

GREER, BURNS & CRAIN, LTD.

An intellectual property law firm

Recent Developments in U.S. and Japan Patent Law

Patrick G. Burns

Japan

March 2005

Patents, copyright, trademark, trade secret, unfair competition and related areas of the law

300 South Wacker Drive | Chicago, Illinois 60606 | T 312 360 0080 | F 312 360 9315 | mail@gbclaw.net

Topics

- I. Infringement By Products Made By Patented Processes
- II. Employees' Patent Rights In The U.S. And Japan
- III. Claim Construction
- IV. Prosecution History Estoppel
- V. Using/Avoiding Mean Plus Function Language
- VI. Reports, PTO News, Etc.

I. INFRINGEMENT BY PRODUCTS MADE BY PATENTED PROCESSES

A. Under § 271(g), Products Made By A Patented Process Infringe The Method Patent.

1. Both patented and unpatented products infringe.
2. The process can be performed inside or outside the U.S.

3. A product is excluded if:
 - a. It is materially changed by subsequent processes; or
 - b. It becomes a trivial and nonessential component of another product.

- B. The Burden Of Proof Of Infringement Shifts To The Accused Infringer Under Certain Circumstances
 1. If a substantial likelihood exists that the product was made by the patented process; and

2. The plaintiff has made a reasonable effort to determine the process actually used in the production of the product and was unable to determine the process.

C. Remedies Against Innocent Infringers Are Limited

II. EMPLOYEES' PATENT RIGHTS IN JAPAN AND THE U.S.

A. The blue LED patent compensation litigation in Japan.

1. With blue LEDs, CDs and DVDs can have four times the storage capacity.
2. Article 35 of the Japanese Patent Law requires reasonable compensation to inventors employed by corporations.

3. Trial Court found that reasonable compensation was about \$575 million. Nakamura had only requested about \$200 million, so \$200 million was the amount awarded.
4. The High Court (appellate court) urged settlement and made its own written proposal.
5. Nakamura eventually settled for \$6 million.

B. General rules in the U.S.

1. If an employee is hired to invent and his/her invention is within the scope of employment, the employer owns the patent rights.
2. If an employee is not hired to invent, and his/her invention relates to the employer's business, the employee owns the invention, but the employer has shop rights (a free non-exclusive license).

3. If an employee is not hired to invent, and his/her invention does NOT relate to the employer's business, but the invention is made on the employer's time or with the employer's resources, the employee owns the invention, but the employer has shop rights.
4. An invention made outside the scope of employment and without the employer's time or resources belongs to the employee.

III. CLAIM CONSTRUCTION

Markman v. Westview Instruments, Inc, 517 U.S. 370, 116 S. Ct. 1384, 3 USPQ2d 1461 (1996)

- The judge construes the claims (in writing) using both intrinsic and extrinsic evidence.
- Intrinsic evidence includes the claims, specification, prosecution history and references of record.
- Extrinsic evidence includes ordinary and technical dictionaries, and expert testimony.
- Markman* did not decide the procedure for using intrinsic and extrinsic evidence to construe the claims. In other words, *Markman* did not decide which type of evidence was more important than the other.

Vitronics Corp. v. Conception, Inc., 90 F.3d 1576, 39
USPQ2d 1573 (Fed. Cir. 1996)

The intrinsic evidence (specification) is most important, and in most cases extrinsic evidence (dictionary) will not be needed to construe the claims.

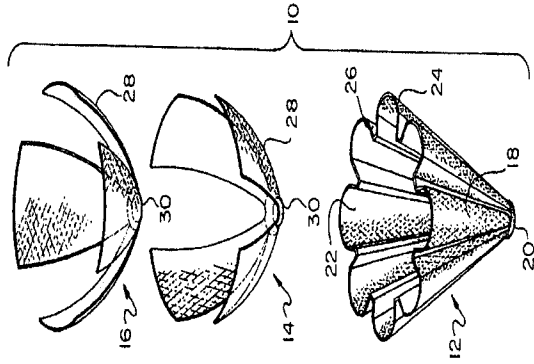
Texas Digital Systems, Inc. v. Telegenix, Inc. 308 F.3d 1193,
64 USPQ2d 1812 (Fed. Cir. 2002)

Extrinsic evidence (dictionary) is usually more important than intrinsic evidence (specification), in determining the meaning of claim terms to one of ordinary skill in the art.

There is a heavy presumption that dictionary definitions will determine claim construction. The presumption can be overcome by clear definitions in the specification or disavowal of scope of coverage.

C.R. Bard, Inc. v. U.S. Surgical Corp., slip op. 04-1135 (Fed. Cir. October 29, 2004)

Patent: Prosthesis for repairing hernias.



Claim: Plug

Specification

Summary: The present invention is an implantable prosthesis...The implant includes a pleated surface.

Abstract: Plug having a pleated surface.

Held: Claim 20 limited to pleated plugs. The patent unequivocally defines the claimed plug as having pleats.

Texas Digital cannot be read as holding that a dictionary definition trumps the intrinsic record. The dictionary definition does not govern if the specification gives a clear special definition or disavowal of claim scope.

Statements that describe the invention as a whole are more likely to be found in certain sections of the specification, such as the Summary of the Invention.

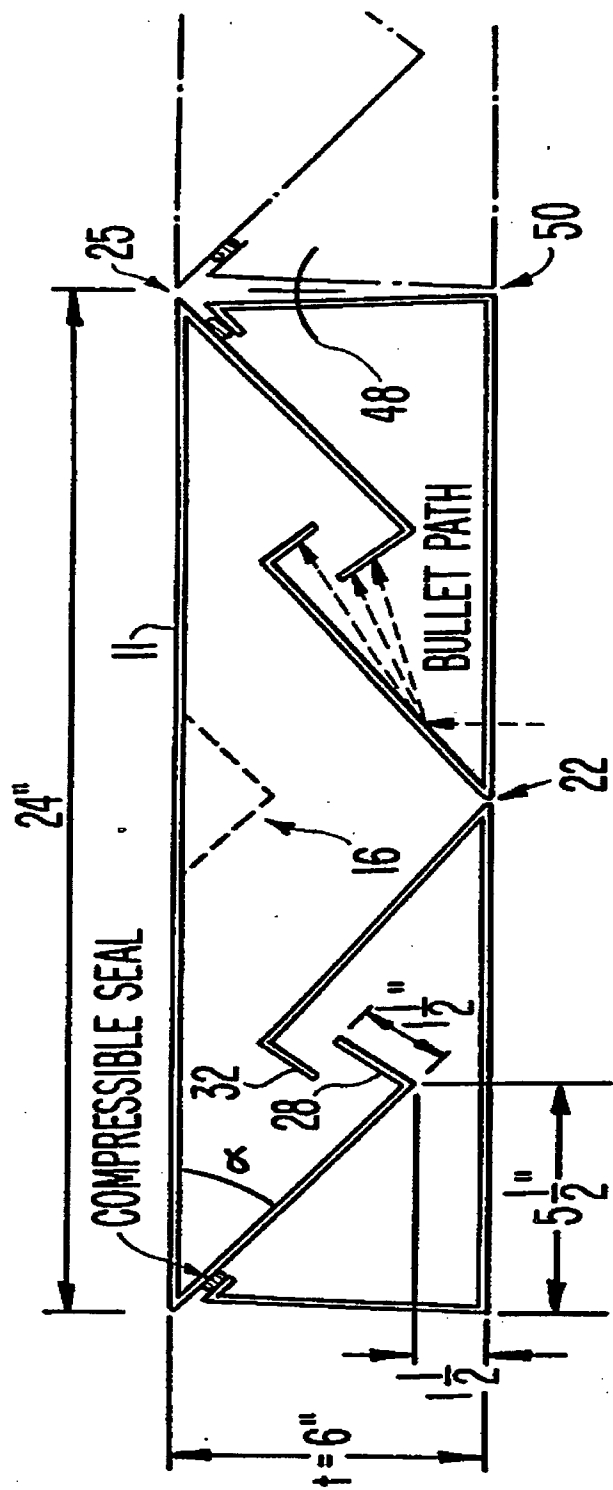
Phillips v. AWH Corp., slip op. 03-1269,-1268 (Fed. Cir. 2004)

The court will consider the following question (and others) *en banc*.

Is the public notice function of patent claims better served by referencing primarily to technical and general purpose dictionaries and similar sources to interpret a claim term or by looking primarily to the patentee's use of the term in the specification? If both sources are to be consulted, in what order?

***Phillips v. AWH Corp.*, 363 F.3d 1207, 70 USPQ2d 1417 (Fed. Cir. 2004)**
(by Judge Lourie, joined by Judge Newman, dissent in part by Judge Dyk)
(vacated and withdrawn, for *en banc* consideration on July 21, 2004)

Patent: Steel shell modules for prisoner detention facilities.



Claim 1: Building modules...and further means disposed inside the shell for increasing its load bearing capacity comprising: internal steel baffles extending inwardly from the steel shell walls.

Issue: What is a “baffle?”

Stipulation: The parties stipulated that the term meant “means for obstructing, impeding or checking the flow of something.”

District

Court: “Baffles” extend inward from the shell walls at oblique or acute angles, and “baffles” form an intermediate interlocking barrier in the interior of the wall module.

CAFC: CAFC: “Baffle” is not in means plus function language. From the specification’s explicit descriptions of the invention, we conclude that the patentee regarded his invention as panels providing impact or projectile resistance, and that the baffles must be oriented at angles other than 90°. Baffles directed at 90° cannot deflect projectiles as described in the ‘798 patent, and in any event, are disclosed in the prior art...because we so construe the ‘798 patent, and because AWH does not use acute or obtuse angles in its panels, we affirm the District Court’s judgment of noninfringement.

The dissent in part argues we have interpreted the claims erroneously by focusing only on the “preferred embodiment”. We disagree. Inspection of the patent shows that baffles angled at other than 90° is the only embodiment disclosed in the patent; it is the invention. It is impossible to derive anything else from the specification.

None of the figures shows any baffle that is not angled at an angle other than 90°.

Dissent: The majority decision effectively limits the claims to the preferred embodiment. The ordinary meaning of baffle is something for deflecting, checking or otherwise regulating flow.

My dispute is with the majority's imposition of an additional structural limitation based upon the patentee's preferred embodiments that limits baffles to structures "oriented at angles other than 90°". This is contrary to the plain meaning, and there is no suggestion that the patentee, acting as his own lexicographer, gave a special meaning to the term baffles. The specification contains no language clearly limiting the claims to a specific structure. Impact resistance is only one of several objectives of the invention, and baffles that are oriented at 90° would still achieve the load bearing and thermal-acoustical isolation objectives taught in the specification. Moreover, the fact that a feature of the invention may have been described in the prior art hardly raises serious questions of invalidity. Here, there was no effort to distinguish the prior art on the basis that prior art baffles were oriented at 90° angles.

IV. PROSECUTION HISTORY ESTOPPEL

Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd., 344 F.3d 1359, 68 USPQ2d 1321 (Fed. Cir. 2003) (en banc)

A narrowing claim amendment made for purposes of patentability surrenders equivalents of the amended claim element, unless:

1. The alleged equivalent would have been unforeseeable at the time of the narrowing amendment;
2. The rationale underlying the narrowing amendment had no more than a tangential relation to the equivalent in question; or
3. There is “some other reason” suggesting that the patentee could not reasonably have been expected to have described the alleged equivalent.

Honeywell Int'l. Inc. v. Hamilton Sundstrand Corp., 370 F.3d 1131, 71 USPQ2d 1065 (Fed. Cir. 2004) (en banc)

Accepting allowable subject matter by canceling a broad independent claim and rewriting dependent claims in independent form is a narrowing amendment made for purposes of patentability, and surrenders equivalents of the element in the dependent claim.

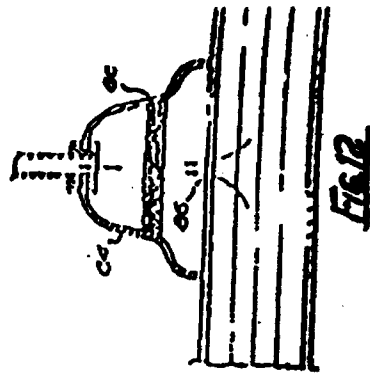
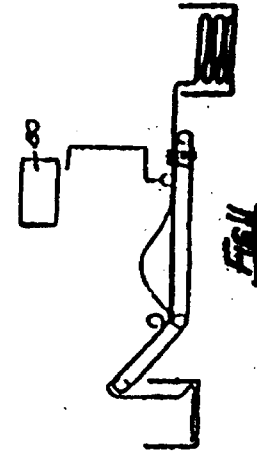
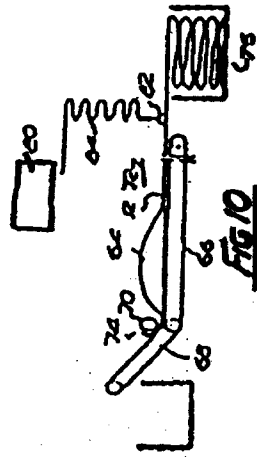
It does not matter whether the dependent claim is added to the independent claim, or the independent claim is added to the dependent claim.

This case was sent to the trial court to determine whether the *Festo* presumptions could be rebutted.

Insituform Techs., Inc. v. CAT Contracting, Inc., 385 F.3d 1360
(Fed. Cir. 2004)

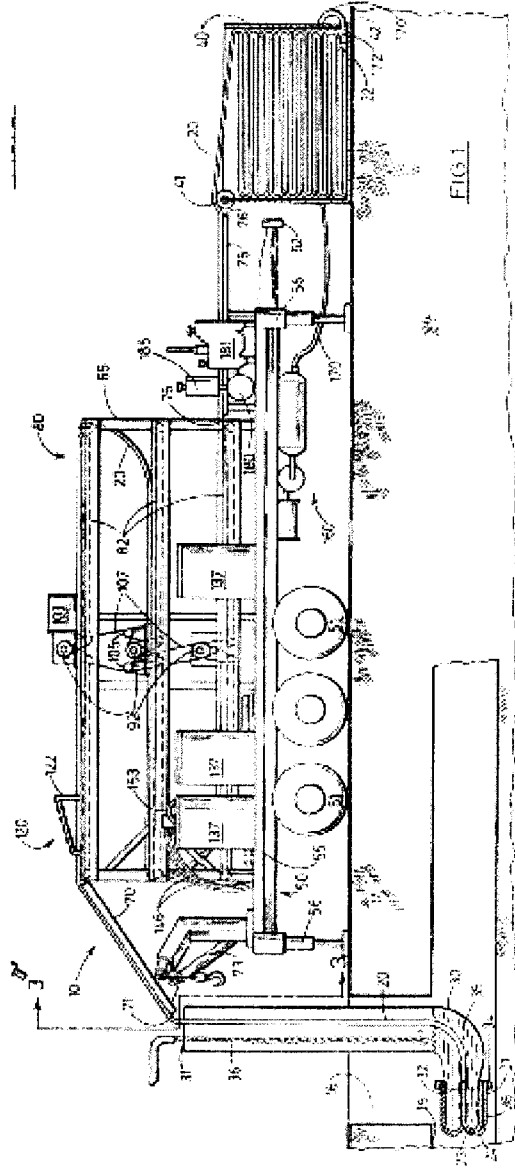
Patent: Method for impregnating a pipe liner with resin.

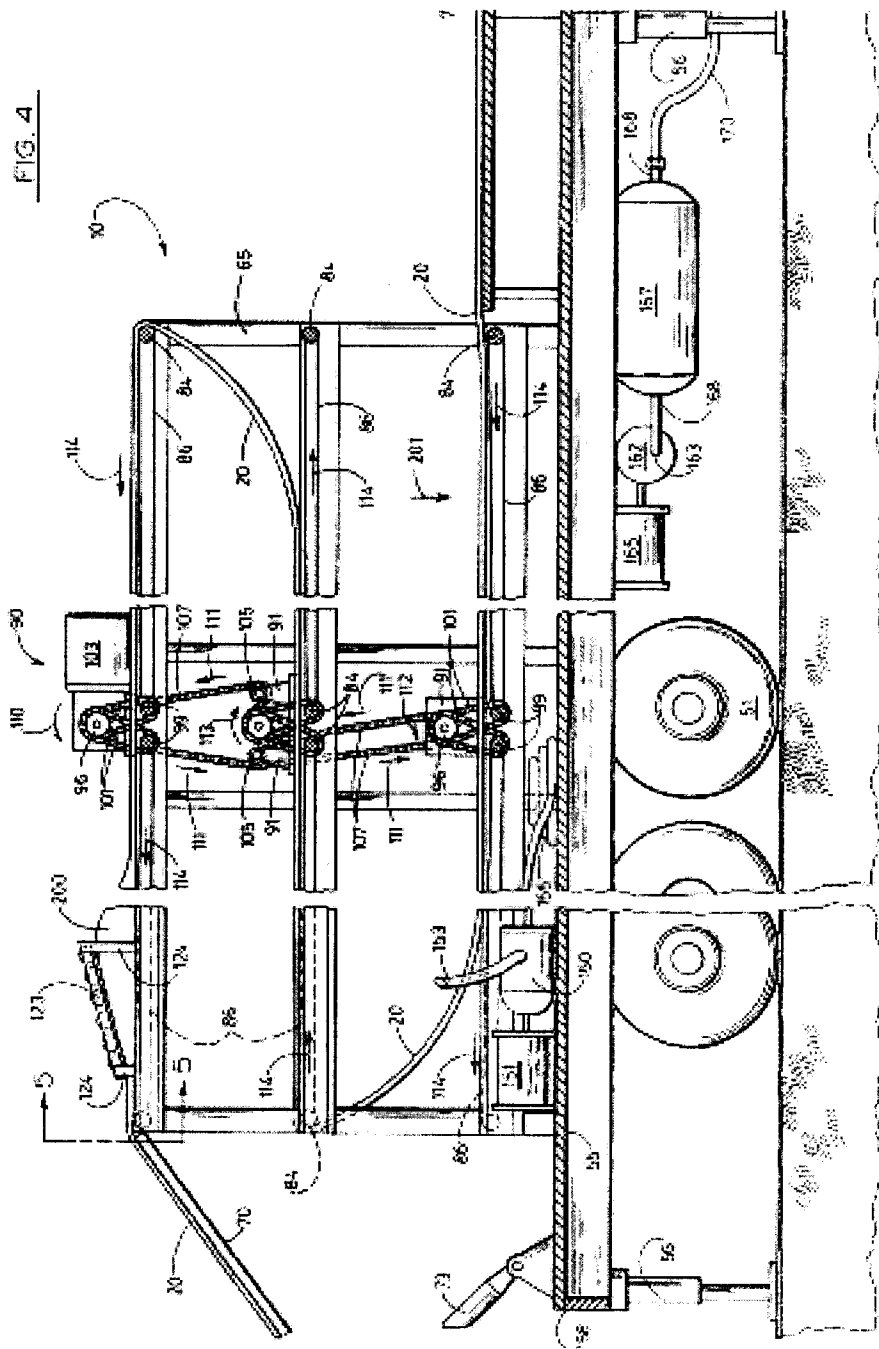
U.S. Patent Dec. 28, 1995 Serial No. 4,366,012



Original claim 1 covered using single or multiple cups at any location downstream of the resin front.

Claim 1 was narrowed by amendment to literally cover a single cup in a discontinuous vacuum, to avoid a reference that disclosed the use of a continuous vacuum and the creation of that vacuum from only a single vacuum source at the far end of the tube opposite the resin source.





Accused method used multiple cups.

Held: No estoppel. In our view, *Insituform* has rebutted the *Festo* presumption. The amendment limiting the literal scope of claim 1 to a single cup process bears “only a tangential relation,” if that, “to the equivalent in question.”

The question is “whether the reason for the narrowing amendment was peripheral, or not directly relevant, to the alleged equivalent.” *Festo III*, 344 F.3d at 1365. The narrowing amendment in this case was for the purpose of distinguishing the invention over Everson. Insituform made it clear that the difference between its process and Everson was that its process did not have the advantage of the Everson process of a large compressor at the end of the liner. There is no indication in the prosecution history of any relationship between the narrowing amendment and a multiple cup process, which is the alleged equivalent in this case. Thus, we hold that plaintiffs have successfully rebutted the *Festo* presumption by establishing that the amendment narrowing the claimed invention from multiple cups to a single cup was tangential to accused Process 1, which used multiple cups attached at different points along the liner tube. We therefore affirm the judgment of infringement under the doctrine of equivalents.

V. USING/AVOIDING MEANS PLUS
FUNCTION LANGUAGE

The word “means” in a claim element creates a presumption that Section 112(6) applies.

The presumption is overcome if the claim element recites sufficient structure.

Linear Tech. Corp. v. Impala Linear Corp., 374 F.3d 1311, 72
USPQ2d 1311 (Fed. Cir. 2004)

Claim 1: A circuit for controlling a switching voltage regulator...
a first circuit for monitoring a signal from the output terminal to
generate a first feedback signal,
a second circuit for generating a first control signal during a
first state of circuit operation, the first control signal
being responsive to the first feedback signal to vary
the duty cycle of the switching transistors to maintain
the output terminal at the regulated voltage.

Held: Not Section 112(6) Means Plus Function.

To help determine whether a claim term recites sufficient structure to avoid Section 112(6), we examine whether it has an understood meaning in the art. Here, technical dictionaries plainly indicate that the term “circuit” denotes structure. Thus, when the structure/denoting term “circuit” is coupled with a description of the circuit’s operation, sufficient structural meaning generally will be conveyed to persons of ordinary skill in the art, and Section 112(6) presumptively will not apply.

Lighting World, Inc. v. Birchwood Lighting, Inc., 382 F.3d 1354, 72 USPQ2d 1344 (Fed. Cir. 2004)

Claim 1: A lighting fixture for fluorescent lighting comprising:

a connector assembly for connecting each pair of adjacent support members, said connector assembly being pivotally connected to said pair of adjacent support members.

Held: Not Section 112(6). To avoid Section 112(6), it is sufficient if the claim term is used in common parlance or by persons of skill in the pertinent art to define structure, even if the term covers a broad class of structures and even if the term identifies the structure by their function.

VI. REPORTS, PTO NEWS, ETC.