

Wegner's Top Ten Supreme Court Patent Cases

TOP TEN SUPREME COURT PATENT CASES*

[updated November 29, 2005]

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(1) The eBay Injunctive Relief Case: *eBay, Inc. v. MercExchange, LLC*, Supreme Court No. 05-130: *Certiorari* was granted November 28, 2005.

(2) The Schering-Plough Reverse Payments Antitrust Case: *Federal Trade Comm'n v. Schering-Plough Corp.*, Supreme Court No. 05-273: CVSG outstanding asking the Solicitor General for an opinion whether to grant *certiorari*.

(3) Tamoxifen Reverse Payments Antitrust Case [future]: *In re Tamoxifen Citrate Antitrust Litigation*, __ F.3d __, 2005 WL 21 864654 (2nd Cir. 2005). This case mirrors the issues in *Schering-Plough*.

(4) The KSR Obviousness Case: *KSR Intern. Co. v. Teleflex Inc.*, Supreme Court No. 04-1350: Order outstanding asking the Solicitor General for the opinion of the United States whether to grant *certiorari*.

(5) The Metabolite Patent-Eligibility Case: *Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.*, Supreme Court No. 04-607: Briefing schedule through January 2005; hearing February-April 2006; decision by June 2006.

(6) The Unitherm Patent Fraud Case: *Unitherm Food Systems, Inc. v. Swift Eckrich, Inc.*, Supreme Court No. 04-597: A decision is expected before the end of 2005. (Oral argument took place on November 2, 2005).

(7) The Illinois Tool Market Share Case: *Illinois Tool Works, Inc. v. Independent Ink, Inc.*, Supreme Court No. 04-1329: Argument was held November 29, 2005; a decision is likely by the end of January 2006.

(8) BlackBerry Extraterritoriality Case [future]: *Research In Motion, Ltd. v. NTP, Inc.*, *certiorari* petition due January 5, 2006, *opinion below*, *NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282 (Fed. Cir. 2005).

(9) SmithKline Paroxetine Case: *SmithKline Beecham Corp. v. Apotex Corp.*, No. 05-489. [no analysis has been made of this case – in the *cert.* briefing stage]

(10) Lemelson Prosecution Laches Case [future]: *Lemelson Med., Ed. & Res. Found. v. Symbol Technologies*, petition due Feb,14, 2006.

[Unlisted] AWH v. Phillips Claim Construction Deference: *AWH Corp. v. Phillips*, App. No. 05-602. *Cert.* petition filed.

Wegner's Top Ten Supreme Court Patent Cases

Update on Recent Developments:

The *KSR* case drops from the top spot on the list, dethroned by the *eBay* case where *certiorari* was granted November 28, 2005. The demotion of *KSR* to no. 4 on the list is due to the greater likelihood that the Court will now deny *certiorari* in this case: *Certiorari* certainly *will* be granted either in *KSR* – or a *KSR*-like case in a future term (unless the Federal Circuit perhaps in an *en banc* opinion restates the law of obviousness to defend or modify its position, taking into account Supreme Court case law). The chances for grant of *certiorari* in *KSR* have diminished greatly, thanks to the grant of *certiorari* in *eBay* plus the other patent activity now before the Court.

The *AWH v. Phillips* claim construction case *could* be a most important case *were certiorari to be granted*. It has been dropped from the Top Ten list for the following reason: The *certiorari* petition reads much more like a trial lawyer's brief than a Supreme Court appellate document; it also lacks the supporting *amici* from the academic community found in *KSR* and *eBay* (see p. 15). *Lemelson* is a recent addition to the list at No. 10 (see pages 14-15); there, the latest development is the decision on rehearing that broadens the holding of prosecution laches to cover claims that were outside the decision of Chief Judge Pro.

Suddenly, its 1965 Again...

The current term of the Court is *already* has four patent cases being heard or with grants of *certiorari*. This represents the highest level of patent activity at the Court in forty years: In 1965, stimulated by both a patent antitrust and patent misuse case as well as two patent preemption cases in the previous two years – all with rulings against the intellectual property rights holder – the Court granted *certiorari* in seven (7) patent cases, including the *Walker Process* patent fraud case as well as six cases involving interpretation of the 1952 Patent Act – *Adams Battery*, *Graham v. Deere*, *Calmar v. Cook*, *Colgate-Palmolive v. Cook*, *Hazeltine v. Brenner* and *Brenner v. Manson*.

Leading off the October 2005 term are two patent antitrust cases that have both already been argued: The first is *Unitherm*, another *Walker*

Wegner's Top Ten Supreme Court Patent Cases

Process patent fraud case where there is no dispute as to the existence of the patent fraud; it is not even contested: The sole issue is whether the procedural failure of the patentee to have made a timely motion ruined its successful appeal to the Federal Circuit on market share. The *Unitherm* case provides the Court with a background primer on patent fraud in a very simple and easy to understand technology – a method of imparting a “golden brown” color to precooked turkey that was taken through patent fraud. On November 29, 2005, the Court heard the *Illinois Tool* case; the Court is expected to honor the implicit invitation of the Federal Circuit to reverse what that court considers outdated case law.

The single most important patent case is *eBay v. MercExchange* where the fundamental right of the patentee to exclude others through an almost automatic injunctive relief is challenged. In its November 28, 2005, grant of *certiorari*, the Court invites the parties to brief and argue the fundamental principle of the 1908 *Continental Paper Bag* case that affirmed the virtually automatic injunctive relief right of the patentee against an infringer.

The surprise grant of *certiorari* is found in *Metabolite*, a seemingly garden variety pharmaceutical method obviousness case which has been transformed into an issue of patent-eligibility under 35 USC § 101. Beyond bringing back to life the “secrets of nature” issue of *Funk v. Kalo* the case also opens the door a crack to a consideration of patent-eligibility for business method patents under the never-tested *State Street Bank*.

Schering-Plough and *KSR* are the two most important cases where *certiorari* has not so far been granted both have outstanding CVSG invitations where the Solicitor General is to advise whether *certiorari* should be granted. Unless the Solicitor General's brief is forthcoming in the very near term, both cases could not be heard until the October 2006 term of the court.

Schering-Plough seems to have the greater chance of grant of *certiorari*. It implicates the “reverse payment” pharmaceutical ANDA settlement practice that stems from the landmark approval of this practice by the Federal Circuit in the tamoxifen litigation – where as part of that settlement the Federal Circuit agreed to vacatur of a trial court decision that had held the tamoxifen patent unenforceable for inequitable conduct. In essence, the patentee bought vacatur by paying the generic \$ 20 million for

Wegner's Top Ten Supreme Court Patent Cases

the settlement. In *Schering-Plough*, the patentee paid \$ 60 million and as part of the consideration the generic agreed to stay off the market to preserve the exclusive position of Schering-Plough. With a clear inter-circuit split with the Sixth Circuit (where a reverse payment settlement was found to represent a *per se* antitrust violation), *certiorari* seems likely. Additionally, the recent Second Circuit finding that the same tamoxifen settlement is not an antitrust violation adds fuel to the *certiorari* fire.

The *KSR* case is less likely to be granted, but would pack the biggest punch of any of the cases, by far, insofar as substantive patent law is concerned: It reopens the split between the Federal Circuit which *sub silentio* abrogated the Supreme Court *Anderson's-Black Rock* and *Sakraida* case law line in *Stratoflex*. If a tough patentability standard under *Anderson's-Black Rock* is imposed by the Court, this would represent a seismic shock to the current *status quo* of the patent system. To the extent that the *KSR certiorari* petition is denied, this would not end the matter. To the extent that the Federal Circuit in an *en banc* ruling were to clarify its standard of obviousness *taking into account and rationalizing it with Supreme Court case law*, then it is conceivable that *certiorari* would be avoided in a future *KSR*-like case.

(1) The *eBay* Injunctive Relief Case:

eBay, Inc. v. MercExchange, LLC, Supreme Court No. 05-130, *proceedings below sub nom MercExchange, LLC v. eBay, Inc.*, 401 F.3d 1323, 1338-39 (Fed. Cir. 2005)(Bryson, J.).

Issue raised in the certiorari petition (granted): “Whether the Federal Circuit erred in setting forth a general rule in patent cases that a district court must, absent exceptional circumstances, issue a permanent injunction after a finding of infringement.”

Issue added by the Court in the order granting certiorari: “Whether this Court should reconsider its precedents, including *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U.S. 405 (1908), on when it is appropriate to grant an injunction against a patent infringer.”

Importance: This may be the single most important patent case in several years. The fight between big pharma and the electronics and software industries that had been center stage before Congress now shifts

Wegner's Top Ten Supreme Court Patent Cases

immediately to a judicial solution. In June 2006, after the Court issues its opinion, there may be continued efforts to overrule existing case law as part of the patent reform debates now taking place in the Congress.

Status: *Certiorari* was granted November 28, 2005. The Court is expected to issue an opinion by the last week of June 2006; an oral hearing will take place not later than April 2006. Briefs for the many *amici* who are in support of petitioner who are seeking a change in the standards for injunctive relief or who are neutral are due **January 14, 2006**. Assuming that the brief of petitioner is filed on that date, then the briefs of the many *amici* supporting the current standard will be due **February 18, 2006**.

Outcome: The issue is a prime matter on the agenda of the Business Software Alliance (BSA) that was successful in having a legislative provision included in HR 2795 as SEC. 7 as introduced on June 8, 2005, that would accomplish the same result as sought judicially in this case. In essence, eBay seeks an end to the nearly automatic grant of permanent injunctions against infringers that would overrule *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U.S. 405, 423 (1908). Congratulations to Professor Mark Lemley of Stanford University Law School for masterful briefing as *amici curiae* on behalf of “35 Intellectual Property Professors” as *amici*; other *amici* briefs were also filed on behalf of America Online, Inc.; Qualcomm Incorporated, et al.; the BSA et al.; Computer & Communications Industry Association; and the Electronic Frontier Foundation.

Conflict with the TRIPS: It may be assumed that one of the goals of petitioner in the *eBay* case is that injunctive relief should be denied to a “patent troll”. The “patent troll” indication has been coined to describe the patent owner who has no plan to practice the invention but only hold up manufacturers for high royalties at the threat of an injunction to shut down commercial operations. Indeed, petitioner’s stance is completely antithetical to *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U.S. 405, 423 (1908), and to the position taken by the United States in the creation of Article 30 of the Trade Related Aspects of Intellectual Property (TRIPS). The treaty provides that a country “may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions ... do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties.” TRIPS Art. 30. It is absolutely clear that a blanket right to license an invention for the class of “patent trolls” is completely at odds with TRIPS Art. 30. While there is

Wegner's Top Ten Supreme Court Patent Cases

wiggle room to take exception to this position from Art. 30, the enumeration of *when* a compulsory license may be granted in Art. 31 is clear. (See the *appendix* to this section that includes the text of TRIPS Arts. 30 and 31.)

TRIPS Wiggle Room: A possible middle ground that *may* be TRIPS consistent is found in TRIPS Art. 30 itself. The TRIPS provision permits a reasonable royalty license (instead of injunctive relief) where the denial of injunctive relief against a patent troll “do[es] not unreasonably conflict with a normal exploitation of the patent and do[es] not unreasonably prejudice the legitimate interests of the patent owner...”.

(2) The Schering-Plough Reverse Payments Antitrust Case

Federal Trade Comm'n v. Schering-Plough Corp., Supreme Court No. 05-273, *proceedings below sub nom Schering-Plough Corp. v. F.T.C.*, 402 F.3d 1056, 1075 (11th Cir. 2005).

Issue: Whether an agreement between a pharmaceutical patent holder and a would-be generic competitor, in which the patent holder makes a substantial payment to the challenger for the purpose of delaying the challenger's entry into the market, is an unreasonable restraint of trade.

Importance: If *certiorari* is granted, *Schering-Plough* may be the most important patent antitrust case in some time; it opens the door to antitrust challenges to the settlement of patent litigation that is an outgrowth of an early 1990's Federal Circuit practice of vacatur of trial court invalidity or unenforceability rulings where this is a condition of settlement.

Status: *Certiorari* grant is pending. On October 3, 2005, the Court issued its CVSG order inviting the Solicitor General to file a brief *amicus curiae* expressing the position of the United States whether to grant *certiorari*. If the Solicitor General files his brief before Christmas, it is possible that a *certiorari* decision may be reached early enough to permit briefing and argument during this term to permit a decision by the end of June 2006. It is more likely, however, that a vote will not be taken in time to place the case on the schedule of the Court until the October 2006 term.

Discussion: In essence the case poses the question whether there be an antitrust violation where an accused infringer is paid tens of millions of dollars to drop a validity challenge to a patent and stay off the market for a

Wegner's Top Ten Supreme Court Patent Cases

period of time keyed to that payment? In the setting of pharmaceutical Abbreviated New Drug Application (ANDA) litigation, this is a “reverse payment” settlement that became popular when it was sanctioned by the Federal Circuit in *Imperial Chemical Industries, PLC v. Heumann Pharma GmbH & Co.*, 991 F.2d 811 (Table), 1993 WL 118931 (Fed. Cir. 1993)(Michel, J.).

Second Certiorari Question: In addition to the main question (quoted above), a second question raised in the *certiorari* petition is “[w]hether the [Eleventh Circuit] grossly misapplied the pertinent ‘substantial evidence’ standard of review, by summarily rejecting the extensive factual findings of an expert federal agency regarding matters within its purview.”

Inter-Circuit Conflict: The potential for the grant of certiorari is high because of the split amongst the several circuits. At one extreme is the Eleventh Circuit that has sanctioned the reverse payment of several tens of millions of dollars by a patentee to buy off a generic competitor from early entry into the market – whereas the Sixth Circuit at the other extreme has found a reverse payment settlement to be a *per se* antitrust violation.

Merck v. Integra – Putting Flesh on the Antitrust Bones: What breathes great life into the *certiorari* petition is that the reverse payments system has the potential to cost elderly America that seeks the purchase of generic drugs potentially billions of dollars in added health costs, a point that is stressed in the *certiorari* petition. Less than six months ago the Supreme Court was given an education at oral argument in the *Merck* case about the importance of new research in the search for cancer cures which was clearly an underlying basis for the sweeping reversal of the Federal Circuit in *Merck KGaA v. Integra Lifesciences I, Ltd.*, 125 S.Ct. 2372 (2005), as discussed in Wegner, *Post-Merck Experimental Use and the “Safe Harbor”*, 15 Fed. Cir. Bar. J. 1 (2005). The remarkable reactions of the members of the Court to the policy aspects of the argument underscore the generational reaction to patent policy concerns relating to pharmaceuticals. This past Spring, the Court was faced with the policy concerns relating to *encouraging research* while the current *certiorari* petition focuses upon the health care costs that result if patents are not challenged.

Federal Circuit Case Law – Genesis for the “Reverse Payment”: The *Schering-Plough*, “reverse payments” scenario stems from the early 1990’s *vacatur* practice of the Federal Circuit where settlement of patent disputes

Wegner's Top Ten Supreme Court Patent Cases

was given a status of priority in *Philips Corp. v. Windmere Corp.*, 971 F.2d 728 (Fed. Cir. 1992). The ultimate extension of *Phillips v. Windmere* led to vacatur of an *unenforceability* ruling based upon inequitable conduct where the settlement involved the reverse payment of over \$ 20,000,000.00 from the patentee to the generic market entrant. See *Imperial Chemical Industries, supra* (“The parties to the district court proceeding have entered into a settlement agreement resolving the entire dispute. They ask us to vacate and remand in accordance with their agreement and this court's practice. See *Smith International, Inc. v. Hughes Tool Co.*, 839 F.2d 663 (Fed.Cir.1988; *U.S. Philips Corp. v. Windmere Corp.*, 971 F.2d 728 (Fed.Cir.1992), *cert. granted.*”). Indeed, the Eleventh Circuit cited the tamoxifen settlement with approval. See *Schering-Plough*, 402 F.3d at 1075 (citing *In re Tamoxifen Citrate Antitrust Litig.*, 277 F.Supp.2d 121, 133 (E.D.N.Y.2003)), which has now been *affirmed* and where a *certiorari* petition is expected – as discussed as the next case below. What has not been fully appreciated is that the Federal Circuit’s policy of *Phillips v. Windmere* was *overruled* the following year in *Cardinal Chemical Co. v. Morton Intern., Inc.*, 508 U.S. 83 (1993). Indeed, there had been an essentially unanimous voice in the scholarly community that had criticized the Federal Circuit practice. See *Cardinal Chemical*, 508 U.S. at 102 n.25.

(3) Tamoxifen Reverse Payments Antitrust Case [future case]

In re Tamoxifen Citrate Antitrust Litigation, __ F.3d __, 2005 WL 2864654 (2nd Cir. 2005).

This case closely parallels – and reaches the same result – as the *Schering-Plough* case. If the *Tamoxifen Citrate* case is accelerated and/or if the *Schering-Plough* case remains pending for some time before a decision on *certiorari* (due to the length of time it takes for the Solicitor General to file his *amicus curiae* CVSG brief), then it is conceivable that *certiorari* would be granted for *both* cases and the two would be consolidated for oral argument in the October 2006 term.

This case echoes the same “reverse payments” issues that are found in the *Schering-Plough* case that has now been referred to the Solicitor General for his opinion whether to grant *certiorari*. A petition for *certiorari* is expected in February 2006 (or earlier). The *Tamoxifen Citrate* case may be traced to the original “reverse payments” settlement that received judicial approval by the Federal Circuit. While the Second Circuit reaches the same

Wegner's Top Ten Supreme Court Patent Cases

result as the Eleventh Circuit in *Schering-Plough*, the Second Circuit reached its decision in a split 2-1 opinion.

The dissent is of interest: “Holding that a Hatch-Waxman settlement agreement cannot violate antitrust laws unless the underlying litigation was a sham ... ill serves the public interest in having the validity of patents litigated. *See United States v. Glaxo Group Ltd.*, 410 U.S. 52, 57 (1973). This interest exists because ‘[i]t is as important to the public that competition should not be repressed by worthless patents, as that the patentee of a really valuable invention should be protected in his monopoly.’ *Id.* at 58. Litigating the validity of drug company patents is critically important to the general well being in light of the recent trend toward capping the maximum amounts insurers and public benefit plans will spend on medications.” *In re Tamoxifen Citrate Antitrust Litigation*, __ F.3d __, __ (Pooling, J., dissenting).

The dissent quotes several scholars with approval who “propose that a Hatch Waxman Act settlement that includes a reverse payment be presumed illegal with the patent holder being allowed to rebut this presumption ‘by showing both (1) that the ex ante likelihood of prevailing in its infringement lawsuit is significant, and (2) that the size of the payment is no more than the expected value of litigation and collateral costs attending the lawsuit.’” *Id.*, quoting Herbert Hovenkamp, Mark Janis & Mark A. Lemley, *Anticompetitive Settlement of Intellectual Property Disputes*, 87 Minn. L.Rev. 1719, 1759 (2004). The opinion also cites Daniel A. Crane, *Ease Over Accuracy in Assessing Patent Settlements*, 88 Minn. L.Rev. 698, 709 (2004); and Thomas F. Cotter, *Refining the "Presumptive Illegality" Approach to Settlements of Patent Disputes Involving Reverse Payments: A Commentary on Hovenkamp, Janis and Lemley*, 87 Minn. L.Rev. 1789, 1795-97, 1802 (2003).

(4) The KSR Obviousness Case

KSR Intern. Co. v. Teleflex Inc., Supreme Court No. 04-1350, *opinion below sub nom Teleflex Inc. v. KSR Intern. Co.*, 119 Fed.Appx. 282 (Fed. Cir. 2005)(Schall, J.)(non-precedential), *appeal from trial court opinion*, 298 F.Supp.2d 581 (E.D.Mich. 2003).

Issue: The Court has before it a petition for *certiorari* to review the issue of the standard of patentability for a combination claim; does a combination

Wegner's Top Ten Supreme Court Patent Cases

claim survive a validity challenge where the invention is nonobvious in the sense that there is no teaching, suggestion or motivation to create the combination, but where the invention does not meet the test of synergy in *dictum* in *Sakraida*.

Importance: For inventions which reside in a combination of elements (i.e., many inventions other than in chemistry and biotechnology) the *KSR* case has the potential to suddenly elevate the standard of nonobviousness by an order of magnitude which would be a serious setback for individual inventors of mechanical combinations but welcomed by major electronics and software concerns. *KSR* is ranked Number One on the list of cases because even if *certiorari* is denied, the *KSR* case has drawn immense attention to the issue and is certain to spark further petitions for review in future terms of the Court. Should *certiorari* be denied, it will be of great interest to see whether the Federal Circuit, *for the first time*, attempts to reconcile its body of case law with the Supreme Court precedent cited in the *certiorari* petition.

Status: On October 3, 2005, a CVSG Order was issued, that invites the Solicitor General to express the views of the United States whether to grant *certiorari*; if an *amicus curiae* brief from the Solicitor General is filed by early December, a *certiorari* vote conceivably could be taken early enough to permit placement of this case on the current Court calendar with a hearing in March or April 2005; a much later filing by the *Solicitor* General would end up putting the *KSR* case on the October 2006 term of the Court (if *certiorari* is granted).

Outcome: A decision whether to grant *certiorari* may be influenced by whatever position the Solicitor General takes in his brief *amicus curiae*. But, with the consideration of so many *other* patent cases during current term, particularly the grant of *certiorari* in *eBay*, it is far less likely now that *certiorari* will be granted in the *KSR* case.

Implications: (1) Even though *certiorari* may well be denied, the petition and filings of *amici* present a blueprint for future petitions to the Court for every combination patent where the Federal Circuit sustains patent validity; (2) absent a Federal Circuit exposition of the law of obviousness that fully deals with *Sakraida*, it may be expected that at some point in the next few years review *will* be granted in a *KSR*-like petition; (3) should the *dicta* from *Sakraida* become the law, this would move the United States closer to the

Wegner's Top Ten Supreme Court Patent Cases

synergy standard set by the House of Lords (Lord Hoffman) in the 2004 *SABAF* case; it would very sharply tighten up patent granting standards in the mechanical and electronics arts and threaten the validity of literally hundreds of thousands of existing patents still in force; (4) if *certiorari* is granted, mainstream research-based companies, particularly pharma and biotechnology, will surely weigh in against petitioner, yet – as was the case amongst the *amici* in the *Festo* briefing four years ago – a large segment of industry may be expected to part company, particularly in the heavy manufacturing and software fields.

(5) The *Metabolite* Patent-Eligibility Case:

Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc., Supreme Court No. 04-607, 125 S.Ct. 1413, 1413-14 (2005), *opinion below*, 370 F.3d 1354 (Fed. Cir. 2004)(Rader, J.).

Issue: “Whether a method patent ... directing a party simply to ‘correlat[e]’ test results can validly claim a monopoly over a basic scientific relationship used in medical treatment such that any doctor necessarily infringes the patent merely by thinking about the relationship after looking at a test result.” ***Sub silentio issue not formally before the Court*** (from an Order, 125 S.Ct. 1413, 1413-14 (2005)): “Is the patent invalid because one cannot patent ‘laws of nature, natural phenomena, and abstract ideas’?” (quoting *Diamond v. Diehr*, 450 U.S. 175, 185 (1981)). *Certiorari* was *not* granted in this second issue.

Status: Briefs favoring the accused infringer and neutral *amici* briefs are due in mid-December; briefs favoring the patentee are due in late January; a hearing is expected in the February-April 2006 time fram; and a decision is expected before the end of June 2006.

Wegner's Top Ten Supreme Court Patent Cases

(6) Unitherm Patent Fraud Case

Unitherm Food Systems, Inc. v. Swift Eckrich, Inc., Supreme Court No. 04-597, *opinion below*, 375 F.3d 1341 (Fed. Cir. 2004)(Gajarsa, J.).

Issue: “Whether, and to what extent, a court of appeals may review the sufficiency of evidence supporting a civil jury verdict where the party requesting review made a motion for judgment as a matter of law under Rule 50(a) of the Federal Rules of Civil Procedure before submission of the case to the jury, but neither renewed that motion under Rule 50(b) after the jury's verdict, nor moved for a new trial under Rule 59.”

Importance: Just as the *Walker Process* “patent fraud” case was the first act amongst the seven Supreme Court patent cases dating back to the 1965 October term of the court, the *Unitherm* “patent fraud” case provides the Court with its opening act on the patent scene this term.

It would be difficult to imagine a factual scenario any uglier nor more easy to understand – both factually and legally – than the *uncontested* patent fraud of the *Unitherm* case. Unitherm's David Howard disclosed his company's method for browning pre-cooked turkeys to ConAgra; ConAgra then patented Unitherm's discovery as its own. The patent fraud is not in dispute at the Court but provides a less than flattering picture of the operation of the patent system to judges who have had little or no experience with PTO issues. *Unitherm*, 375 F.3d at 1361 (“[I]t is reasonable for the jury to have concluded that [ConAgra's inventor] was fully aware that his ‘invention’ was precisely the Unitherm process that David Howard had been trying to sell to ConAgra since 1993. The jury could also have concluded reasonably that [ConAgra's inventor] intended to deceive the PTO by claiming that he was ‘the original and first inventor or inventors of the subject matter which is claimed and for which a patent is sought,’ [as required by PTO Rule,] 37 C.F.R. § 1.63, when he knew that he was not.”).

Status: A decision is expected by the end of December 2005 or January 2006. (Oral argument took place on November 2, 2005.)

Outcome: Reversal is likely for the reasons expressed by the United States as *amicus curiae* in a merits brief.

Wegner's Top Ten Supreme Court Patent Cases

Briefs: The United States *amicus curiae* brief which is available at <http://www.usdoj.gov/osg/briefs/2004/3mer/1ami/2004-0597.mer.ami.pdf>; the parties' briefs are available at <http://www.abanet.org/publiced/preview/briefs/nov05.html>.

(7) The Illinois Tool Market Share Case

Illinois Tool Works, Inc. v. Independent Ink, Inc., Supreme Court No. 04-1329, *proceedings below sub nom Independent Ink, Inc. v. Illinois Tool Works, Inc.*, 396 F.3d 1342 (Fed. Cir. 2005)(Dyk. J.).

Issue: “Whether, in an action under the Sherman Act, 15 U.S.C., section 1, alleging that the defendant engaged in unlawful tying by conditioning a patent license on the licensee's purchase of a non-patented good, the plaintiff must prove as part of its affirmative case that the defendant possessed market power in the relevant market for the tying product, or market power instead is presumed based solely on the existence of the patent of the tying product?”

Importance: The expected reversal of the Court of Appeals will bring patent antitrust law into line with current thinking.

Status: Oral argument was held November 29, 2005. A decision is likely in Winter 2006.

Outcome: Reversal of the Federal Circuit opinion is anticipated.

(8) BlackBerry Extraterritoriality Case [future case]

Research In Motion, Ltd. v. NTP, Inc., *certiorari* petition due January 5, 2006, *opinion below, NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282 (Fed. Cir. 2005).

Unless there is a settlement, a *certiorari* petition is expected to contrast the finding of infringement of a claim to a combination of elements where one element is outside the United States (as held by the Federal Circuit) with the rule on extraterritoriality of *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 531 (1972), and the “all elements” rule of *Warner-Jenkinson* that “[i]t is of course axiomatic that ‘[e]ach element contained in a patent claim is deemed material to determining the scope of the patented invention.’”

Wegner's Top Ten Supreme Court Patent Cases

Odetics, Inc. v. Storage Technology Corp., 185 F.3d 1259, 1268 (Fed. Cir. 1999)(Clevenger, J.)(quoting *Warner-Jenkinson Co., Inc. v. Hilton Davis Chemical Co.*, 520 U.S. 17, 29 (1997)(Thomas, J.).

(9) SmithKline Paroxetine Case

SmithKline Beecham Corp. v. Apotex Corp., No. 05-489, *opinion below*, 403 F.3d 1331 (Fed. Cir. 2005)(Rader, J.), *aff'g on different grounds*, 247 F.Supp.2d 1011 (N.D.Ill. 2003)(Posner, J.).

(No analysis has been made of this case which is in the briefing stage for grant of certiorari.)

(10) Lemelson Prosecution Laches Case [future]:

Lemelson Medical, Education & Research Foundation v. Symbol Technologies, petition for certiorari expected from *Symbol Technologies, Inc. v. Lemelson Medical, Education & Research Foundation*, ___ F.3d ___ (Fed. Cir. Nov. 16, 2005)(order)(*en banc*), *supplementing earlier panel opinion*, 422 F.3d 1378 (Fed. Cir. 2005)(Lourie, J.).

Status: Unless extended, the certiorari petition is due February 14, 2006.

Discussion: The petition for *en banc* rehearing suggests a variety of procedural issues from which petitioner may choose in crafting a certiorari petition – in addition to challenging the “prosecution laches” holding that is supported by *dicta* in Supreme Court decisions finding unenforceability that date back more than eighty (80) years each. The panel opinion discusses *Woodbridge v. United States*, 263 U.S. 50 (1923), as the first of two cases “wherein the Supreme Court applied the doctrine of prosecution laches to render patents unenforceable.” 422 F.3d at 1385; emphasis added. Yet, the *Woodbridge* case did *not* involve a patent law but instead a private law for compensation keyed to a statutory laches bar. Thus, the *Woodbridge* case involved a *statutory compensation act* for private relief for an *unpatented* invention of Woodbridge. *Woodbridge*, 263 U.S. at 51.

The *en banc* order *sub silentio* denies the various procedural points raised by the patentee in his petition for reconsideration, paving the way for Supreme Court review on procedural issues. Unique is the *en banc sua sponte* holding

Wegner's Top Ten Supreme Court Patent Cases

of unenforceability of a group of claims *that were not held unenforceable by the trial court.*

Like the *KSR* case that has an experienced Supreme Court appellate team, the *Lemelson* case features one of a handful of star Supreme Court appellate lawyers. Unlike other cases where Supreme Court pros are brought in at the final stage, here, the Lemelson Foundation obviously recognized that it would have to go to the Supreme Court: It brought in its new Supreme Court specialist *at the Federal Circuit level* to help in the preparation of the case at that stage – and to argue the appeal on Madison Place.

[Unlisted] *AWH v. Phillips Claim Construction Deference*

AWH Corp. v. Phillips, App. No. 05-602, *proceedings below, Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed.Cir.2005) (*en banc*).

Issue: Whether the Federal Circuit is correct in holding that all aspects of a district court's patent claim construction may be reviewed *de novo* on appeal.

Status: *AWH v. Phillips* and any *amici* face a December 14, 2005, filing deadline for expressing their views on the *certiorari* petition.

Outcome for the Near Term: Unlike *KSR*, *eBay*, *Lemelson* and other recent cases where an appellate team has quarterbacked the quest for *certiorari*, the petition here is from trial counsel that focuses upon an issue that was neither decided by the Federal Circuit nor one seen as necessary to its holding.

Unlike the *KSR* petition – which has been successful insofar as gaining the referral of the case to the Solicitor General as a CVSG – and the successful *eBay* petition, the current petition has no *amicus* effort from the academic community but appears to be an effort by a trial team to deal with the complexities of the Supreme Court.

To be sure, petitioner is correct that many *amici* at the Federal Circuit *did* support its current position. But, unstated in the *certiorari* petition is the fact that the question presented may represent *dicta* unnecessary to the holding of the case. For example, while the Bar Association of the District of Columbia PTC Section in its *amicus curiae* brief in *Phillips* supported a reconsideration of the court's deference standard *in an appropriate case*, the

Wegner's Top Ten Supreme Court Patent Cases

Bar Association urged that this issue *not* be taken up by the court, following the guidance of William Rooklidge to avoid “judicial hyperactivity”. (This same quotation is turned on its head in petitioner’s brief.)

Outlook for the Long Term: Denial of *certiorari* in *this* case will not eliminate the question presented to the Court. If anything, this will give the Federal Circuit a reprieve to fashion a solution that gives the appropriate degree of deference to a trial court factually-based claim construction. Surely, if the Federal Circuit refrains from doing so, it is inevitable that at some point in time a *certiorari* grant *will* be given, when a Lemley or Duffy or other top academic joins the fray (as happened in *KSR* and *eBay*).

* This paper represents the personal views of the writer and does not necessarily reflect the views of any organization or client. The writer is a partner with Foley & Lardner LLP. This paper was last updated November 29, 2005.