination with survey evidence, would suffice to establish irreparable injury. Thus, the Federal Circuit remanded the case to the district court to reconsider Apple's request for a permanent injunction against Samsung's infringement of its utility patents.

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