UT LAW CLE THE UNIVERSITY OF TEXAS SCHOOL OF LAW

PRESENTED AT

12th Annual Advanced Patent Law Institute

March 9-10, 2017
Alexandria, Virginia

Year in Review: Other Key Cases from the Federal Circuit and Supreme Court

Christopher A. Cotropia

YEAR IN REVIEW: OTHER KEY CASES FROM THE FEDERAL CIRCUIT AND SUPREME COURT

Christopher A. Cotropia[*]

SUPREME COURT PATENT DECISIONS AND GRANTS OF CERTIORARI OF NOTE

I. SCA Hygiene Products Aktiebolag v. First Quality Baby Products, 767 F.3d 1344 (Fed. Cir. 2014).

A. Background

The patents at issue in this case—U.S. Patent No. 6,375,646 ('646 patent) and U.S. Patent No. 5, 415,649 ('649 patent)—relate to adult diapers. In October of 2003, plaintiff, SCA, sent First Quality a letter stating that certain First Quality products were violating its '646 patent. *SCA* at 1341-42. In response, First Quality asserted that the '646 parent was invalidated by the previously issued '649 patent, in which SCA did not own rights. *Id.* at 1342. Thus, SCA had no valid claim and no remedy. *Id.* SCA subsequently requested the U.S. Patent and Trade Office (USPTO) to review the patent. *Id.* As a result, the USPTO issued a certificate validating the patent in March 2007. *Id.* SCA did not pass this information to First Quality and the two parties did not communicate about the patent in question again until suit was filed in 2010. *Id.*

Six years and nine months after its initial letter—and more than three years after the USPTO reexamination—SCA filed an infringement suit against First Quality in 2010. *Id.* at 1342. The District Court for the Western District of Kentucky granted First Quality's motion for summary judgement as to both laches and equitable estoppel. *Id.* at 1343. SCA appealed to the Federal Circuit on the summary judgement as it related to both the laches and equitable estoppel. *Id.* The court remanded to the trial court on the issue of equitable estoppel. *Id.* at 1351. It upheld the trial court as to the issue of laches. *Id.*

Relating to patent infringement, laches is an equitable defense that requires an (1) unreasonable and inexcusable delay in filing an infringement suit and (2) leads to a material prejudice for the accused infringer. *Id.* at 1343. If these two factors are met, then a claim may be barred. There are two categories of laches, economic and evidentiary. *Id.* at 1346. Here, economic laches applies because of First Quality's continued investments during the delay. *Id.*

B. Holding of Federal Circuit

---

[*] Austin Owen Research Fellow, Intellectual Property Institute Director, and Professor of Law at the University of Richmond School of Law. Thanks to Sean Hutson, 2L at Richmond Law School, for his research and drafting assistance.

The court held that SCA was unable to rebut the presumption that First Quality relied on SCA's delay. It further held that "no reasonable fact-finder could conclude that SCA's delay, viewed as a whole, was reasonable." *Id*. Additionally, the Federal Circuit accepted the trial court's theory that the statute of limitations is not tolled during a patent's reexamination period. *Id.* at 1345.

C. Question Presented to the Supreme Court

SCA appealed the Federal Circuit's ruling on the issue of whether laches can apply. It is relying on the precedent set forth in *Petrella v. Metro Goldwyn-Mayer, Inc.,* 134 S. Ct. 1962, that courts should not allow "the application of laches to bar a claim or damages brought within the time allowed by a federal statute of limitations." *Id*. at 1974. However, the *Petrella* decision was made in the context of a copyright, not a patent. Many Amici—especially in the technology sector—have made strong arguments in favor of allowing laches to be applied herein order to prevent a "sneaky plaintiff."

Additionally, the Court may need to rule as to whether the reexamination period is tolled. *SCA* at 1345. The trial court and Federal Circuit rejected this theory when it was proposed by SCA. *Id.*

II. Promega Corp. v. Life Technology Corp., 773 F.3d 1338 (Fed. Cir. 2014).

A. Background

In Promega, the Federal Circuit is hearing an appeal from the Western District of Wisconsin regarding the validity of United States Patents Nos. 5,843,660 ('660 patent), 6,221,598 ('598 patent), 6,479,235 ('235 patent), and the 7,008,771 ('771 patent) (collectively the "Promega patents"), as well as discussing damages from infringement of U.S. Patent No. RE 37,948 (the Tautz patent). *Id.* at 1341.

In 2010, Promega sued LifeTech for infringement of its patents. *Id.* at 1344. LifeTech responded that it had licensing agreements to use the patents and that, in the alternative, the Promega patents were invalid. *Id.* The jury determined that the Promega patents were valid and that LifeTech's products did infringe on the Tautz patent. *Id.* In calculating damages the jury relied on both §§ 271(a) and (f) and found LifeTech liable for $52 million in damages. *Id.* at 1345. However the judge vacated the jury's award as a matter of law due to lack of proof. *Id.* Both parties appealed to the Federal Circuit. *Id.*

On the issue of enablement, the Federal Circuit ruled in favor of LifeTech and found the Promega patents to be invalid due to lack of enablement. *Id.* However, finding in favor of Promega, it held LifeTech infringed upon the Tautz patent. It further determined that § 271(f) applies to all of the worldwide sales of LifeTech because LifeTech had made one component of the Tautz patent in the United States and shipped it to England for combination and worldwide distribution. The Federal Circuit ordered a new trial to determine Promega's damages for violation of the Tautz patent. Worldwide

Title search: Year in Review: Other Key Cases from the Federal Circuit and Supreme Court

Also available as part of the eCourse
2017 Advanced Patent Law (USPTO) eConference

First appeared as part of the conference materials for the
12th Annual Advanced Patent Law Institute session
"Year in Review: Other Key Cases from the Federal Circuit and Supreme Court"