



January/February 2000

- [President's Corner](#)
 - [News from the Board of Directors](#)
 - [Pending Legislation](#)
 - [Recent Decisions of Interest](#)
 - [Announcing The Sixteenth Annual Joint Seminar Program](#)
-

President's Corner

By Herbert F. Schwartz

As we enter the winter season, the Association continues to be active on a variety of fronts.

ANNUAL DINNER IN HONOR OF THE FEDERAL JUDICIARY

The invitations are out to this year's tribute to the Federal Judiciary. As you probably are aware, it will be on Friday, March 24, 2000. As I mentioned previously, Calvin Trillin, the noted author and columnist of *The New Yorker* and *Time Magazine*, will be the guest speaker.

CONTINUING LEGAL EDUCATION

The Association continues to increase the scope of its CLE activities. The Association has now been accredited not only as a provider for various events, but also for its video tapes which it makes of these events. More information later on how members might avail themselves on the use of these videos. Thanks go to Anthony Giaccio for achieving in breakneck speed the accreditation for our programs, both live and on video.

INTERACTIVE MULTIMEDIA ROUND TABLE

The Association is co-sponsoring with Brooklyn Law School a round table on "Emerging Interactive Multimedia Technology." It will be held on Wednesday, February 16, 2000 from 5:00-8:00 PM. Two NYS CLE credits will be provided for attendees. See John Delehanty, Chair of the Internet Committee, for further information.

NEW YORK COUNTY LAWYERS ASSOCIATION

The Association is co-sponsoring with the New York County Lawyers Association a program on April 6, 2000 entitled "Blueprint for Building Your Practice for Solo and Small Practitioners." It will have 10 NYS CLE credits, including 2 NYS Ethics CLE credits. Contact Marilyn Flood, Executive Director, for further details.

THE JOINT PRACTICE SEMINAR

The Sixteen Annual Joint Patent Practice Seminar will be at the Marriott Marquis on April 11, 2000 from 9:00 AM-5:00 PM. The program will provide 6.5 NYS CLE credits, including 1 NYS Ethics credit. Contact Anthony Giacco for further details.

ANNUAL MEETING

The Annual Meeting will be at the Yale Club on May 17, 2000 from 6:00-9:00 PM. It will include the usual Inventor of the Year and Conner Writing Competition awards.

ABA SUMMER MEETING

The Association will co-host with the Intellectual Property Section a reception on Saturday, July 8, 2000, at the Top of the Sixes. Contact John Sweeney for further details.

In addition, we plan to continue with our luncheons during the ensuing months. I look forward to seeing you at the Judges Dinner in March, if not sooner.

News from the Board of Directors

By Melvin C. Garner

The Board of Directors met at the New York Yacht Club on Tuesday, November 9, 1999. President Herbert Schwartz presided. In attendance at the request of the Board was Anthony Giaccio, Chair of the Continuing Legal Education Committee.

The minutes of the Board Meeting of October 12, 1999 were presented by the Secretary, Melvin Garner. There were no corrections and the minutes were adopted.

John Murnane presented the Treasurer's Report. Mr. Murnane reported that the Treasurer's Report does not indicate recent interest income because the bank statement had just been received. The balance sheet as of November 8, 1999 showed that the Association has \$111,000 in various accounts. This is essentially the same amount the Association had at this time last year. The second page of the Treasurer's Report showed income over the last month and expenses. In this month, the expenses exceeded the income by nearly \$26,000 primarily due to initial payments for the Judges' Dinner in the year 2000. The Treasurer's Report also included monthly cash flow reports for each month since January of this year.

Mr. Murnane further reported that with the new financial software, dues reminder letters had been sent to various members. This has produced larger than expected dues income to the Association. As matters now stand, the expenses for the Association's programs continue to create small losses. Thus, it is expected that in the next year or so, the Association will have to invade its money market fund and CD's. Mr. Schwartz stated that consideration of an increase in dues to make up for the short fall should be postponed pending consideration of the price for the Judges' Dinner and for the CLE programs the Association intends to have. Upon motion and seconding, the Treasurer's Report was adopted.

John Sweeney reported on the Association's plans to participate in the ABA's meeting in the summer of the year 2000. He stated that the ABA has already reserved the restaurant "Top of Sixes" for an IP section dinner to be held on Saturday, July 9th. Mr. Sweeney questioned whether the space was sufficiently large since the Top of the Sixes could probably only hold a few hundred people. During prior events with the ABA, which were held at the World Trade Center and the U.N., several thousand people attended. If the Association contributes \$5,000-10,000 to the ABA, it can be listed as a sponsor for this event and need not undertake any active roll. However, if it would like to do more, it would have to bear responsibility for part of the planning. Mr. Sweeney reported that he intended to contact the ABA to see if there is a

possibility of obtaining any more attractive venue.

Marylee Jenkins stated that the Young Lawyers' Committee of the ABA is also planning an event. However, they are using an outside party planning service to take care of the administrative burden. In any event, space is being booked quickly and if the Association plans to do anything additional, it needs to act quickly.

Mr. Schwartz reported that the invitation to join a new WIPO Committee had been referred to William Brunet and Samson Helfgott. Mr. Helfgott reported to Mr. Schwartz that he thought the Association should join. No comment has yet been received from Mr. Brunet. It was decided to defer consideration of joining this committee.

Robert Neuner reported on the Judges' Dinner. He noted that twenty-six federal bankruptcy judges were invited, as well as 120 non-judicial personnel, for example, officers of other intellectual property law associations. A discussion was held as to whether some change should be made in the categories of people invited to the Judges' Dinner. No changes were adopted.

Mr. Neuner reported on the member and non-member charges for the Judges' Dinner over the last five years. He noted that the average income to the Association over expenses in 1998 and 1999 was between \$50-60,000. He also noted that the Waldorf Astoria had increased its charges for the event. Thus, he proposed that the charge to members for attending the dinner be increased from \$145.00 to \$160.00, and that the charge for non-members be increased from \$210.00 to \$225.00. This maintains the \$65 differential between members and non-members.

Mr. Murnane noted that last year when the fee for non-members was increased from \$195 to \$210, there was a drop of 100 tickets sold to non-members. However, Mr. Murnane pointed out that there was an increase of about 100 tickets sold to members, and that it may be attributable to firm's signing up their attorneys as members in order to get the lower price. A discussion was also held about whether to extend invitations to the dinner to judges from other districts. No decision was made, but Mr. Neuner agreed to study the situation and report at the next meeting. Upon a vote of the Board, the charges for tickets to the Judges' Dinner was approved.

Richard DeLucia stated that there was no information to report with respect to the Annual Meeting. Anthony Giaccio reported on the CLE Weekend which the Association held. The Association received \$26,000 in registration fees and a \$2,000 donation from CoreSearch, making a total of \$28,000. The expenses up to this point mean that the Association has a \$550 profit. However, there is still an ongoing discussion with the Tarrytown House Hotel over 22 unused rooms, which could create an expense of \$6,800.00. Thus, the final determination as to the costs of the CLE Weekend cannot yet be made. However, it appears that if there is a loss, it will be modest.

Mr. Giaccio raised the issue of whether the Association was required to pay tax since it is a non-profit organization. It could save \$1,600 on the expense of the CLE Weekend if the Association could establish that it is a tax exempt organization. Mr. Murnane also noted that approximately \$40,000 in expenses to the Waldorf could be saved if the organization qualified for tax-exempt status. Mr. Murnane and Mr. Giaccio agreed to contact the Association's accountant to determine if this status exists or if it could be achieved for the Association.

Mr. Giaccio reported that in creating CLE programs, they are usually priced to break even, based on the cost of the program per se. However, the Association has incurred approximately \$4,000 in other expenses, for example for certificates and correspondence with respect to the overall CLE program. Thus, he suggested that this overhead be considered in the pricing of programs. He also noted that the Meetings and Forums Committee puts on programs which are not priced to at least break even, but lose money on a consistent basis. He questioned whether the CLE programs and the programs put on by Meetings and Forums should not be run on the same basis. Mr. Schwartz asked Mr. Giaccio to make a proposal and stated that the Chairman of Meetings and Forums should be invited to a Board meeting to discuss the

issue.

Mr. Giaccio also devised a schedule of CLE events that the Association will put on and intends to send it to the Internet Committee so it can be posted on the Association's website. He would also like to put on monthly CLE programs in conjunction with the other operating committees of the Association. He plans to hold discussions with the committee chair to see if they are willing to expend the effort to generate monthly CLE programs.

Charles Baker proposed a discount plan by which law firms and other groups could pay a single price and have all of their attorneys attend the Association's CLE programs. A question was raised as to whether the appropriate amount was being charged for such an event. Mr. Giaccio warned that the joint meeting with the New York, Connecticut, New Jersey and Pennsylvania Bar Associations was an important part of the Association's CLE program, and that if the Association had a discount program, there was a potential for a large expense to the Association if a number of firms use this as a vehicle to send attorneys to the Joint Program. Mr. Sweeney suggested that any charges, whether they be for a discount single payment or on an individual basis, reflect the real cost to the Association of the event. Currently, the Association's programs are relatively inexpensive compared to similar programs put on by the New York State Bar Association and the PLI, so an increase could be tolerated.

John Daniel suggested that a discount rate could be based on different costs to firms and associations for different numbers of attorneys attending. For example, an association could purchase the ability to send five attorneys to an event at one price, and to send ten attorneys to any event for a second price. The Board voted to proceed with developing a discount program. Mr. Schwartz asked Mr. Giaccio to prepare an overall proposals for this program. Ms. Jenkins warned that the Board was placing a lot of responsibility on Mr. Giaccio and that it should consider reducing the burden on him and his committee.

A discussion was held as to whether the Association should prepare amicus briefs in two cases. With respect to the *Walmart* case, it was decided that the Association should prepare a brief, since there seemed to be a consensus on the point of view. With respect to the *Pfaff* case, it was decided that no consensus could be reached. Thus, the Association will not file a brief.

A motion to adjourn the meeting was made and seconded. The meeting adjourned at 1:48 p.m.

Pending Legislation

By Edward P. Kelly

Several bills previously debated in the House and Senate became law prior to the close of the century. The President recently signed a significantly revised omnibus patent bill (H.R. 3194) which had been heavily debated for several years. The bill includes provisions relating to the publication of pending applications, re-examination proceedings and a limited first inventor defense. The bill also reorganized the Patent Office and sent patent related filing fees down and trademark filing fees up. Copyright bills and trademark bills also were enacted into law, including a fast track trademark bill that seeks to eliminate "cyberpirates" from appropriating valuable trademark rights on the internet.

TRADEMARKS

Registration of Internet Domain Names

The government granted Network Solutions Inc. ("NSI") the authority to assign internet domain names for use on internet websites several years ago. An inevitable collision followed. The owners of famous trademarks often found their trademarks already taken when they applied for an NSI domain name registration. In some cases their mark may have been registered by an individual who obtained hundreds

of NSI domain name registrations identical or similar to famous marks for the purpose of selling the domain name to the trademark owner. The latter group became known as "cyberpirates" or "cybersquatters" which was not a name NSI eagerly embraced, since NSI allowed them to obtain these registrations. NSI established a domain name dispute policy to account for those instances where ownership of a domain name conflicted with the legitimate trademark rights of others. The trademark owner could also address the situation in a federal court if the domain name holder was infringing the mark. However, court actions posed difficulties in finding the owners of the domain registrations as the owners were often listed under fictitious names. The owners of famous marks in some cases attempted *in rem* actions against the domain registrations themselves -- in order to avoid the burden of finding each owner. This effort, however, failed in at least one case which held that a dilution claim could not be brought *in rem* against 128 Porsche domain names. See *Porsche cars North America v. Porsche.com* (E.D. Va 1999).

A bill (S.1255) recently enacted into law (as part of the Omnibus Patent Law) is intended to resolve the situation with respect to the registration of internet domain names. The bill, entitled "The Trademark Cyber Piracy Prevention Act," moved quickly through both House and Senate. The bill amends Section 43(a) of the Lanham Act to create a cause of action where a person registers as a domain name -- in bad faith with an intent to profit -- the trademark of another. The following factors would be considered in determining whether the mark is registered in bad faith: (i) the trademark or other intellectual property rights of the person obtaining the domain name; (ii) the extent to which the domain name consists of the legal name of the person or name that is otherwise commonly used to identify that person; (iii) the person's prior lawful use, if any, of the domain name in connection with the bona fide offering of any services; (iv) the person's lawful non-commercial or fair use of the mark on a site accessible under the domain name; (v) the person's intent to divert consumers from the owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or the intent to tarnish or disparage the mark by creating a likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the site.

The bill as passed also extends protection to famous personal names. The bill also allows in new actions against the allegedly infringing domain registration where due diligence is unable to find the owner of the name. The new law applies to domain registrations registered on or after the effective date of enactment. However, no damages may be obtained in connection with activities of "cybersquatters," *i.e.*, registration and trafficking, that occurred before the enactment date.

Trademark Dilution Claims in Inter Partes Proceedings

The President also signed a bill (S.1259) that allows a party to assert a federal dilution claim as a ground for opposition or cancellation in a proceeding in the TTAB. An Examiner in the Trademark Office reviewing a trademark application will not, of course, consider dilution as a potential basis for rejection of the application under Section 2(d). The bill also requires that the party asserting infringement of trade dress has the burden of proving the trade dress non-functional. In some jurisdictions, functionality had previously been a defense to be pleaded and proved by the alleged infringer.

PATENTS

Omnibus Bill

Several provisions relating to the patent law which were contained in Omnibus Bills debated in the House and Senate in recent years have now become law. The bill as adopted addresses the following areas:

- The Patent statute has been amended to allow for publication of pending patent applications in the United States eighteen months from the earliest filing date from which a benefit is sought. Numerous foreign countries publish pending applications eighteen months after filing but publication was not previously practiced in the U.S. There are exceptions, however, to the new publication rule. If the applicant certifies that the application has not and will not be filed in another country or under an international treaty the application will not be published.

- Provisional applications and design patent applications also will not be published. This provision becomes effective one year after the enactment date and applies to Patent applications filed on or after the enactment date.
- The Omnibus Bill also provides for a first inventor defense, which is formally entitled a "defense to infringement based on early invention." The provision creates a new Section 273 of Title 35 and by definition only applies to "methods of doing or conducting business." This represents a significant limitation compared to the bill introduced several years ago. Under the new provision, a defendant charged with an infringement of a method of doing or conducting business could assert as a defense that it reduced the infringing subject matter to practice one year before the effective filing date of the patent application and that the defendant commercially used the subject matter of the patent in the United States before the effective filing date. The defense does not apply to infringement actions already pending on the date of enactment.
 - The Omnibus Bill provides for greater participation of third parties in reexamination proceedings.
 - The bill contains provisions aimed at controlling companies that offer to promote the inventions of other namely "bring your invention to industry." The bill requires the promoter to disclose its record of success and provides a civil remedy for false statements.
 - The bill contains provisions re-organizing the Patent Office although the Office continues to be under the Department of Commerce. Trademark filing fees were raised effective January 10, 2000 and patent fees have been reduced.

COPYRIGHTS

A bill (S.1257) was recently enacted which provides a significant increase in the statutory damages recoverable under the Copyright Act. The statutory damages in cases of willful infringement would be increased to \$150,000 per mark work from \$100,000. In cases where it can be demonstrated that the infringer engaged in repeated infringements, the statutory damages could be increased up to \$250,000.

ELIMINATION OF STATE IMMUNITY FOR INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

In the early 1990's, Congress passed laws to expressly state its intention to abrogate a State's immunity for violation of federal intellectual property laws, including Patent, Trademark and Copyright laws. These laws were a response to a Supreme Court decision which stated that a State would be immune from damages in a federal infringement case unless Congress expressly stated its intention to abrogate immunity for states. *Atascadero State Hospital v. Scanlon*, 473 U.S. 234 (1985). Recent Supreme Court cases, however, have continued to find that States were immune from damages in cases where intellectual property owners alleged infringement of federal laws. In 1996 the Supreme Court held that Congress lacked the authority under Article I of the constitution to abrogate state immunity. See *Seminole Tribe v. Florida* 517 U.S. 44 (1996). Therefore, if states were to be held liable for damages for infringement of federal intellectual property rights, Congress would have to find some way in which to bring states within the damages provisions of the federal law. Senator Patrick Leahy (D-VT) recently introduced a bill (S.1835) entitled "The Intellectual Property Protection Restoration Act of 1999." The bill would condition a state's right to acquire and maintain federal intellectual property rights on its agreement to waive sovereign immunity from damages in suits arising under the federal intellectual property laws. The bill also devises a scheme and rationale to attempt to recover damages in those cases where a state does not waive sovereign immunity. In introducing the bill, Senator Leahy constructed a constitutional argument that would allow for recovery of damages based upon the theory that the infringement was a illegal taking of property under the Fifth Amendment. The bill would provide a federal cause of action for an unconstitutional taking of intellectual property rights but would specifically exclude an award of treble damages. The bill would provide for "reasonable and entire compensation."

DESIGN PROTECTION

Bills that would provide some type of protection for industrial designs which did not qualify for traditional protection under patent and copyright principles have been introduced and debated for many years. None have become law. The U.S. is now considering the possibility of acceding to an international treaty for the protection of industrial designs: The 1925 Hague Agreement Concerning the International Deposit of

Industrial Designs. The treaty has twenty-nine member countries and provides for a single filing to obtain design protection in all member countries. In hearings held on possible accession, the U.S. representatives stressed that accession would be accomplished through the design patent law.

Recent Decisions of Interest

By *Thomas A. O'Rourke*

Tec Air, Inc v. Denso Mfg Michigan Inc., 99-1011 (Fed Cir, Sept 30, 1999).

The Federal Circuit affirmed the district court's denial of JMOL following the jury verdict that the invention was not on-sale or obvious. The Federal Circuit concluded that a reasonable jury could have found that Tec Air did not offer the patented invention for sale before the critical date because the sketch presented to the customer for a price quote did not show the adjustable screws used as the patented balance plugs and because a reasonable jury could have believed the inventor's testimony that the fan samples sent to Howard Industries came from Tec Air's existing large inventory and not fans made from a modified mold incorporating the patented balancing lugs that Tec Air had received a day earlier. According to the Federal Circuit the verdict of non-obviousness was supported by a long felt but unmet need to create a more efficient method to achieve fan balance and a lack of evidence of a suggestion to combine prior-art references.

Scaltech Inc. v. Retec /Tetra, LLC, 97- 1365 (Fed. Cir., June 4, 1999)

In September 1998, the Federal Circuit vacated the district court's invalidity ruling concerning Scaltech's patent 5,433,717. Relying on the Supreme Court's decision in *Pfaff v. Wells*, the Federal Circuit amended its 1998 opinion, replacing the test required in that decision of whether what was offered for sale was "a substantially completed invention" with the a consideration of "whether the process that was offered for sale inherently possessed each of the claim limitations."

Augustine Medical, Inc v. Gaymar Industries, Inc., 98-1001 (Fed Cir, June 8, 1999)

The Federal Circuit held that correctly construed, plaintiffs' patents require that the subject blankets form a curve or arched structure standing off the patent. The Court agreed with the verdict of no literal infringement of the patents at issue, but, reversed on the doctrine of equivalents because plaintiff was barred by prosecution history estoppel from recapturing convective thermal blanks that are not "self-erecting." The grant of summary judgment of invalidity of certain claims of the '371 patent was also affirmed. The Federal Circuit concluded that the claims at issue were not encompassed by the 07/550,757 parent patent application; therefore, they did not receive the benefit of the '757's filing date and as a result were barred by § 102(b).

Finnigan Corp v. ITC, 98-1411 (Fed Cir, June 9, 1999).

Evidence intrinsic to Finnigan's patent was relied on by the Federal Circuit in concluding that the specification explicitly defined stable and unstable ions according to whether they are trapped by the quadrupole field. As a result, the court affirmed the ITC's holding that intervenor Bruker-Franzen's spectrometer does not infringe Finnigan's patent, because the Esquire device applied a supplementary voltage to eject ions without transferring them outside the stability diagram while the patent required that previously trapped ions be ejected outside the quadrupole field to rend them unstable.

The Federal Circuit rejected Finnigan's argument concerning construction of another independent claim holding that the issue was waived since it was not specifically asserted in Finnigan's petition to the ITC for review of the administrative law judge's determination. On the issue of validity, the Federal Circuit reversed the ITC's findings that certain claims were anticipated because the testimonial evidence "far from

unequivocal" and therefore not clear and convincing as required to invalidate the patent.

Odetics, Inc. v. Storage Technology Corp, 98-1533 (Fed Cir, July 6, 1999)

The jury concluded that StorageTek's automated storage library system literally and willfully infringed Odetics' patent, relying on *Chiuminatta Concrete Concepts v. Cardinal Industries* (Fed Cir 1998), the district court, *sua sponte*, reconsidered its denial of judgment as a matter, granted JMOL and entered judgment in favor of StorageTek. The Federal Circuit, however, reversed because the district court's "component-by-component analysis ... finds no support in the law."

Abbott Laboratories v. Geneva Pharmaceuticals, Inc, 98-1593 (Fed Cir, July 1, 1999).

The Federal Circuit held that Abbott's patent was invalid due to a sale by a non-party. Byron Chemical's sales of Form IV terazosin hydrochloride anhydrate more than one year prior to the patent application filing date invalidated the patent, even though the parties to the sale were unaware they were dealing with Form IV. The Federal Circuit stated:

It is well settled in the law that there is no requirement that a sales offer specifically identify all the characteristics of an invention offered for sale or that the parties recognize the significance of all these characteristics at the time of the offer.... If Abbott's position were adopted, a person could buy or sell a compound whose exact nature had not been determined and then, years after those sales, file a patent application claiming the compound by characteristics newly discovered. The on-sale bar does not permit such a withdrawal of subject matter already available to the public.

Burke, Inc. v. Bruno Independent Living Aids, Inc., 97-1273 (Fed Cir, July 2 1999)

The Federal Circuit vacated the district court's judgment of noninfringement and remanded for further proceedings because the district court improperly narrowed the term "floor pan" in the claims. The Federal Circuit indicated, that Burke, to support its claim construction position, could rely on the Federal Circuit's nonprecedential opinion in an earlier appeal in a different case involving the same patent.

Zenith Electronics Corp v. Exzec, Inc, 98-1288 (Fed Cir, July 7, 1999, corrected July 12, 1999).

The Federal Circuit affirmed the district court's denial of a motion to dismiss Exzec's unfair competition claims on the ground of preemption. In finding that the Lanham Act and the Patent Act do not conflict, the Federal Circuit stated that bad faith activity of the patentee must be established to avoid preemption of a Lanham Act claim by patent law as follows:

By adding a bad faith requirement to a § 43 (a) claim in the context of this case, we give effect both to the rights of patentees as protected by the patent laws under ordinary circumstances, and to the salutary purposes of the Lanham Act to promote fair competition in the market-place. As thus understood, there is no conflict between the demands of the Lanham Act and the Patent Act, and a patentee is easily able to comply with both Acts. Furthermore, patent law is not frustrated because bad faith marketplace statements concerning patents do not further the purposes of the patent law.

Similarly, the Federal Court held that, absent bad faith, Exzec's state-law tortious interference claim would be preempted by patent law. The case was remanded to the district court for further proceedings.

In re Cambridge Biotech Corp., 98-1012 (Fed Cir, July 7,1999).

Institut Pasteur and Genetic Systems appealed from the district court affirmance of the bankruptcy court's rulings in the action. Their rulings included denial of their motion to dismiss certain portions of Cambridge's answer and counterclaim, the grant of summary judgment that Cambridge does not infringe Institut Pasteur's patents 5,055,391 and 5,051,496 because they were licensed to Cambridge, the determination of a one-percent royalty rate as damages and future compensation regarding patent

5,217,861, and the informal order denying a request for jury trial.

The Federal Circuit first ruled that the bankruptcy court had properly deemed the action, based on claims for patent infringement, as a "core proceeding," and that as such the bankruptcy court could enter judgments and orders, instead of only making proposed findings of fact and conclusions of law. In addition, the bankruptcy court's core jurisdiction precluded a Seventh Amendment entitlement to a jury trial.

Smiths Industries Medical Systems, Inc v. Vital Signs, Inc., 98-1106 (Fed Cir, July 14, 1999).

The Federal Circuit granted Smiths Industries' petition for rehearing for the limited purpose of revising the Court's earlier opinion in this case, which it withdrew and replaced by the present one. The Federal Circuit, reversed the district court's finding obviousness and concluded that the district court had "misapprehended the nature of the '941 invention's emergency breathing feature" and had improperly combined various references in its obviousness analysis. "[T]here is no basis for concluding that an invention would have been obvious solely because it is a combination of elements that were known in the art at the time of the invention." Finding error in the lower court's claim construction interpretation of "means for supplying gas" to require a means for supplying gas under pressure, the appellate court vacated the judgment of noninfringement and remanded for further proceedings.

Hockerson-Halberstadt, Inc v. Converse Inc., 98-1501 (Fed Cir, July 20, 1999).

The Federal Circuit held that Hockerson had not impermissibly broadened the claims of the patent in suit during a reexamination proceeding and reversed the district court's invalidity determination. Hockerson had amended a claim to allow a midsole-and-support-band wall means starting from the lower rim instead of only a support band starting from the lower rim. That claim was also amended to require that the midsole be pyramid-shaped which was narrower than the original claim and as a result the re-examination claim did not encompass any subject matter beyond the original claim. According to the Federal Circuit: "Proper claim construction ... demands interpretation of the entire claim in context, not a single element in isolation."

Festo v. Shoketsu Kinzoku Kohyo Kabushiki Co., No. 95-1066 (Fed. Cir. Apr. 19, 1999)

This *Festo* decision followed a vacatur and remand by the Supreme Court of the Federal Circuit's 1995 decision in light of the intervening decision of *Warner-Jenkinson*. Upon reconsideration, the Federal Circuit reaffirmed the district court's grant of summary judgment of infringement under the doctrine of equivalents of the '401 patent, but vacated and remanded the jury verdict that the '125 was infringed under the doctrine of equivalents. The Federal Circuit found that new evidence of a potential estoppel applied to the '125 patent that warranted remand to the district court.

The issue in the '401 patent was whether the doctrine of equivalents could be applied to a claim directed, in relevant part, to "a pair of resilient sealing rings." The parties agreed that the accused device had a single two-way sealing ring that performed the same function as the claimed "pair of resilient sealing rings," in the same way, with the same result. The defendant argued that the doctrine of equivalents should not be applied because the "all-elements" rule barred application of the doctrine against a product that used a single two-way sealing ring when the claim element defined "a pair of resilient sealing rings." In addition, the defendant argued that the presumption of prosecution history estoppel created by *Warner-Jenkinson* barred reliance on the doctrine, because the "pair of resilient sealing rings" limitation had been added during a reexamination of the Carroll patent. The Federal Circuit has granted rehearing en banc.

Enzo Biochem, Inc v Calgene, Inc, 98-1438 (Fed Cir, Sept 24 1999).

Enzo had brought sought alleging, *inter alia*, that Calgene's Flav'r Sav'r tomato infringed certain claims of Enzo's patents. Calgene counterclaimed that the Enzo patents in suit and related patent 5,272,065 were invalid including for lack of enablement. In addressing the question of enablement of the Enzo patents, the

Federal Circuit considered whether undue experimentation was required to practice the invention and whether Calgene had met its burden of proof of invalidity. The Federal circuit stated:

...we agree with Calgene that Inouye has provided only the mere 'germ of the idea! for exploiting antisense in eukaryotes.... What is glaringly 'missing' from the specifications is the disclosure of any direction or examples of how such an idea might be implemented in any cell other than E. coli. Inouye's disclosure of practicing antisense in E. coli does not suffice to enable the practice of antisense in all categories of living matter.

Accordingly, the Federal Circuit agreed that the claims in two of Enzo's patents were invalid as nonenabled. As to the third, the Federal circuit held that Calgene failed to carry its burden of proving nonenablement. On one remaining issue the Federal circuit held that the district court erred in deciding the issue of inequitable conduct before ruling on whether the case was exceptional.

MEHL/Biophile Intl Corp v. Milgraum, 99-1038 (Fed. Cir., Sept. 30, 1999).

The Federal Circuit affirmed summary judgment of invalidity on the ground of anticipation. The Court rejected the district court's conclusion that an instruction manual for a Spectrum RD- 1200 laser sold for use in removing tattoos anticipated the patent, because the manual did not have any teaching with respect to hair follicles, as specifically taught in the claim limitation. The Federal Circuit instead found anticipation by a 1987 Journal of Investigative Dermatology article in which research was focused "on the epilated backs of guinea pigs" by irradiation even though hair depilation was not mentioned as a goal. The Court stated "Where, as here, the result is a necessary consequence of what was deliberately intended, it is of no import that the article's authors did not appreciate the results."

Ricoh Co. v. Nashua Corp., No. 97-1344 (Fed. Cir. Feb. 18, 1999) (nonprecedential decision).

The Federal Circuit affirmed the district court's holding that Nashua's redesigned toner cartridge infringed Ricoh's patent. Ricoh claimed the its U.S. Patent No. 4,611,730 covered various Nashua toner cartridges. Nashua, after consulting a patent attorney, redesigned its toner cartridge in light of the patent and provided Ricoh with a prototype of the redesigned cartridge. Nashua subsequently sold the redesigned toner cartridge. Unbeknownst to Nashua, however, Ricoh had an application related to the '730 still pending and amended its claims broaden them to cover the Nashua redesign.

Nashua contended that it acquired intervening rights for the products it had developed because the later issued patent application, broadened the claims of the '730 patent more than two years after the issuance of the '730 patent. According to Nashua this amendment impermissibly circumventing the statutory mandates of a reissue proceeding. The Federal Circuit rejected this argument and recognized the practice of filing continuation applications to broaden claims to encompass a competitor's product. The Federal circuit also rejected Nashua's claim of intervening rights because the patent application in dispute had not issued and as result, Ricoh could not object to Nashua's design.

Novo Nordisk v. Eli Lilly & Co., No. 98-1312 (Fed. Cir. Feb. 23, 1999) (nonprecedential decision)

The Federal Circuit affirmed denial of Novo Nordisk's ("Novo") motions for preliminary injunctions in two separate cases. The Federal Circuit agreed that while Novo's patents were entitled to a presumption of validity, the defendants had raised a substantial question as to the validity of the asserted claims, which Novo did not rebut. As a result, the Federal circuit held that Novo had not demonstrated a likelihood of success on the merits. According to the Federal Circuit, when a party opposing a motion for a preliminary injunction raises a substantial question concerning the validity of a patent, the moving party cannot rely solely on the presumption of validity but must respond by establishing that the defense lacks substantial merit.

Announcing The Sixteenth Annual Joint Seminar Program

PATENT PRACTICE UPDATE

*Due to the continuing popularity of this Seminar on updates of patent practice,
The Connecticut Patent Law Association,
The Philadelphia Intellectual Law Association,
The New York Intellectual Property Law Association,
and The New Jersey Intellectual Property Law Association
are pleased again to **present***

*A One-Day Program Featuring Five Panels Of Experts
Discussing recent developments in the Law which all patent practitioners will need to know.*

Our panels of experts will discuss recent developments In U.S. Patent Office Practice,
Litigation, Pharmaceutical and Biotechnology Developments,
International and Licensing, and Computers & Software.

Connecticut Patent Law Association (Host Association)

Philadelphia Intellectual Property Law Association

New York Intellectual Property Law Association

New Jersey Intellectual Property Law Association

April 11, 2000

Grand Hyatt Hotel

(at Grand Central Station)

9:15 a.m. to 5:00 p.m.

\$150 Registration Fee (\$200 at the door)

(This fee includes a luncheon, bus transportation to Amtrak Station and all Seminar materials.)

A valuable reference text is provided to each attendee.

Also featuring guest speaker **Nicholas P. Godici**,
U.S.P.T.O. Deputy Assistant Commissioner for Patent Process Services

ETHICS TOPICS have been added to each of the panels!

Pennsylvania Attorneys EARN 6.0 CLE Credits

New York State Attorneys EARN 8.0 CLE Credits*

*This Course satisfies 7.0 NYS Professional Practice CLE credits and 1.0 NYS Ethics CLE credit for Experienced and Newly Admitted Attorneys through the sponsorship of the NYIPLA, which has been approved as an Accredited Provider of NYS CLE by the NYS CLE Board.

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