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RECENT DEVELOPMENTS IN PATENT LAW

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**\*320 I. Introduction**

The purpose of this article is to review selected patent decisions of the Court of Appeals for the Federal Circuit reported during September, October, and November of 1996. This article is not intended to provide a comprehensive reference of all such patent decisions, but instead represents those decisions the authors believe are the most significant, interesting, or noteworthy. These decisions are organized by subject matter to facilitate the readers' review.

## **II. Patent Prosecution**

### **A. Standard of Review Regarding PTO Factual Determinations: *In Re Kemps*<sup>1</sup>**

Kemps, a patent applicant, appealed the decision of the Patent and Trademark Office (“PTO”) Board of Patents Appeals and Interferences (“Board”), which had affirmed the Examiner’s rejection under 35 U.S.C. § 103 of all pending claims within Kemps’ patent application.<sup>2</sup> In deciding whether the Board erred, the Federal Circuit stated that “the ultimate determination of obviousness is a question of law to be reviewed de novo”, while the PTO’s factual inquiries upon which the obviousness determination is made are binding on the court unless shown to be clearly erroneous.<sup>3</sup> Applying these standards of review, the Federal Circuit concluded that the PTO’s factual determinations were not clearly erroneous and agreed with the Board’s conclusion that the claimed invention would have been obvious to one skilled in the art.<sup>4</sup>

In addition to addressing the issues on appeal, the Federal Circuit commented on the standard of review of factual determinations asserted by the PTO in its brief and at oral argument.<sup>5</sup> The PTO had propounded the “arbitrary and capricious” standard of review provided by the Administrative Procedure Act for use in informal adjudicative proceedings.<sup>6</sup> The Federal Circuit, stated that the PTO’s suggested standard was in disregard of clear Federal Circuit precedent, which provides that PTO factual determinations are to be reviewed under the “clearly erroneous” standard.<sup>7</sup>

\*321 The Federal Circuit further noted that the PTO’s disregard of this precedent forced Kemps to unnecessarily expend time, money and resources responding to the PTO’s argument.<sup>8</sup> The Federal Circuit also stated that the manner in which the issue was raised and argued was inappropriate since the PTO: (1) never explicitly argued for an overruling of the precedent, and (2) presented the issue to a panel of the Federal Circuit which does not possess the power to overrule precedent.<sup>9</sup> In addition, the Federal Circuit noted that the standard of review was irrelevant to the determination of this case since, as the PTO conceded, the case should have been decided the same way under either approach.<sup>10</sup> Under these circumstances, the Federal Circuit considered the PTO’s brief and argument to be “less forthright than the Federal Circuit expects and normally receives.”<sup>11</sup>

### **B. Best Mode Requirements / Assignment of Right to Sue for Past Damages: *Minco Inc. v. Combustion Engineering Inc.*<sup>12</sup>**

This case involved a patent infringement action for claims covering a rotary furnace for fusing minerals.<sup>13</sup> The defendant, Combustion Engineering (CE), sought to invalidate Minco’s patent for a mineral-fusing rotary furnace for failure to comply with 35 U.S.C. § 112.<sup>14</sup> The relevant claims at issue covered a two-crane support system on a housing with a detachable conical extension for the furnace.<sup>15</sup> The specification disclosed a two-crane support system, but did not disclose a preferred number of crane supports.<sup>16</sup> Minco commercialized a three-crane support system.<sup>17</sup> At trial, the patentee testified that he did not consider the three-crane system to be superior to the two-crane system disclosed in the patent.<sup>18</sup>

\*322 The Federal Circuit noted that to prove patent invalidity based on a patentee’s failure to disclose the best mode, an accused infringer must show by clear and convincing evidence that the inventor “both knew of and concealed a better mode of carrying out the claimed invention than was set forth in the specification.”<sup>19</sup> Additionally, the record must show that the inventor considered an alternative mode superior to the disclosed mode.<sup>20</sup> Based on this standard, the Federal Circuit concluded that there was no clear error in the trial court’s finding of lack of knowledge and lack of concealment of the best mode by the inventor at the time the application was filed.<sup>21</sup>

Additionally, the court addressed the issue of assignment of rights in suits for past damages.<sup>22</sup> In determining whether damages for past infringement may be awarded to an assignee of a patent, the Federal Circuit, reiterating established law, stated that “infringement ... harms only the owner of the patent at the time of the infringing acts.”<sup>23</sup> The Federal Circuit analyzed prior decisions by other courts on the issue and concluded that as a general rule, “the right to sue for prior infringement is not transferred unless the assignment agreement manifests an intent to transfer this right.”<sup>24</sup> That is, “determining whether the right to sue for prior infringement has been transferred turns on the proper construction of the assignment agreements, which is a matter of state contract law.”<sup>25</sup>

### **C. On-sale Bar For Inventions Under Development: *Seal-Flex Inc. v. Athletic Track and Court Construction*<sup>26</sup>**

Seal-Flex appealed from a summary judgment invalidating its patents due to an on-sale bar.<sup>27</sup> The Federal Circuit concluded that summary judgment was improperly granted.<sup>28</sup>

The inventor of Seal-Flex's patents worked over a period of time on developing formulations and methods of installation for an all-weather athletic \*323 running track.<sup>29</sup> In May of 1981, the inventor completed installation of a track at Beloit High School based on a new formulation and procedure. Through the summer of 1981 as well as the following winter, the inventor visited the Beloit site. He took samples of the track to determine how it was enduring the weather cycles. By the spring of 1982, the inventor claimed that he was satisfied with the performance of the track. In August of 1982, he filed his first patent application and later filed a continuation-in-part.<sup>30</sup> Both of these applications were later issued as patents.

At the district court level, Athletic Track and Court Construction—an accused infringer of Seal-Flex's patents—moved for summary judgment of invalidity based, in part, on an alleged on-sale bar.<sup>31</sup> Based on the pleadings, the district court concluded that an on-sale bar did accrue soon after the track was installed (between May and July of 1981), when the track was demonstrated and offered as a choice to two prospective customers.<sup>32</sup> The district court noted that the patented method had been extensively developed at the time of the offers, and thus was sufficiently complete to invoke the on-sale bar.<sup>33</sup>

On appeal, the Federal Circuit reversed the district court's decision on the grounds that it had applied the wrong standard.<sup>34</sup> The Federal Circuit held that, for on-sale bar purposes, "the issue is not how much development had already been done, but whether the invention was in fact complete and was known to work for its intended purpose."<sup>35</sup>

According to the Federal Circuit, if the Beloit track required evaluation under actual conditions of weather and use to determine if it would be satisfactory for its intended purpose, it could not be held as a matter of law that contacts with potential future customers during the evaluation period created an on-sale bar.<sup>36</sup> "Material factual issues included whether such evaluation was reasonably necessary and whether the period of evaluation was reasonable in view of the invention."<sup>37</sup> The Federal Circuit concluded that, without dispute, in the critical May to July time period, there had not been adequate time to determine whether the track would \*324 actually perform as intended.<sup>38</sup> Accordingly, the district court's summary judgment was reversed.<sup>39</sup> The Federal Circuit emphasized, however, that its holding should not be construed to imply "that an inventor may avoid an on-sale bar while engaging in commercial activity, simply by continuing to make improvements in the commercialized invention."<sup>40</sup>

### **III. Litigation**

#### **A. All Issues in Consolidated Actions Must be Certified for Appeal to the Federal Circuit: *Spraytex, Inc. v. DJS&T*<sup>41</sup>**

Spraytex filed an action against Homax seeking a declaratory judgment of noninfringement with regard to one of Homax's spray texturing patents.<sup>42</sup> Homax counterclaimed for declaratory judgment on three counts: (1) that Spraytex's product was covered by the parties' license agreement, (2) that Spraytex was in default for failure to pay royalties, and (3) that damages were in order for violation of the license agreement.<sup>43</sup> Spraytex filed a second declaratory judgment action for noninfringement, patent invalidity, and unenforceability of a second Homax patent.<sup>44</sup> In response, Homax counterclaimed for patent infringement.<sup>45</sup> The two actions were consolidated by the district court.<sup>46</sup> The district court entered summary judgment for Spraytex with regard to the first Homax patent, and Homax appealed.<sup>47</sup>

The issue before the Federal Circuit was one of first impression, "namely, whether a judgment that disposes of fewer than all actions consolidated by a district court may be separately appealed."<sup>48</sup> The Federal Circuit concluded that Homax's appeal should be dismissed because there was no certification that the final judgment \*325 on appeal was warranted and proper pursuant to Rule 54(b),<sup>49</sup> since the final judgment did not dispose of all aspects of the consolidated case.<sup>50</sup>

In reaching its decision, the Federal Circuit looked to other federal circuit courts for guidance on the issue. The Federal Circuit noted that both the Ninth and Tenth Circuits have held "that there can be no appeal of a judgment concerning a portion of a consolidated action absent certification pursuant to Fed.R.Civ.P. 54(b)."<sup>51</sup> However, the First and Sixth Circuits have held that appeals of judgments disposing of less than all claims in a consolidated case are proper and permitted.<sup>52</sup> Finally, the remaining circuits follow a case-by-case approach to determine whether an appeal disposing of less than all issues in a consolidated case is proper.<sup>53</sup> The Federal Circuit then reviewed its own case law and determined that consolidated actions were consistently treated as a single unit for consideration of issues on appeal.<sup>54</sup> It therefore adopted the rule of the

Ninth and Tenth Circuits, holding that certification is required in order to appeal a judgment disposing of less than all aspects of a consolidated case.<sup>55</sup>

#### **B. Rule 11 Sanctions and Frivolous Appeals: *S. Bravo Systems Inc. v. Containment Technologies Corp.*<sup>56</sup>**

S. Bravo filed an action against Containment Technologies (“CT”) for patent infringement and unfair competition.<sup>57</sup> The district court granted CT’s motion for summary judgment for noninfringement, but denied CT’s motion for Rule 11 sanctions.<sup>58,59</sup> S. Bravo appealed the district court’s summary judgment ruling.<sup>60</sup>

The Federal Circuit affirmed the district court’s summary judgment ruling for CT and remanded the case to the district court for further consideration of CT’s Rule \*326 11 motion.<sup>61</sup> The Federal Circuit also granted CT’s request for sanctions under Rule 38 of the Federal Rules of Appellate Procedure<sup>62</sup> based on the Federal Circuit’s conclusion that S. Bravo’s appeal was indeed frivolous.<sup>63</sup>

The Federal Circuit concluded that S. Bravo had failed to conduct a reasonable inquiry before filing the lawsuit.<sup>64</sup> First, S. Bravo had failed to secure an infringement opinion from counsel prior to filing suit or anytime thereafter.<sup>65</sup> Second, S. Bravo’s attorneys had relied solely on their client’s opinion that CT’s device infringed the three patents at issue.<sup>66</sup> Additionally, S. Bravo’s attorneys never compared the accused devices with the patent claims at issue.<sup>67</sup> Also, S. Bravo’s response to CT’s motion for summary judgment consisted of several unauthenticated photographs and a questionable declaration by S. Bravo’s president stating he had seen an allegedly infringing device disclosed by CT at a trade show.<sup>68</sup> S. Bravo’s president later admitted that he had never actually seen the specific device as depicted in the photographs.<sup>69</sup>

Based on these facts, the Federal Circuit held that the evidence of record gave substantial support for CT’s claim that S. Bravo violated Rule 11, and the Federal Circuit remanded the action to the district court for further factual findings.<sup>70</sup> Additionally, because S. Bravo relied on questionable evidence in bringing suit, the district court’s grant of summary judgment was determined to be unassailable, making S. Bravo’s appeal frivolous.<sup>71</sup> Consequently, the Federal Circuit awarded CT the reasonable amount expended to defend S. Bravo’s appeal.<sup>72</sup>

#### **\*327 C. Laches: *Hall v. Aqua Queen Manufacturing, Inc.*<sup>73</sup>**

Hall, inventor and co-owner of a waterbed patent, filed an action for patent infringement against eight defendants.<sup>74</sup> The district court granted summary judgment in favor of all eight defendants on the basis of laches or the alternative ground of equitable estoppel.<sup>75</sup>

After the Hall waterbed patent issued in 1971, a waterbed trade organization hired patent attorneys to review the validity and scope of the waterbed patent.<sup>76</sup> Some of the attorneys opined that the patent claims were too narrow to restrict competition and advised that the patent was therefore invalid. The invalidity opinion was circulated to waterbed trade organization members in 1971.<sup>77</sup> Hall did not file an infringement action against anyone in the industry until 1985, when he filed an International Trade Commission (“ITC”) proceeding to prevent importation of beds allegedly infringing the patent.<sup>78</sup> Hall shortly thereafter abandoned the action, after which time the defendant in that proceeding, Intex, filed a declaratory judgment action attacking the validity of Hall’s patent. Hall counterclaimed for patent infringement, and the patent was ultimately held valid.<sup>79</sup>

Shortly after this lawsuit, Hall’s attorney sent a form licensing letter to approximately 3,000 waterbed manufacturers and related companies.<sup>80</sup> None of the eight defendants responded to the form letters or heard anything further from Hall between 1987 and 1991, after which time four of the instant suits were filed.<sup>81</sup> Two additional actions were filed in 1992.<sup>82</sup>

The Federal Circuit affirmed the district court’s grant of summary judgment in favor of seven of the eight defendants under the doctrine of laches, since it was shown that Hall knew or should have known of the alleged infringing activities of those defendants six or more years prior to the infringement action.<sup>83</sup> The summary judgment entered against one of the eight defendants was vacated, however, since \*328 the district court had incorrectly applied the laches doctrine in favor of that defendant.<sup>84</sup>

Regarding the laches doctrine, the Federal Circuit restated the established law that since Hall either knew or should have

known of the accused infringers' allegedly infringing activities six or more years prior to his filing the patent infringement action, the defendants so charged were entitled to the benefit of a presumption of unreasonable delay and prejudice.<sup>85</sup> The Federal Circuit stated that the excuses Hall had offered at the district court for his lengthy delay—namely, poverty from the mid-1970s until the mid-1980s, his inability to find legal representation during this same time period, and his pending litigation with Intex from 1985 until 1992—were insufficient to prevent a finding of unreasonable delay in filing suit.<sup>86</sup> The Federal Circuit reiterated that poverty, by itself, is never an excuse for laches, but may be considered as a factor where there is a legally cognizable excuse.<sup>87</sup> The Federal Circuit determined that Hall had offered no such excuse.<sup>88</sup> Additionally, Hall's inability to find willing counsel to take his case on a contingency fee basis was not supported by precedent as a legally cognizable excuse for such delay.<sup>89</sup> Furthermore, the Federal Circuit held that since Hall had prior contact with several of the defendants, he was required to provide notice of his intention to file suit against them to avoid the application of laches.<sup>90</sup>

#### **D. Prosecution History of Unasserted Claim Operates to Limit Construction of Asserted Claim: *Alpex Computer Corp. v. Nintendo Co. Ltd.*<sup>91</sup>**

Culminating ten years of proceedings, the Federal Circuit reversed a jury finding of infringement and related award of \$253,641,445.<sup>92</sup> The court held that the prosecution history of an unasserted claim limits the proper construction of an \*329 asserted claim and went on to clarify the difference between equivalency under 35 U.S.C. § 112, ¶6 and equivalency under the doctrine of equivalents.<sup>93</sup>

In February, 1986, the plaintiff, Alpex, sued Nintendo for infringement of U.S. Patent No. 4,026,555 issued on May 31, 1977.<sup>94</sup> The asserted claim 12 recited an apparatus for playing video games that comprises (among other elements), a “first means for generating a video signal representing a linear player image device aligned in a first direction.”<sup>95</sup> Dependent claim 13 recites a “replaceable memory” allowing different games to be played by substituting this memory.<sup>96</sup> The patented invention has been commercialized in systems by Atari, Mattel, and Coleco.<sup>97</sup>

The “means for generating a video signal” described in the ‘555 patent comprised a bit-mapping RAM sufficient in capacity to accommodate each pixel site to be displayed on the television screen.<sup>98</sup> According to the patent, the image must first be assembled in RAM and then transferred to the display. The accused Nintendo Entertainment System (NES) employed a picture processing unit (PPU) that receives pre-formed slices (or sub-rows) of data, which are then stored in shift registers and shifted directly out to the screen, a slice at a time.<sup>99</sup> The PPU repeats this process to assemble a complete screen image.<sup>100</sup>

In prosecuting claim 1 of the ‘555 patent, Alpex distinguished a prior art patent, Okuda. Although, the Okuda reference used shift registers, Alpex explained that the cited art was unable to selectively modify single pixels on the screen.<sup>101</sup>

The court found the Okuda patent, and the successful effort to distinguish claim 1, “directly relevant to claim construction” even though claims 12 and 13 were at issue.<sup>102</sup> The court stated: “We discern no reason why prosecution history relating to the structure of the video display in the means-plus-function limitations of claim 1 is not pertinent to the same structure of the same display system in the means-plus-function limitations of claims 12 and 13.”<sup>103</sup>

\*330 Alpex’s own expert testified that NES used shift registers and not RAM.<sup>104</sup> Alpex tried to distinguish Okuda from NES by pointing out that Okuda only allows modification of complete lines while NES allows modification of any 8-bit slice.<sup>105</sup> However, the court found such distinctions to “affect neither the structural similarities ... nor pertinent functional similarities.”<sup>106</sup> Because Alpex had argued during prosecution that its claims do not cover a shift register-based video system, Alpex’s claims could not be construed to cover NES, which bore the same structural and functional traits as Okuda.<sup>107</sup>

The Federal Circuit went on to point out that although expert testimony established functional equivalency when the NES and Alpex systems was described as achieving the same result, structural equivalence—the test for equivalency under section 112, paragraph 6, and therefore literal infringement—was not shown.<sup>108</sup> As for the doctrine of equivalents, the court returned to the *Graver Tank*<sup>109</sup> function-way-result analysis, while showing ostensible deference to the “insubstantial difference” doctrine of *Hilton Davis*.<sup>110</sup> The court found that the evidence failed to establish that the claimed and accused devices operate in the same way or that the differences between them were insubstantial.<sup>111</sup>

#### **E. Literal Infringement Avoided: *Insituform Technologies, Inc. v. Cat Contracting, Inc.*<sup>112</sup>**

Speaking solely to infringement (in an appeal that included issues of invalidity and an amendment of an antitrust counterclaim that never existed), the Federal Circuit upheld the lower court's finding of no literal infringement through the application of the JNOV standard announced in *Markman v. Westview Instruments*.<sup>113</sup>

\***331** Underground pipes experience great stresses. Consequently, cracks frequently develop. Before the advent of the technology at issue, underground pipe repair generally required laborious replacement of the broken pipe.<sup>114</sup> In a process invented by Eric Wood of Insituform, a flexible tubular liner, which is comprised of a thermosetting, resin-impregnated, felt liner and backed by an impermeable plastic layer, is inserted within a cracked underground pipe.<sup>115</sup> The resin-felt side is pressed against the pipe wall liner and the resin is set to a sealing hardness by pumped hot water.<sup>116</sup> Early users discovered that the impregnation is more thorough when air is drawn from the insert tube during impregnation.<sup>117</sup>

In January of 1980, a U.S. patent was issued to Everson, who had claimed a method for impregnating the felt lining with resin at the repair site.<sup>118</sup> The preferred embodiment includes a vacuum pump that is attached to the far end of the tube to be impregnated.<sup>119</sup> The negative pressure urges the fluid resin to flow within the tube to the opposite end. As a consequence, the Everson method requires a large vacuum pump to be used with long lengths of pipe.<sup>120</sup>

As an improvement on Everson, U.S. Patent No. 4,366,012 (reported incorrectly in the case as 4,336,012) was issued to Eric Wood on February 5, 1981. The '012 patent describes and claims a pipe repair system that forms a window in the tube's impermeable skin drawing the resin to the region of the window with a vacuum while squeezing the liner.<sup>121</sup> The window is sealed and the process repeated as the resin is iteratively drawn along the entire length of the pipe.

The defendants, Inliner, employ multiple vacuum applicator cups or needles applied along the length of the tube.<sup>122</sup> When the applicator closest to the advancing resin is removed, and the window beneath it sealed, the remaining vacuum cups downstream continue to draw a vacuum.

The district court granted Inliner's motion for JNOV of no literal infringement.<sup>123</sup> On review, the Federal Circuit defined the issue as "whether claim 1 should be construed to be literally limited to a process using one and only one \*332 vacuum cup."<sup>124</sup> The court recognized that if so limited, the claim would also be inherently limited to a process of discontinuous vacuum application.<sup>125</sup> In construing the claim, the court said: "Nothing in the text of claim 1 suggests the use of more than one cup. Specifically, claim 1 refers to 'a cup' and 'the cup' repeatedly suggesting that only one cup is involved."<sup>126</sup> After construing the claims, the court found that neither of the two Inliner processes could literally infringe claim 1 because both create a continuous vacuum.<sup>127</sup>

Consequently, although it appears that literal infringement was avoided merely by the use of multiple "cups" (when the claim literally called for one "cup"), the more basic differentiation between discontinuous and continuous vacuum application led the court to find no literal infringement.<sup>128</sup> Counsel should, therefore, be cautious in relying upon multiple element claims in place of single element claim recitations when the character of the function remains the same.

However, avoidance of literal infringement may not have helped the defendants. Turning to the issue of infringement under the doctrine of equivalents, the Federal Circuit agreed with the trial court that nothing in the file history or the prior art prevented claim 1 from covering the defendants' processes.<sup>129</sup> The court consequently remanded for a determination of infringement under the doctrine of equivalents in light of the claim as properly construed.<sup>130</sup>

#### IV. Conclusion

The authors' intent was to present a brief, but meaningful, analysis of selected patent decisions. The authors hope that they have provided a useful insight into the developments that occurred during the months of September through November, 1996.

#### Footnotes

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<sup>1</sup> 97 F.3d 1427, 40 U.S.P.Q.2d (BNA) 1309 (Fed. Cir. 1996).

<sup>2</sup> *Id.* at 1428, 40 U.S.P.Q.2d at 1310.

<sup>3</sup> *Id.* at 1429, 40 U.S.P.Q.2d at 1311.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 1430, 40 U.S.P.Q.2d at 1312.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* (citing *In re Borden*, 90 F.3d 1570, 1576, 39 U.S.P.Q.2d (BNA) 1524, 1527 (Fed. Cir. 1996); *In re GPAC, Inc.*, 57 F.3d 1573, 1577, 35 U.S.P.Q.2d (BNA) 1116, 1119 (Fed. Cir. 1995); *In re Vaeck*, 947 F.2d 488, 495, 20 U.S.P.Q.2d (BNA) 1438, 1444 (Fed. Cir. 1991); *In re Woodruff*, 919 F.2d 1575, 1577, 16 U.S.P.Q.2d (BNA) 1934, 1935 (Fed. Cir. 1990); *In re King*, 801 F.2d 1324, 1326, 231 U.S.P.Q. (BNA) 136, 137 (Fed. Cir. 1986); *In re Longi*, 759 F.2d 887, 892, 225 U.S.P.Q. (BNA) 645, 648 (Fed. Cir. 1985); *In re De Blauwe*, 736 F.2d 699, 703, 222 U.S.P.Q. (BNA) 191, 194 (Fed. Cir. 1984); *In re Kunzmann*, 326 F.2d 424, 426, 170 U.S.P.Q. (BNA) 235, 237 (C.C.P.A. 1964)).

<sup>8</sup> *Kemps*, 97 F.3d at 1431, 40 U.S.P.Q.2d at 1312.

<sup>9</sup> *Id.* “Such a change in law can only occur through an in banc hearing.” *Id.* See also FED. CIR. R. 35(a).

<sup>10</sup> *Id.*, 40 U.S.P.Q.2d at 1313.

<sup>11</sup> *Id.*

<sup>12</sup> 95 F.3d 1109, 40 U.S.P.Q.2d (BNA) 1001 (Fed. Cir. 1996).

<sup>13</sup> *Id.* at 1112, 40 U.S.P.Q.2d at 1003.

<sup>14</sup> *Id.* at 1114-15, 40 U.S.P.Q.2d at 1004-05.

<sup>15</sup> *Id.* at 1114, 40 U.S.P.Q.2d at 1004.

<sup>16</sup> *Id.* at 1116, 40 U.S.P.Q.2d at 1005.

<sup>17</sup> *Id.*, 40 U.S.P.Q.2d at 1006.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 1115, 40 U.S.P.Q.2d at 1005 (quoting *Transco Prods. Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 560, 32 U.S.P.Q.2d (BNA) 1077, 1084 (Fed. Cir. 1994)).

<sup>20</sup> *Id.* at 1115-16, 40 U.S.P.Q.2d at 1005.

<sup>21</sup> *Id.* at 1116, 40 U.S.P.Q.2d at 1006.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at 1117, 40 U.S.P.Q.2d at 1006, (citing *United States v. Loughrey*, 172 U.S. 206, 211-12 (1898)).

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> 98 F.3d 1318, 40 U.S.P.Q.2d (BNA) 1450 (Fed. Cir. 1996).

<sup>27</sup> *Id.* at 1320, 40 U.S.P.Q.2d at 1450-51. 35 U.S.C. § 102(b) (1994).

<sup>28</sup> *Id.*, 40 U.S.P.Q.2d at 1451.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.* at 1321, 40 U.S.P.Q.2d at 1451. See *Seal-Flex, Inc. v. Athletic Track and Court Constr.*, 870 F.Supp 753, 32 U.S.P.Q.2d (BNA) 1676 (E.D. Mich. 1994).

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*, 40 U.S.P.Q.2d at 1452.

<sup>34</sup> *Id.* at 1322, 40 U.S.P.Q.2d at 1452.

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> *Id.* at 1323, 40 U.S.P.Q.2d at 1454.

<sup>39</sup> *Id.* at 1324, 40 U.S.P.Q.2d at 1455.

<sup>40</sup> *Id.*, 40 U.S.P.Q.2d at 1454-55.

<sup>41</sup> 96 F.3d 1377, 40 U.S.P.Q.2d (BNA) 1145 (Fed. Cir. 1996).

<sup>42</sup> *Id.* at 1378, 40 U.S.P.Q.2d at 1145-46.

<sup>43</sup> *Id.*, 40 U.S.P.Q.2d at 1146.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> *Id.* at 1379, 40 U.S.P.Q.2d at 1146.

<sup>47</sup> *Id.*

<sup>48</sup> *Id.* at 1379, 40 U.S.P.Q.2d at 1146.

<sup>49</sup> FED. R. CIV. P. 54(b).

<sup>50</sup> *Id.* at 1382, 40 U.S.P.Q.2d at 1148-49.

<sup>51</sup> *Id.* at 1380, 40 U.S.P.Q.2d at 1147.

<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

<sup>54</sup> *Id.* at 1381-82, 40 U.S.P.Q.2d at 1148 (citing *In re Innotron Diagnostics*, 800 F.2d 1077, 231 U.S.P.Q. (BNA) 178 (Fed. Cir. 1986); *Interpart Corp. v. Italia*, 777 F.2d 678, 228 U.S.P.Q. (BNA) 124 (Fed. Cir. 1985); and *Jackson Jordan, Inc. v. Plasser Am. Corp.*, 725 F.2d 1373, 220 U.S.P.Q. (BNA) 945 (Fed. Cir. 1984)).

<sup>55</sup> *Id.* at 1382, 40 U.S.P.Q.2d at 1148.

<sup>56</sup> 96 F.3d 1372, 40 U.S.P.Q.2d (BNA) 1140 (Fed. Cir. 1996).

<sup>57</sup> *Id.* at 1374, 40 U.S.P.Q.2d at 1142. The unfair competition claim was raised under the California unfair competition law, CAL. BUS. & PROF. CODE § 17200 (West 1997). *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> FED. R. CIV. P. 11.

<sup>60</sup> *S. Bravo*, 96 F.3d at 1374, 40 U.S.P.Q.2d at 1142.

<sup>61</sup> *Id.* at 1374, 40 U.S.P.Q.2d at 1141-42.

<sup>62</sup> FED. R. APP. P. 38, in full, states: “If a court of appeals shall determine that an appeal is frivolous, it may award just damages and single or double costs to the appellee.”

<sup>63</sup> *Id.*, 40 U.S.P.Q.2d at 1142.

<sup>64</sup> *Id.* at 1375, 40 U.S.P.Q.2d at 1142-43.

<sup>65</sup> *Id.* at 1374, 40 U.S.P.Q.2d at 1142.

<sup>66</sup> *Id.* at 1375, 40 U.S.P.Q.2d at 1143.

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

<sup>70</sup> *Id.* at 1376, 40 U.S.P.Q.2d at 1144.

<sup>71</sup> *Id.* at 1376, 40 U.S.P.Q.2d at 1144.

<sup>72</sup> *Id.* at 1377, 40 U.S.P.Q.2d at 1145.

<sup>73</sup> 93 F.3d 1548, 39 U.S.P.Q.2d (BNA) 1925 (Fed. Cir. 1996).

<sup>74</sup> *Id.* at 1551, 39 U.S.P.Q.2d at 1927.

<sup>75</sup> *Id.*

76        *Id.*

77        *Id.*

78        *Id.* at 1552, 39 U.S.P.Q.2d at 1927.

79        *Id.*

80        *Id.*

81        *Id.*, 39 U.S.P.Q.2d at 1928.

82        *Id.*

83        *Id.* at 1552, 39 U.S.P.Q.2d at 1927.

84        *Id.* at 1556, 39 U.S.P.Q.2d at 1931.

85        *Id.* at 1552, 39 U.S.P.Q.2d at 1928, (citing A.C. Aukerman Co. v. R.L. Chaides Constr. Co., 960 F.2d 1020, 1032-41, 22 U.S.P.Q.2d (BNA) 1321, 1328-35 (Fed. Cir. 1992) (*in banc*)).

86        *Id.* at 1553, 39 U.S.P.Q.2d at 1928.

87        *Id.* at 1554, 39 U.S.P.Q.2d at 1929 (citing Leggett v. Standard Oil Co., 149 U.S. 287 (1893)).

88        *Id.* (citing among others Wafer Shave, Inc. v. Gillette Co., 857 F.Supp. 112 (D. Mass. 1993) *summarily aff'd* 26 F.3d 140 (Fed. Cir. 1994) (table); and Coleman v. Corning Glass Works, 619 F.Supp. 950 (W.D.N.Y. 1985) *summarily aff'd* 818 F.2d 874 (Fed. Cir. 1987) (table)).

89        *Id.*

90        *Id.*

91        102 F.3d 1214, 40 U.S.P.Q.2d (BNA) 1667 (Fed. Cir. 1996).

92        *Id.* at 1216, 40 U.S.P.Q.2d at 1669.

93        *Id.* at 1220, 40 U.S.P.Q.2d at 1673.

94        *Id.* at 1216, 40 U.S.P.Q.2d at 1668-69.

<sup>95</sup> *Id.* at 1218, 40 U.S.P.Q.2d at 1670.

<sup>96</sup> *Id.*

<sup>97</sup> *Id.* at 1216, 40 U.S.P.Q.2d at 1669.

<sup>98</sup> *Id.* at 1217, 40 U.S.P.Q.2d at 1669.

<sup>99</sup> *Id.* at 1218, 40 U.S.P.Q.2d at 1669-70.

<sup>100</sup> *Id.*, 40 U.S.P.Q.2d at 1670.

<sup>101</sup> *Id.* at 1219, 40 U.S.P.Q.2d at 1671.

<sup>102</sup> *Id.* at 1220, 40 U.S.P.Q.2d at 1671-72.

<sup>103</sup> *Id.*, 40 U.S.P.Q.2d at 1672.

<sup>104</sup> *Id.*

<sup>105</sup> *Id.* at 1221, 40 U.S.P.Q.2d at 1672.

<sup>106</sup> *Id.*

<sup>107</sup> *Id.*

<sup>108</sup> *Id.*, 40 U.S.P.Q.2d at 1674.

<sup>109</sup> Graver Tank & Mfg. Co. v. Linde Air Prods., 339 U.S. 605, 610, 85 U.S.P.Q. (BNA) 328, 330 (1950).

<sup>110</sup> Hilton Davis Chem. Co. v. Warner-Jenkins Co., 62 F.3d 1512, 1517, 35 U.S.P.Q.2d (BNA) 1641, 1644-45 (Fed. Cir. 1995) (*en banc*), cert. granted, 116 S.Ct. 1014 (1996).

<sup>111</sup> *Alpex*, 102 F.3d at 1222, 40 U.S.P.Q.2d at 1674.

<sup>112</sup> 99 F.3d 1098, 40 U.S.P.Q.2d (BNA) 1602 (Fed. Cir. 1996).

<sup>113</sup> *Id.* at 1106-07, 40 U.S.P.Q.2d at 1608 (citing *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 975, 34 U.S.P.Q.2d (BNA) 1321, 1326 (Fed. Cir. 1995) (*in banc*), aff'd, 116 S.Ct. 1384, 38 U.S.P.Q.2d (BNA) 1461 (1996)).

<sup>114</sup> *Id.* at 1102, 40 U.S.P.Q.2d at 1604.

<sup>115</sup> *Id.*

<sup>116</sup> *Id.*

<sup>117</sup> *Id.*

<sup>118</sup> *Id.*

<sup>119</sup> *Id.*

<sup>120</sup> *Id.* at 1104, 40 U.S.P.Q.2d 1606.

<sup>121</sup> *Id.* at 1103, 40 U.S.P.Q.2d 1605.

<sup>122</sup> *Id.* at 1104-05, 40 U.S.P.Q.2d at 1607.

<sup>123</sup> *Id.* at 1105, 40 U.S.P.Q.2d at 1607.

<sup>124</sup> *Id.*

<sup>125</sup> *Id.*

<sup>126</sup> *Id.*

<sup>127</sup> *Id.* at 1106, 40 U.S.P.Q.2d 1608.

<sup>128</sup> *Id.*

<sup>129</sup> *Id.* at 1107-09, 40 U.S.P.Q.2d 1608-09.

<sup>130</sup> *Id.* at 1109, 40 U.S.P.Q.2d 1609-10.