

**Texas Intellectual Property Law Journal**  
Spring, 1995

Recent Development

RECENT DEVELOPMENTS IN PATENT LAW

Gale R. Peterson<sup>al</sup>

Copyright (c) 1995 by the State Bar of Texas, Intellectual Property Law Section; Gale R. Peterson

*Table of Contents*

I. Introduction

II. Supreme Court-*Asgrow Seed Co. v. Winterboer*

III. Other Judicial Developments in Patent Law

A. *Ferag AG v. Quipp Inc.*-Sales Between "Related" Companies Can Raise the "On Sale" Bar

B. *Glaverbel Société Anonyme and Fosbel, Inc. v. Northlake Marketing & Supply, Inc.*-No Anticipation Where Prior Art Process Was "Different"

C. *Sage Products, Inc. v. Devon Industries, Inc.*-Replacing Disposal Element Permissible Repair Not Reconstruction

D. *In re Trovato*-Determining the Shortest Distance Between Two Points Is Non-Statutory Mathematical Algorithm

E. *Therma-Tru Corp. v. Peachtree Doors, Inc.*-Disputed Issues of Fact Underlying Inequitable Conduct-The Federal Circuit Changes Its Mind Again

F. *Penda Corp. v. United States*-Third-Party Defendant/Government Contractor Lacks Standing to Appeal Where No Judgment Was Entered Against It

G. *In re Lockwood*-There Is a Seventh Amendment Right to Trial by Jury on Validity in Declaratory Judgment Action

H. *Akro Corporation v. Luker*-Threatening Letters and Personal Jurisdiction

**I. Introduction**

This article will discuss the Supreme Court's decision in *Asgrow Seed Co. v. Winterboer*,<sup>1</sup> dealing with the Plant Variety Protection Act, and a potpourri of Federal Circuit decisions. For example, in *Ferag AG v. Quipp Inc.*,<sup>2</sup> the court discusses when sales between "related" companies can raise the "on sale" bar. *Glaverbel Société Anonyme and Fosbel, Inc. v. Northlake Marketing & Supply, Inc.*<sup>3</sup> involves a scenario where no anticipation was found when the claims literally "read on" a prior art process, but the prior art process was "different." Additional topics addressed in other cases include: repair vs. reconstruction; non-statutory subject matter; jury questions in cases involving charges of inequitable conduct; standing of a third-party defendant in a section 1498 action to maintain an appeal after the government withdraws its appeal; and the Seventh \*286 Amendment right to trial by jury of a patent owner in a declaratory judgment action for invalidity after the infringement action has been dismissed.

## II. Supreme Court-*Asgrow Seed Co. v. Winterboer*<sup>4</sup>

Asgrow Seed Company (Asgrow) sued the Winterboers, Iowa farmers, for alleged violations of the Plant Variety Protection Act<sup>5</sup> (PVPA or “the Act”) in connection with the Winterboers’ sales of one of Asgrow’s PVPA-protected seed varieties. The PVPA, passed by Congress in 1970, provides patent-like protection for novel varieties of sexually reproduced plants. Under the Act the owner of a “certificate of protection” for a variety of plant is granted the right, for an 18 year term, to “exclude others from selling the variety, or offering it for sale, or reproducing it, or importing it, or exporting it, or using it in producing (as distinguished from developing) a hybrid or different variety therefrom.”<sup>6</sup> An exemption for farmers, however, provides that it shall not constitute infringement, subject to subsections (3) and (4) of the Act, for a farmer to save seed which was obtained from the owner of the variety to be used “in the production of a crop for use on his farm, or for sale,”<sup>7</sup> such sale being made to other persons for reproductive or non-reproductive purposes.<sup>8</sup> This exemption permits farmers to obtain protected seed from a company such as Asgrow, plant the seed in their fields, and then harvest and sell the seed to other farmers. These sales are termed “brown-bag sales,” and they were the focus of this case.

The Winterboers realized significant income from “brown bag sales.” During 1990, they planted 265 acres of soybean using protected varieties received from Asgrow. They sold their entire salable crop to other farmers at approximately one-half of the price of seed obtained from Asgrow.<sup>9</sup> Asgrow sued on the grounds that such sales constituted infringement under 7 U.S.C. §§ 2541(1), (3), and (6).<sup>10</sup> In response, the Winterboers asserted that the Act’s exemption gave them the right to sell unlimited quantities of seed from a protected variety, since the sales complied with state law and both buyer and seller were farmers within the exemption. Asgrow argued, and the district court agreed, that the exemption only allows a farmer to save and resell to other farmers the amount of seed that he would need to replant his own fields.<sup>11</sup> On appeal, the Federal Circuit \*287 reversed, holding that nothing in section 2543 limited the amount of seed that could be sold.<sup>12</sup> The Federal Circuit further held, on questionable reasoning, that the exemption permitted a farmer to sell up to one-half of every crop he produced from PVPA-protected seed to another farmer for planting, providing the remaining one-half of the crop be sold for non-reproductive purposes only (*i.e.*, food or feed).<sup>13</sup>

On certiorari, the Supreme Court reversed.<sup>14</sup> The Court characterized section 2543 as a “verbal maze” and stated that “it is quite impossible to make complete sense of this provision.”<sup>15</sup> At the end of that maze, however, the Court held that:

By reason of its proviso the first sentence of § 2543 allows seed that has been preserved for reproductive purposes (“saved seed”) to be sold for such purposes. The structure of the sentence is such, however, that this authorization does *not* extend to saved seed that was grown *for the very purpose* of sale (“marketing”) for replanting—because in that case, § 2541(3) would be violated, and the above-discussed exception to the exemption would apply. As a practical matter, since § 2541(1) prohibits all unauthorized transfer of title to or possession of the protected variety, this means that the only seed that can be sold under the proviso is seed that has been saved by the farmer to replant his own acreage. (... It is in our view the proviso in § 2543, and not the crop exemption, which authorizes the permitted buyers of saved seeds to sell the crops they produce.) Thus, if a farmer saves seeds to replant his acreage, but for some reason changes his plans, he may instead sell those seeds for replanting under the terms set forth in the proviso (or of course sell them for nonreproductive purposes under the crop exemption).<sup>16</sup>

## III. Other Judicial Developments in Patent Law

### A. *Ferag AG v. Quipp Inc.*<sup>17</sup>-Sales Between “Related” Companies Can Raise the “On Sale” Bar

In *Ferag AG v. Quipp Inc.*, Ferag AG (Ferag) sued Quipp for infringement of its patent protecting the gripper clamps it manufactured as part of a mailroom conveyor apparatus.<sup>18</sup> In response, Quipp claimed that Ferag’s patent was invalid under the “on sale” bar because Ferag had sold devices incorporating the gripper clamps more than one year before Ferag filed its patent application.<sup>19</sup>

The “on sale” bar provides that a patent is invalidated if an inventor has placed his invention “in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States.”<sup>20</sup> However, a sale or offer must involve separate \*288 entities before the on sale bar will apply.<sup>21</sup> When two entities are “related” companies, “whether there is a statutory bar depends on whether the seller so controls the purchaser that the invention remains out of the public hands.”<sup>22</sup>

This was the issue in *Ferag*. The sale on which Quipp based its claim of an “on sale” bar occurred between Ferag and a related company, Ferag, Inc.<sup>23</sup> Ferag, the owner of the patent-in-suit, is a Swiss corporation. Ferag, Inc. is a U.S. corporation owned by Ferag and an individual, Robert Smallacombe, who served as CEO and President. Ferag and Smallacombe could each vote 49.5% of the stock. Two other individuals were appointed trustees of a voting trust that could vote the remaining 1%. Under the terms of an operations agreement, Smallacombe had management authority over virtually all of the operations of Ferag, Inc., but there was a requirement that Ferag, Inc. use its best efforts to sell, manufacture and service Ferag products.<sup>24</sup>

Ferag’s application for the patent on the gripper clamps was filed on January 15, 1981; therefore, the critical date with regard to the on sale bar was January 15, 1980. In early 1979, Ferag entered into discussions with a New Jersey newspaper publisher, the Bergen Evening Record (Bergen), about installing Ferag equipment. In March 1979, Bergen, Ferag, and Ferag, Inc. entered into a tripartite “partnership agreement” that provided for the installation of two Ferag systems at one of Bergen’s facilities.<sup>25</sup> The agreement did not specify the operational details of the system, but it did set out certain performance criteria. On June 13, 1979, Ferag, Inc. and Bergen entered into an “Equipment Sales Agreement” that incorporated the earlier “partnership agreement.”<sup>26</sup> The gripper clamps that were the subject of the patent-in-suit, known as the EP-100 clamps, were not specifically part of either agreement, and work did not begin on the system using such clamps until July 1979. However, by September 1979 the clamps had been successfully tested.<sup>27</sup>

On November 23, 1979, Ferag sent Ferag, Inc. a confirmation of an earlier order for a system that included the EP-100 clamps. That document gave a provisional price for the whole system and for its components. However, no specific price or delivery date was given until January 24, 1980, when a subsequent order confirmation quoted prices and a specific delivery date.<sup>28</sup>

Quipp argued that the November 1979 confirmation constituted such “on sale” activity as to trigger the application of the “on sale” bar to invalidate Ferag’s patent.<sup>29</sup> The district court \*289 refused to so hold, finding that Ferag, Inc. was not a separate entity from Ferag.<sup>30</sup> On appeal, the Federal Circuit reversed.<sup>31</sup>

The district court viewed the ownership of the respective companies, the operation agreement, and the voting trust as establishing Ferag’s ability to control Ferag, Inc.<sup>32</sup> The Federal Circuit took the opposite view, observing that the same evidence showed that Ferag and Smallacombe *shared* control of Ferag, Inc., and indeed, the operations agreement demonstrated that Smallacombe had a degree of autonomy in running the company.<sup>33</sup> According to the court, “ b ecause Ferag could not control Ferag, Inc.’s marketing of the invention, the two companies were separate entities for section 102(b) purposes and the transaction between them gives rise to a statutory bar.”<sup>34</sup> The March partnership agreement coupled with the November order confirmation was sufficient, according to the court, to show that Ferag was attempting to commercialize the invention as of November 1979, more than one year before Ferag filed its application for the patent-in-suit.<sup>35</sup>

### ***B. Glaverbel Société Anonyme and Fosbel, Inc. v. Northlake Marketing & Supply, Inc.*<sup>36</sup>-No Anticipation Where Prior Art Process Was “Different”**

Glaverbel was the owner of two patents-in-suit, ‘560 and ‘022, relating to a ceramic welding process.<sup>37</sup> Ceramic welding is a method of repairing industrial furnaces by forming a coherent refractory mass on a furnace wall where particles of an oxidizable substance that burns exothermically are projected together with a refractory substance, resulting in an exothermic reaction that welds the refractory mass to the furnace wall.<sup>38</sup>

Claim 1 of patent ‘560 was the broadest claim of that patent, and it defined the invention as:

1. A process of forming a refractory mass comprising the steps of:

projecting against a surface particles of at least one oxidizable substance which burns by combining with oxygen with accompanying evolution of heat, said particles having an average size of less than 50 microns, and particles of at least one different substance, along with a combustion supporting gas,

at least one of said substances being of a composition such that under the heat of combustion of said oxidizable substance a coherent refractory mass is formed from said oxidizable substance and the different substance;

\*290 and burning the oxidizable substance substantially entirely while it is being projected against such surface for forming

such refractory mass.<sup>39</sup>

Claim 1 of patent '022 was the broadest claim of that patent. It defined an improvement on the ceramic welding process:

1. A process of forming a refractory mass comprising burning particles of exothermically oxidizable material having an average grain size of less than 50  $\mu\text{m}$  while mixed with particles of incombustible refractory material during projection of the mixture against a surface to form a coherent refractory mass on said surface, said oxidizable material comprises silicon and aluminum, the aluminum being present in an amount not exceeding 9% by weight of the total mixture, and wherein the aluminum and silicon are together present in an amount not exceeding 15% by weight of the total mixture.<sup>40</sup>

When Glaverbel filed an infringement action against Northlake based on these patents, Northlake argued that both patents-in-suit were invalid as being anticipated by a Swedish patent and a U.S. patent, both of which related to flame-spraying in which the refractory material was heated with a flame which projected the material against the wall.<sup>41</sup> Northlake argued that the claims were broad enough to read on such a flame-spraying process and thus were invalid.<sup>42</sup> The district court disagreed and concluded that the patents had not been proved invalid.<sup>43</sup>

On appeal, the Federal Circuit affirmed the district court's conclusion of no anticipation.<sup>44</sup> The claims of the patents-in-suit, at least those reproduced in the court's opinion, appeared to be broad enough to be read on the prior art, as Northlake argued. Nothing in the claims, per se, seemed to limit them to an exothermic reaction at the surface of the wall. Nevertheless, Judge Newman, writing for the Federal Circuit panel, approved of the district court's manner of interpreting the patents-in-suit in light of the specification and prior art by using expert testimony concerning the field of the invention.<sup>45</sup>

It is true, of course, that claims must be read *in light* of the specification. With due deference to Judge Newman and the panel, however, there is a significant difference between reading claims *in light* of the specification, and reading limitations *from* the specification *into* the claims. The former is proper; the latter is clearly not. If, in fact, the claims actually read on the prior art, and the prosecution history did not otherwise limit such a reading of the claims, a finding of anticipation would appear to be the correct result.

#### **\*291 C. Sage Products, Inc. v. Devon Industries, Inc.<sup>46</sup>-Replacing Disposal Element Permissible Repair Not Reconstruction**

When addressing a patented combination of unpatented elements, the Supreme Court has generally held that replacement of individual unpatented parts, one at a time, constitutes permissible repair, rather than reconstruction, and does not constitute infringement.<sup>47</sup> In *Sage Products*, the Federal Circuit noted that this characterization is especially true for parts that are intended to be replaced during normal operation.<sup>48</sup>

Sage was the owner of a patent on a disposal system for sharp instruments typically used in the medical field.<sup>49</sup> The system included an outer enclosure that could be mounted on a wall and a removable inner container. The patent claims covered only the combination of the outer enclosure and the inner container, not the components separately. Although the inner container *could* be cleaned and reused, that was not the intended purpose. Indeed, Sage marked the containers "BIOHAZARD-SINGLE USE ONLY," and its literature instructed users to discard the inner containers when they were filled. In addition, Sage apparently refused to sell directly to buyers that reused the containers. Devon manufactured inner containers that could be used with its own wall brackets or with Sage wall units.<sup>50</sup> Sage brought suit asserting that hospitals and other users were directly infringing its patent by replacing the inner container, and that Devon was either inducing infringement or contributorily infringing its patent by the sale of such inner containers.<sup>51</sup> The district court granted Devon partial summary judgment and held that there was no direct infringement. According to the court, replacing the inner containers was permissible repair rather than reconstruction, and therefore Devon was not liable for induced or contributory infringement.<sup>52</sup>

On appeal, the Federal Circuit affirmed.<sup>53</sup> Sage argued that because it was *possible* to reuse the inner containers, there was a genuine issue of material fact as to whether replacing the containers constituted impermissible reconstruction.<sup>54</sup> The court disagreed: "Like the district court, we believe that when it is neither practical nor feasible to continue using an element that is intended to be replaced, that element is effectively spent ... and the user may replace them without infringing the '413 patent."<sup>55</sup> The Federal Circuit concluded that there was no unresolved fact that would preclude summary judgment of

noninfringement.<sup>56</sup>

**\*292 D. *In re Trovato*<sup>57</sup>-Determining the Shortest Distance Between Two Points Is Non-Statutory Mathematical Algorithm**

This appeal from decisions of the PTO Board of Patent Appeals and Interferences (the Board) involved two applications, the '024 and '303 applications. Both applications included method and apparatus claims that stood rejected under 35 U.S.C. § 101 as being drawn to non-statutory subject matter.<sup>58</sup> Both were directed to “finding the optimal path between two locations, whether in terms of distance, cost, capacity, time, or other criteria.”<sup>59</sup> Claims 1 and 2 were representative of the method claims on appeal in the '303 application:

1. A method for determining motion of an object comprising the steps of:

a) storing a configuration space data structure representing a physical task space, the configuration space data structure including representations of the object and its environment; and

b) propagating cost waves, in the configuration space data structure, to fill the configuration space data structure with cost values according to a space variant metric.

2. The method of claim 1, further comprising the steps of:

a) deriving a sequence of object pose representations within the configuration space data structure, using the cost values, which representations represent physical poses defining a least cost path from a start pose to a goal pose in the physical task space; and

b) providing a series in electronic form usable by the object to follow the path.<sup>60</sup>

Claim 33 of the '303 application was representative of the apparatus claims on appeal:

33. Apparatus for planning a least cost path comprising:

a) means for storing a discretized representation of a physical task space;

b) means for assigning at least one respective cost to at least one neighboring position of any given position, based on

i) a cost assigned to the given position; and

ii) a measure which varies according to position within the discretized representation, so that a least cost path from the neighboring position to the given position is established;

c) means for starting the assigning means at a first position of known cost;

d) means for causing the assigning means to iterate, so that all positions within the discretized representation are assigned respective costs, in waves propagating outward from the first position; and

e) means for identifying a least cost path between two positions in the discretized representation based on the respective costs.<sup>61</sup>

Method claim 1 was representative of the method claims on appeal in the '024 application:

**\*293** 1. A method for planning a path for an object to follow in a physical task space in which there has been a change in conditions comprising the steps of:

a) starting from an initialized configuration space data structure representing the physical task space, the configuration space data structure storing signals representing the object and its environment;

b) receiving signals indicating the change in conditions;

- c) identifying the perimeter of a region in the configuration space data structure which is affected by the change in conditions;
- d) propagating cost waves in the configuration space data structure from the perimeter to update the signals stored in the configuration space data structure; and
- e) providing parameter signals based on the updated direction arrows [sic, signals], the parameter signals being usable by the object to follow the path.<sup>62</sup>

Claim 41 was representative of the apparatus claims in the '024 application:

41. Computer apparatus for planning a path for an object to follow in a physical task space in which there has been a change in conditions comprising:

- a) means for storing a configuration space representing the object and its environment;
- b) means for receiving signals indicating the change of conditions;
- c) means for identifying a perimeter of a region in the configuration space which is affected by the change in conditions;
- d) means for propagating cost waves from the perimeter by updating the configuration space, within the means for storing, to fill the configuration space with an updated representation corresponding to the change in conditions; and
- e) means for supplying parameter signals based on the updated configuration space, the parameter signals being usable by the object to follow the path.<sup>63</sup>

In essence, possible object movements in the real world, the “physical task space,” were modeled by a graph, the “configuration space,” which was stored as a “data structure.”<sup>64</sup> The '303 application calculated the most efficient path between two points by propagating “cost waves.” The '024 application was said to represent an improvement in that it took into account changes in the “configuration space.”<sup>65</sup>

The test currently used by the court for non-statutory subject matter is the “Freeman-Walter-Abele” test:

It is first determined whether a mathematical algorithm is recited directly or indirectly in the claim. If so, it is next determined whether the claimed invention as a whole is no more than the algorithm itself; that is, whether the claim is directed to a mathematical algorithm that is not applied to or limited by physical elements or process steps.<sup>66</sup>

\***294** *Trovato* argued that the method claims of both applications did not meet the first element of the test because the claimed inventions solved physical, not mathematical, problems.<sup>67</sup> Neither the Board nor the court was convinced. According to the court, the process calculated various costs and used data representing differing aspects of physical space (e.g., obstacles, terrain features such as slopes or slick surfaces) that were represented abstractly by numerical values, and therefore “*Trovato*’s method claims indirectly recite a mathematical algorithm.”<sup>68</sup>

With respect to the second element of the test, the court noted that neither specification included “a hardware enablement of the claimed invention.”<sup>69</sup> Instead “the entire disclosure consists of flow charts and program code computing the least cost path from starting to goal states based upon the data in the configuration space.”<sup>70</sup> The court concluded that “*Trovato* claims nothing more than the process of performing a numerical calculation.”<sup>71</sup> As for the apparatus claims, the court similarly concluded that “*Trovato*’s apparatus claims do no more than solve a mathematical algorithm.”<sup>72</sup>

The court specifically noted that it viewed its decision as consistent with *In re Alappat*.<sup>73</sup> The *Trovato* court said that in *Alappat* it “extensively relied upon the hardware listed in the specification, including arithmetic logic circuits, barrel shifters and a read only memory in reaching the result that the claimed invention constituted patent eligible subject matter.”<sup>74</sup> In *Trovato*, the court noted, a “search through *Trovato*’s application for the combination of similar apparatus is unavailing.”<sup>75</sup>

In view of those comments, two issues immediately arise. The first is whether Trovato would have fared better if the inventors<sup>76</sup> had recited the normal physical elements of a digital computer and then cast their claims in terms of storing and manipulating various values and data. As a practical matter, that should not, of course, determine whether claims to a software implemented process constitute statutory subject matter, but the court's comments indicate that it is more impressed by hardware than by pure software. The second issue is whether the court is now implying that "software patents" will be limited to those that involve novel hardware. That may indeed be the implication because, in addition to the above comments, the court noted that Trovato's application did not disclose a machine, but rather software instructions, because "no 'structure' appears in the specification as required under § 112, ¶ 6 for the means-plus-function \*295 limitations."<sup>77</sup> Furthermore, the court found that Trovato did not claim that the mathematical algorithm controlled a new kind of computer, nor was it combined with a new memory which controlled a computer.<sup>78</sup> In fact, the court bluntly stated, "the most they provide is a systemic way in which to compute a number representing the shortest path."<sup>79</sup>

### **E. *Therma-Tru Corp. v. Peachtree Doors, Inc.*<sup>80</sup>-Disputed Issues of Fact Underlying Inequitable Conduct-The Federal Circuit Changes Its Mind Again**

In *General Electro Music Corp. v. Samick Music Corp.*, the Federal Circuit expressly held that "[t]he disputed issues of fact underlying the issue of inequitable conduct are not jury questions, the issue being entirely equitable in nature. ... Thus, the facts are ordinarily for the court to resolve, accompanied by findings of fact in accordance with [Federal Rule of Civil Procedure] 52(a)."<sup>81</sup>

Following *General Electro Music*, the respective roles of the court and the jury in deciding cases of inequitable conduct appeared to be settled until January 4, 1995, when a different panel's opinion in *Therma-Tru Corp. v. Peachtree Doors, Inc.* reopened the issue. Therma-Tru owned a patent on a door having a glass fiber-reinforced plastic skin. One of the novel features of the door was that the skin was, in the words of one of the claims-at-issue, "essentially devoid of glass fibers for a predetermined depth of at least 0.005 inch."<sup>82</sup> This new feature allowed wood stain to be applied to the door for finishing. Older model doors had glass fibers close to the surface and would develop blemishes after being stained because the fibers acted as wicks.<sup>83</sup>

After Therma-Tru's door became a commercial success, Peachtree arranged with Therma-Tru's contractor to have the same door manufactured for Peachtree using Therma-Tru's process. Therma-Tru sued Peachtree for willful patent infringement, and Peachtree defended on several grounds, including "unenforceability [of the patent] due to inequitable conduct in the PTO."<sup>84</sup> The Federal Circuit opinion is not entirely clear on the basis for the allegation of inequitable conduct, nor was the district court judgment as a result of the somewhat unusual manner in which the district court chose to decide the issue. The parties had advised the district court that, in accordance with *General Electro Music*, the court must decide the inequitable conduct issue and have the validity and infringement issues go to the jury.<sup>85</sup> After the jury was charged and had retired to deliberate, the judge wrote his verdict on the inequitable conduct issue and left it in a sealed envelope with the clerk. The entirety of his decision was:

\*296 The clear & convincing evidence leads this court to find that material information was withheld & this information was intentionally withheld.\*

Therefore the patent is unenforceable.

FN \*More than negligence or gross negligence.<sup>86</sup>  
That became the judgment of the court.

On appeal, the majority of the Federal Circuit panel voted to reverse.<sup>87</sup> The majority opinion by Judge Newman criticized the trial judge as apparently "view[ing] himself as a jury of one, finding the facts of materiality and intent and applying the law to those facts."<sup>88</sup> But, as noted above, only a few months earlier the Federal Circuit, albeit a different panel, had held in *General Electro Music* that the trial court should do just that.<sup>89</sup> After criticizing the district court, Judge Newman then cited several cases from several circuits holding generally that when issues of law are tried to a jury and the court rules on matters in equity, the court's judgment on matters in equity must be consistent with the jury's findings of fact.<sup>90</sup> However, a court's judgment on the issue of inequitable conduct is not *necessarily* based on the same facts decided by the jury, and the *Therma-Tru* opinion makes that point as well.

One of the issues presented to the jury in this case was whether the patent was invalid for lack of enablement. The jury concluded that the patent was valid, and therefore must have resolved the enablement issue in favor of the patentee.<sup>91</sup> The majority, noting that the trial court's brief "judgment" did not specify what material had been withheld, concluded that the trial judge's finding of inequitable conduct must have been based on an alleged failure to enable.<sup>92</sup> Because the jury implicitly found that the patent application was enabling, the majority concluded that the trial court's judgment was inconsistent with that finding and could not stand.<sup>93</sup>

In a dissenting opinion Judge Mayer points out that the record showed that Therma-Tru had failed to disclose certain prior art that he viewed as material. Furthermore, Therma-Tru misrepresented information concerning certain other prior art to the PTO.<sup>94</sup> For example, Therma-Tru "did not advise the examiner that compression molded skins had been used by Owens-Corning Fiberglass in doors that were sold and described in printed publications in the early 1970s, while arguing that the prior art skins were not compression molded."<sup>95</sup> According to Judge Mayer, Thema-Tru also did not advise the examiner that in 1980, General Tire & Rubber Company had \*297 proposed plastic entry doors made with the use of compression molded skins.<sup>96</sup> For those reasons, Judge Mayer would have affirmed the trial court's finding of inequitable conduct as not being clearly erroneous.<sup>97</sup>

#### **F. *Penda Corp. v. United States*<sup>98</sup>-Third-Party Defendant/Government Contractor Lacks Standing to Appeal Where No Judgment Was Entered Against It**

This is a noteworthy case for all government contractors. Penda was the owner of a patent covering pallets constructed of moldable thermoplastic material. The U.S. Postal Service awarded a supply contract to Cadillac Products, Inc. (Cadillac) for thermoformed plastic pallets. The contract included a provision requiring Cadillac to indemnify the government against infringement.<sup>99</sup> Penda sued the government in the Court of Federal Claims under 28 U.S.C. § 1498 seeking to recover "reasonable and entire compensation" for unauthorized use of the plastic pallets described in the patent, and the government joined Cadillac as a third-party defendant.<sup>100</sup>

The Court of Federal Claims held that Penda's patent was valid and that the government had used the invention "without license or lawful right."<sup>101</sup> Both Cadillac and the government filed notices of appeal to the Federal Circuit, but the government later withdrew its appeal. Cadillac continued the appeal, but Penda moved to dismiss for lack of jurisdiction "on the ground that Cadillac lacked independent standing to maintain the appeal."<sup>102</sup> The Federal Circuit denied Penda's motion and ordered the parties to address the issue of jurisdiction in their briefs.<sup>103</sup> They did so, and the court dismissed Cadillac's appeal for want of standing.<sup>104</sup>

In its argument, Cadillac relied on three grounds to assert standing, but the court did not uphold any of them. The first ground Cadillac advanced was that as a third-party defendant it had "standing to appeal errors in the main case notwithstanding the absence of the defendant on appeal."<sup>105</sup> However, the Federal Circuit noted that because of the limited jurisdiction of the Court of Federal Claims, no claim before that court was directed against Cadillac, and Cadillac was "at most a nominal defendant."<sup>106</sup> The second ground Cadillac asserted was that its potential liability as an indemnitor established a sufficient financial interest in the outcome to have standing to appeal.<sup>107</sup> According to the Federal Circuit, this created a paradox. Because the government \*298 withdrew its appeal, the court had no jurisdiction to relieve the government of the adverse judgment.<sup>108</sup> Therefore, Cadillac's appeal essentially sought reversal of the findings and conclusions reached by the Court of Federal Claims, not reversal of the judgment, and "courts ... have not recognized standing to appeal where a party does not seek reversal of the judgment but asks only for a review of unfavorable findings."<sup>109</sup> The court thus held that Cadillac's interest as the government's indemnitor was insufficient to support standing.<sup>110</sup> The third ground Cadillac advanced for standing was its risk of being bound by the issues of law and fact decided by the Court of Federal Claims. In response, the Federal Circuit held that the doctrine of issue preclusion could not be raised in subsequent litigation by the government because the government and Cadillac were not adversarial parties. Furthermore, Penda could not assert issue preclusion in future litigation because Cadillac was only a nominal defendant, and thus Cadillac did not bear the risk of issue preclusion as a result of the judgment.<sup>111</sup>

Therefore, in a subsequent action by the government to collect on its indemnity or in a subsequent suit by Penda for infringement, Cadillac is free to raise any or all of the invalidity and noninfringement issues that either were raised or could have been raised in the Court of Federal Claims litigation. As a practical matter, though, the Court of Federal Claims' decision on those issues would probably have significant influence on any court in subsequent litigation. Additionally, Cadillac is in the unenviable position of having to try the same issues perhaps two more times once with the government and a second time with Penda.



### **G. *In re Lockwood*<sup>112</sup>-There Is a Seventh Amendment Right to Trial by Jury on Validity in Declaratory Judgment Action**

Lockwood was the owner of two patents relating to self-service terminals and automatic ticket dispensing systems. Lockwood sued American Airlines for infringement. In response, American sought a declaration that its activities were noninfringing, and alternatively, counterclaimed that Lockwood's patents were invalid or unenforceable. The district court granted American's motion for summary judgment of noninfringement and dismissed Lockwood's infringement complaint.<sup>113</sup> The district court also held that it would proceed to hear American's action for a declaration of invalidity and would strike Lockwood's demand for a jury trial because "the remaining claims are equitable in nature and the plaintiff Lockwood is not entitled to a trial \*299 by jury as a matter of right."<sup>114</sup> Lockwood petitioned the Federal Circuit for a writ of mandamus directing the district court to reinstate his jury demand.<sup>115</sup>

Initially, the Federal Circuit issued the writ based on the reasoning that the underlying claim for infringement still existed and therefore Lockwood had a right to a jury trial.<sup>116</sup> American petitioned for rehearing, noting that the district court had dismissed the claim for infringement and that the only remaining claim was its declaratory judgment action asserting invalidity. The Federal Circuit granted the petition for rehearing, vacated its earlier grant of mandamus, and then again granted Lockwood his requested writ of mandamus, but on grounds different than earlier relied upon.<sup>117</sup>

The court concluded that suits for declaratory judgment of invalidity are more comparable to suits for patent infringement than to historical equitable actions, and that the Seventh Amendment right to a trial by jury extends to adjudication of legal rights, despite the fact that equitable remedies may be sought.<sup>118</sup> According to the court, Lockwood was entitled to a trial by jury on the issue of validity in the declaratory judgment action filed by American.<sup>119</sup> Interestingly, this case may be a precursor to the similar issue before the court in *Hilton-Davis*, namely whether there is a right to trial by jury in a case of alleged infringement under the doctrine of equivalents.<sup>120</sup>

### **H. *Akro Corporation v. Luker*<sup>121</sup>-Threatening Letters and Personal Jurisdiction**

Luker, an individual residing in Orange County, California, owned a patent for a vehicle floor mat. Apparently Luker had never been to Ohio, and had no agent or personal representative in Ohio. Through his counsel, however, he sent Akro, an Ohio corporation with manufacturing facilities in Canton and Holmesville, Ohio, a "warning letter" asserting that certain floor mats produced by Akro infringed Luker's patent.<sup>122</sup> Akro's patent counsel was located in North Carolina. Over the next three years, Luker's counsel and Akro's counsel exchanged various communications in an effort to negotiate a settlement. Ultimately, those efforts were unavailing. In the interim, however, Luker granted an exclusive license to another Ohio company that was one of Akro's competitors.<sup>123</sup> Luker's counsel then sent a final letter to Akro's counsel demanding resolution and stating that a lawsuit would be filed if resolution was not forthcoming. Akro replied \*300 two days later with a declaratory judgment suit in the Northern District of Ohio asserting noninfringement, invalidity, and unenforceability.<sup>124</sup>

Luker did not answer the suit, but instead filed a Rule 12(b)(2) motion to dismiss for lack of personal jurisdiction. The district court granted Luker's motion to dismiss, and Akro appealed.<sup>125</sup> On appeal, the Federal Circuit reversed.<sup>126</sup>

Initially, the Federal Circuit noted that issues of personal jurisdiction in patent infringement actions are decided under the law of the Federal Circuit rather than the law of the otherwise applicable regional circuit, which would be the Sixth Circuit in this case.<sup>127</sup> Next, the court noted that where the facts underlying the jurisdictional claims are undisputed, the issue "presents a pure question of law, reviewable *de novo*."<sup>128</sup> In short, the Federal Circuit will decide the case based on its own evaluation of the issue.

On the merits, the court held that Luker was amenable to personal jurisdiction in Ohio based on the following two facts: (1) the exchange of letters over the three year period preceding suit in an effort to negotiate a settlement; and (2) the license granted to Akro's competitor in Ohio.<sup>129</sup> According to the court, the Ohio long-arm statute, extending to causes of action arising from a person "transacting any business in this state," was intended to extend "to the greatest reach consistent with due process."<sup>130</sup> The "minimum contacts" test for due process from the Supreme Court's decision in *International Shoe Co. v. Washington*<sup>131</sup> has been the standard for fifty years. More recently, the Supreme Court held in *Burger King Corp. v. Rudzewicz*<sup>132</sup> that due process requires that an out-of-state defendant have "fair warning" that his/her activities could subject him/her to personal jurisdiction, and that:

[T]his fair warning requirement is satisfied if the defendant has *purposefully directed his activities at the*

*residents of the forum and the litigation results from alleged injuries that arise out of or relate to those activities.* ... Thus where the defendant deliberately has engaged in significant activities within a State, or has *created continuing obligations between himself and residents of the forum*, he manifestly has availed himself of the privilege of conducting business there, and because his activities are shielded by the benefits and protections of the forum's laws it is presumptively not unreasonable to require him to submit to the burdens of litigation in that forum as well.<sup>133</sup>

Even if those two factors are satisfied, however, assertion of personal jurisdiction must be "fair."<sup>134</sup> Thus, according to the Federal Circuit, there are three criteria for asserting personal jurisdiction: (1) \*301 whether the defendant "purposefully directed his activities at residents of the forum" state; (2) whether "the litigation results from alleged injuries that arise out of or relate to those activities;" and (3) additionally, whether assertion of personal jurisdiction is, under the circumstances of the case, "fair."<sup>135</sup>

In this case, the Federal Circuit found that Luker's letters, through his counsel, constituted "purposefully directed" activities at residents of Ohio, namely Akro. Luker's argument that those letters were actually directed to Akro's patent counsel in North Carolina was quickly rejected.<sup>136</sup> Also, those letters showed that Luker had a continuing obligation under his license with Akro's competitor to enforce his patent, and the court found that to indicate additional activity "purposefully directed" at residents of Ohio.<sup>137</sup> With regard to the second prong of the test, the court concluded that Akro's declaratory judgment action arose out of or related to those activities.<sup>138</sup> Lastly, the court agreed with Akro that Ohio had "a 'manifest interest' in providing its residents with a convenient forum for redressing injuries inflicted by out-of-state actors," namely the enforcement of a patent that Akro asserted was invalid, not infringed and/or unenforceable.<sup>139</sup> Under these circumstances, the court found that Ohio's assertion of personal jurisdiction over Luker was not "unconstitutionally unreasonable."<sup>140</sup>

It is thus becoming increasingly clear that sending "warning letters" regarding infringement can quickly and properly be met with a declaratory judgment action. To some extent, this is inconsistent with the judiciary's general admonition that efforts to settle disputes should be undertaken before suit is filed. Although this was not the exact situation in *Luker*, if threatening or warning letters *alone* will suffice to confer personal jurisdiction in a distant state, patent owners will certainly be more inclined to simply pull the trigger and talk later.

#### Footnotes

<sup>a1</sup> Cox & Smith, San Antonio, Texas.

<sup>1</sup> 115 S. Ct. 788, 33 U.S.P.Q.2d (BNA) 1430 (1995).

<sup>2</sup> 45 F.3d 1562, 33 U.S.P.Q.2d (BNA) 1512 (Fed. Cir. 1995).

<sup>3</sup> 45 F.3d 1550, 33 U.S.P.Q.2d (BNA) 1496 (Fed. Cir. 1995).

<sup>4</sup> 115 S. Ct. 788, 33 U.S.P.Q.2d (BNA) 1430 (1995).

<sup>5</sup> Plant Variety Protection Act, Pub. L. No. 91-577, 84 Stat. 1542 (1970) (codified as amended in scattered sections of 7 U.S.C.).

<sup>6</sup> 7 U.S.C. § 2483 (1988).

<sup>7</sup> 7 U.S.C. § 2543 (1988).

8 *Id.*

9 *Asgrow Seed*, 115 S. Ct. at 791, 33 U.S.P.Q.2d at 1431.

10 *Id.*, 33 U.S.P.Q.2d at 1431-32. As noted above, under subsection (1) it is an infringement to “sell the novel variety, or offer it or expose it for sale, deliver it, ship it, consign it, exchange it, or solicit an offer to buy it, or any other transfer of title or possession of it.” 7 U.S.C. § 2541(1) (1988). Under subsection (3), it is also an infringement to “sexually multiply the novel variety as a step in marketing (for growing purposes) the variety.” 7 U.S.C. § 2541(3) (1988). Additionally, under subsection (6), it is an infringement to “dispense the novel variety to another, in a form which can be propagated, without notice as to being a protected variety under which it was received.” 7 U.S.C. § 2541(6) (1988).

11 *Asgrow Seed*, 115 S. Ct. at 792, 33 U.S.P.Q.2d at 1432-33.

12 *Id.*, 33 U.S.P.Q.2d at 1433.

13 *Id.*

14 *Id.* at 796, 33 U.S.P.Q.2d at 1436.

15 *Id.* at 792, 33 U.S.P.Q.2d at 1433.

16 *Id.* at 795, 33 U.S.P.Q.2d at 1435.

17 45 F.3d 1562, 33 U.S.P.Q.2d (BNA) 1512 (Fed. Cir. 1995) (opinion by Judge Mayer, joined by Judges Michel and Lourie).

18 *Id.* at 1564-65, 33 U.S.P.Q.2d at 1513.

19 *Id.* at 1566, 33 U.S.P.Q.2d at 1514.

20 35 U.S.C. § 102(b) (1988).

21 *Ferag*, 45 F.3d at 1567, 33 U.S.P.Q.2d at 1515. *See In re Caveney*, 761 F.2d 671, 676, 226 U.S.P.Q. (BNA) 1, 4 (Fed. Cir. 1985).

22 *Ferag*, 45 F.3d at 1567, 33 U.S.P.Q.2d at 1515.

23 *Id.* at 1564-65, 33 U.S.P.Q.2d at 1513-14.

24 *Id.* at 1565, 33 U.S.P.Q.2d at 1513-14.

25 *Id.*, 33 U.S.P.Q.2d at 1514.

26 *Id.*

27 *Id.* at 1564-65, 33 U.S.P.Q.2d at 1513-14.

28 *Id.* at 1565-66, 33 U.S.P.Q.2d at 1514.

29 *Id.* at 1566, 33 U.S.P.Q.2d at 1515.

30 *Id.*

31 *Id.*

32 *Id.* at 1567, 33 U.S.P.Q.2d at 1515.

33 *Id.*

34 *Id.*

35 *Id.* at 1569, 33 U.S.P.Q.2d at 1517.

36 45 F.3d 1550, 33 U.S.P.Q.2d (BNA) 1496 (Fed. Cir. 1995) (opinion by Judge Newman, joined by Judges Mayer and Clevenger).

37 *Id.* at 1553, 33 U.S.P.Q.2d at 1497.

38 *Id.*

39 *Id.*

40 *Id.* at 1553-54, 33 U.S.P.Q.2d at 1497.

41 *Id.* at 1554-55, 33 U.S.P.Q.2d at 1498.

42 *Id.* at 1554, 33 U.S.P.Q.2d at 1498.

43 *Id.* at 1555, 33 U.S.P.Q.2d at 1498.

44 *Id.* Several issues were presented on appeal. Overall, the Federal Circuit affirmed-in-part, reversed-in-part, and remanded the district court's judgment. *Id.* at 1553, 33 U.S.P.Q.2d at 1497.

45 *Id.* at 1555, 33 U.S.P.Q.2d at 1498.

46 45 F.3d 1575, 33 U.S.P.Q.2d (BNA) 1765 (Fed. Cir. 1995) (opinion by Judge Mayer, joined by Judges Rader and Schall).

47 *Id.* at 1578, 33 U.S.P.Q.2d at 1767. *See* Aro Mfg. Co. v. Convertible Top Replacement Co., 365 U.S. 336, 128 U.S.P.Q. (BNA) 354 (1961); Everpure, Inc. v. Cuno, Inc., 875 F.2d 300, 10 U.S.P.Q.2d (BNA) 1855 (Fed. Cir. 1989).

48 *Sage Prods.*, 45 F.3d at 1578, 33 U.S.P.Q.2d at 1767.

49 *Id.* at 1576-77, 33 U.S.P.Q.2d at 1766.

50 *Id.*

51 *Id.* at 1577, 33 U.S.P.Q.2d at 1766.

52 *Id.*

53 *Id.* at 1579, 33 U.S.P.Q.2d at 1768.

54 *Id.* at 1578, 33 U.S.P.Q.2d at 1767.

55 *Id.* (citation omitted).

56 *Id.*

57 42 F.3d 1376, 33 U.S.P.Q.2d (BNA) 1194 (Fed. Cir. 1994) (opinion by Judge Nies, joined by Judges Michel and Schall).

58 *Id.* at 1378, 33 U.S.P.Q.2d at 1195.

59 *Id.* at 1377, 33 U.S.P.Q.2d at 1194.

60 *Id.*, 33 U.S.P.Q.2d at 1195.

61 *Id.* at 1377-78, 33 U.S.P.Q.2d at 1195.

62 *Id.* at 1378-79, 33 U.S.P.Q.2d at 1196.

63 *Id.* at 1379, 33 U.S.P.Q.2d at 1196.

64 *Id.* at 1377, 33 U.S.P.Q.2d at 1194.

65 *Id.*, 33 U.S.P.Q.2d at 1195.

66 *Id.* at 1378, 33 U.S.P.Q.2d at 1195 (quoting *Arrhythmia Research Technology, Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1058, 22 U.S.P.Q.2d (BNA) 1033, 1037 (Fed. Cir. 1992)).

67 *Id.* at 1379, 33 U.S.P.Q.2d at 1196.

68 *Id.* at 1379-80, 33 U.S.P.Q.2d at 1197.

69 *Id.* at 1380, 33 U.S.P.Q.2d at 1197.

70 *Id.* Presumably the reason that a “hardware enablement” was not provided was because the processes could be performed on general purpose digital computers. However, the opinion is unclear on this point.

71 *Id.*

72 *Id.* at 1382, 33 U.S.P.Q.2d at 1199.

73 33 F.3d 1526, 31 U.S.P.Q.2d (BNA) 1545 (Fed. Cir. 1994).

74 *Trovato*, 42 F.3d at 1383, 33 U.S.P.Q.2d at 1200.

75 *Id.*

76 There were two inventors, Karen I. Trovato and Leendert Dorst, but the court referred to both jointly as “Trovato.” That convention has been continued here.

77 *Id.* at 1382, 33 U.S.P.Q.2d at 1199.

78 *Id.* at 1383, 33 U.S.P.Q.2d at 1200.

79 *Id.*

80 *Therma-Tru Corp. v. Peachtree Doors, Inc.*, 44 F.3d 988, 33 U.S.P.Q.2d (BNA) 1274 (Fed. Cir. 1995) (opinion by Judge Newman, joined by Judge Plager; concurring-in-part and dissenting-in-part opinion by Judge Mayer whose dissent was on the inequitable conduct issue).

81 *General Electro Music Corp. v. Samick Music Corp.*, 19 F.3d 1405, 1408, 30 U.S.P.Q.2d (BNA) 1149, 1152 (Fed. Cir. 1994) (opinion by Judge Lourie, joined by Judges Nies and Clevenger) (citations omitted).

82 *Therma-Tru*, 44 F.3d at 991, 33 U.S.P.Q.2d at 1275.

83 *Id.*

84 *Id.*

85 *Id.* at 994, 33 U.S.P.Q.2d at 1277.

86 *Id.*

87 *Id.* at 996, 33 U.S.P.Q.2d at 1279.

88 *Id.* at 994, 33 U.S.P.Q.2d at 1277.

89 *General Electro Music Corp.*, 19 F.3d at 1408, 30 U.S.P.Q.2d at 1152.

90 *Therma-Tru*, 44 F.3d at 994-95, 33 U.S.P.Q.2d at 1278.

91 *Id.* at 993-94, 33 U.S.P.Q.2d at 1277.

92 *Id.* at 994, 33 U.S.P.Q.2d at 1278.

93 *Id.* at 994-95, 33 U.S.P.Q.2d at 1278. The court could, and perhaps should, have remanded to the trial court for specific findings and conclusions on the issue.

94 *Id.* at 997, 33 U.S.P.Q.2d at 1280.

95 *Id.*

96 *Id.* at 997-98, 33 U.S.P.Q.2d at 1280.

97 *Id.* at 998, 33 U.S.P.Q.2d at 1281.

98 44 F.3d 967, 33 U.S.P.Q.2d (BNA) 1200 (Fed. Cir. 1994) (opinion by Judge Clevenger, joined by Chief Judge Archer and Judge Nies).

99 *Id.* at 968-69, 33 U.S.P.Q.2d at 1202.

100 *Id.* at 969, 33 U.S.P.Q.2d at 1201.

101 *Id.*

102 *Id.*, 33 U.S.P.Q.2d at 1202.

103 *Id.*

104 *Id.* at 971-73, 33 U.S.P.Q.2d at 1203-04.

105 *Id.* at 970, 33 U.S.P.Q.2d at 1202.

106 *Id.* at 971, 33 U.S.P.Q.2d at 1203.

107 *Id.* at 970, 33 U.S.P.Q.2d at 1202.

108 *Id.* at 971-72, 33 U.S.P.Q.2d at 1203.

109 *Id.*

110 *Id.* at 972, 33 U.S.P.Q.2d at 1203-04.

111 *Id.* at 972-73, 33 U.S.P.Q.2d at 1204.

112 33 U.S.P.Q.2d (BNA) 1406 (Fed. Cir. 1995) (opinion by Judge Michel, joined by Senior Judge Bennett and Judge Lourie). A petition for rehearing *en banc* was also denied, with the notation that Judge Nies dissented and would file a dissenting opinion “at a later date.” *Id.* at 1418. The dissenting opinion is published at *In re Lockwood*, 33 U.S.P.Q.2d (BNA) 1907 (Fed. Cir. 1995).

113 *Id.* at 1407.

114 *Id.* at 1408 (quoting *Lockwood v. American Airlines*, No. CIV. 91-1640-E (CM) (S.D. Cal. Jan. 11, 1994) (order granting motion to strike Lockwood’s demand for jury trial)).

115 *Id.*

116 *In re Lockwood*, 30 U.S.P.Q.2d (BNA) 1292, 1295 (Fed. Cir. 1994).

117 *Lockwood*, 33 U.S.P.Q.2d at 1417.

118 *Id.*

119 *Id.*

120 *See Hilton-Davis Chemical Co. v. Warner Jenkinson Co., Inc.*, 45 F.3d 442, 1993 WL 761179 (Fed. Cir. 1993) (order granting rehearing *en banc*, referenced in a “table of decisions without reported opinions” appearing in the Federal Reporter).

121 *Akro Corp. v. Luker*, 45 F.3d 1541, 33 U.S.P.Q.2d (BNA) 1505 (Fed. Cir. 1995) (opinion by Judge Michel, joined by Senior Judge Bennett and Judge Rader).



122 *Id.* at 1542, 33 U.S.P.Q.2d at 1506.

123 *Id.* at 1542-43, 33 U.S.P.Q.2d at 1506.

124 *Id.*, 33 U.S.P.Q.2d 1505-06.

125 *Id.* at 1543, 33 U.S.P.Q.2d at 1506.

126 *Id.* at 1542, 33 U.S.P.Q.2d at 1506.

127 *Beverly Hills Fan Co. v. Royal Sovereign Corp.*, 21 F.3d 1558, 1564, 30 U.S.P.Q.2d (BNA) 1001, 1006 (Fed. Cir. 1994), *cert. dismissed*, 115 S. Ct. 18 (1994).

128 *Akro*, 45 F.3d at 1543, 33 U.S.P.Q.2d at 1507.

129 *Id.* at 1546, 33 U.S.P.Q.2d at 1509.

130 *Id.* at 1544, 33 U.S.P.Q.2d at 1507 (citations omitted).

131 *International Shoe Co. v. Washington*, 326 U.S. 310 (1945).

132 *Burger King Corp. v. Rudzewicz*, 471 U.S. 462 (1985).

133 *Akro*, 45 F.3d at 1545, 33 U.S.P.Q.2d at 1508 (quoting *Burger King*, 471 U.S. at 471-72).

134 *Id.*

135 *Id.* at 1545-46, 33 U.S.P.Q.2d at 1508-09.

136 *Id.* at 1546, 33 U.S.P.Q.2d at 1509.

137 *Id.* (Although, the license was not actually in the record before the court Luker's letters were. At least one of those letters explained his continuing obligations under that license).

138 *Id.* at 1549, 33 U.S.P.Q.2d at 1511.

139 *Id.* (quoting *Burger King*, 471 U.S. at 473).

140 *Id.*, 33 U.S.P.Q.2d at 1512.