This issue of the Federal Circuit Review explores recent developments in the law of patent invalidity by anticipation. First, we will discuss a case in which the Federal Circuit reaffirmed that newly discovered benefits of old processes are considered inherent in the prior art. Next, we will examine a Federal Circuit ruling where the court disregarded a claim preamble for purposes of holding the claim anticipated by the prior art. We will also explore how the Federal Circuit has addressed issues surrounding the intersection between testimonial evidence and printed anticipatory references in a number of recent cases. Finally, we will discuss a significant change to the law of anticipation of design patents.

**INHERENT ANTICIPATION**

In *King Pharmaceuticals, Inc. v. Eon Labs, Inc.*, the Federal Circuit reaffirmed that newly discovered benefits of old processes are inherent in the prior art and therefore are not patentable. 2010 WL 3001333, at *7 (Fed. Cir. Aug. 2, 2010). Metaxalone, a muscle relaxant sold under the brand name Skelaxin, was discovered more than forty years ago. King obtained the rights to Skelaxin and two metaxalone-related patents, U.S. Patent Nos. 6,407,128 and 6,683,102, from Elan Pharmaceuticals in 2003. *Id.* at *2.

The ‘128 patent was directed to a method of increasing bioavailability of metaxalone by ingesting the medication with food. Claim 1 included the following preamble: “A method of increasing the bioavailability of metaxalone to a patient receiving metaxalone therapy.” Dependent claim 21 claimed the method recited in claim 1 and a container label informing patients that taking metaxalone with food will increase the bioactivity of the medication. The ‘102 patent was directed to a method of using metaxalone to treat musculoskeletal conditions comprising (1) providing a patient with a therapeutically effective amount of metaxalone and (2) “informing” the patient that taking the medication with food increases the bioavailability of the drug.

Eon Labs, Inc. filed an Abbreviated New Drug Application in preparation to manufacture and sell a generic version of metaxalone. King sued Eon for infringement of the ‘128 and ‘102 patents.

The prior art disclosed dosing of metaxalone with food to reduce gastric upset, but made no reference to increasing the bioavailability of the medication. King argued the novelty of claim 1 of the ‘128 patent rested on the preamble, so the prior art did not anticipate. However, the district court found claim 1 of the ‘128 patent invalid as inherently anticipated. The court
also found claim 21 of the ’128 patent and many of the claims of the ’102 patent invalid, and it held that the “informing” limitation was invalid under 35 U.S.C. § 101. Citing Bilski v. Kappos, 130 S. Ct. 3218 (2010), the district court found that the “informing” limitation did not “transform the metaxalone into a different state or thing.” King Pharms., 2010 WL 3001333, at *4. King appealed the district court’s decision.

Under Federal Circuit precedent, “[a]nticipation by inherent disclosure is appropriate only when the reference discloses prior art that must necessarily include the unstated limitation. Id. at *11 (quoting Transclean Corp. v. Bridgewood Servs., Inc., 290 F.3d 1364, 1373 (Fed. Cir. 2002) (emphasis in original)). The court’s analysis in this case turned on the limitation found in claim 1’s preamble. Here, the Federal Circuit affirmed the district court’s decision and held that claim 1 of the ’128 patent as well as the other similar claims were inherently anticipated because the ordinary results of taking metaxalone with food is an increase in the bioavailability of the drug. Id. at *7. The Federal Circuit concluded that “[t]o hold otherwise would remove from the public a method of treating muscle pain that has been performed for decades.” Id. at *8 (citing Atlas Powder Co. v. Ireco, Inc., 190 F.3d 1342, 1348 (Fed. Cir. 1999) (“The public remains free to make, use, or sell prior art compositions or processes, regardless of whether or not they understand their complete makeup or the underlying scientific principles which allow them to operate.”)).

With respect to the “informing” limitation of claim 21 of the ’128 patent and claims of the ’102 patent, the Federal Circuit disagreed with the district court’s analysis under Bilski, but nevertheless found the claims invalid as inherently anticipated. The court held that adding an “informing” limitation to an anticipated claim does not cure a lack of novelty. Id. at *10. This is because “[i]nforming a patient about the benefits of a drug in no way transforms the process of taking the drug with food.” Id. at *11. Despite King’s argument, there is no functional relationship, and the Federal Circuit held the claims invalid as inherently anticipated. Id. at *10-11.

Cases Referenced:
Transclean Corp. v. Bridgewood Servs., Inc., 290 F.3d 1364 (Fed. Cir. 2002).

A Non-Limiting Claim Preamble is Irrelevant to the Anticipation Analysis

In the case of Marrin v. Griffin, the Federal Circuit analyzed how non-limiting claim preambles impact the anticipation analysis. Specifically, the Federal Circuit affirmed a district court’s finding of invalidity based on anticipation where a non-limiting claim preamble recited a distinguishing feature. 599 F.3d 1290, 1294 (Fed. Cir. 2010).

Jeffery and Claudia Griffin held a patent entitled “Scratch-Off Marking Labels.” Claim 1 of the patent recites:

1. A scratch-off label for permitting a user to write thereon without the use of a marking implement, comprising:
   a permanent base having a colored near side which is normally visible to the user and having a far side; and
a coating of scratch-off non-transparent material having a color which contrasts with the color of the near side of the permanent base, which coating is applied directly onto the near side of the permanent base with sufficient thickness so as to obscure the color of the permanent base, and which when scratched off reveals the color of the near side of the permanent base.

Id. at 1292.

The patentees admitted that the prior art disclosed scratch-off devices, but none specifically “permitting a user to write thereon without the use of a marking implement.” The district court nevertheless held the patent invalid as anticipated by the prior art because the preamble was not a claim limitation, but a statement of purpose, which the patentees did not rely on during prosecution to distinguish the prior art. Id. at 1294. The Federal Circuit affirmed.

The majority concluded that the “for permitting” preamble “only added an intended use.” Id. at 1294 (“'[p]reamble language that merely states the purpose or intended use of an invention is generally not treated as limiting the scope of the claim.’” (quoting Bicon, Inc. v. Straumann Co., 441 F.3d 945, 952 (Fed. Cir. 2006)) (alteration in original)). While claim preambles can act as a limiting factor when clear reliance on the language is demonstrated in the prosecution history, that was not the case with the Griffin patent. Claim 1 as originally filed was written as follows:

1. A scratch off marking label, comprising:
   (a) a layer of scratch off non-transparent coating, and;
   (b) a permanent base layer of such color so as to contrast with said scratch off coating;
   (c) said scratch off coating being applied directly onto said permanent layer of contrasting color, whereby upon scratching through of said scratch off coating reveals the contrasting color of said permanent layer in legible lines, thereby providing a writing means whereby a person can mark on the label without the need for a writing implement.

Id. at 1294 (emphasis added in opinion). In amending the claim to its final form, the Griffins expressly conceded that “writing means” was not a limitation. For the same reasons underlying the theory of prosecution history estoppel, the majority concluded that the Griffins could not now argue the contrary.

In her dissent, Judge Newman argues that the majority misconstrued the law of anticipation and the law of claim construction to arrive at its holding. Specifically, Newman points out that “[i]t is incorrect to construe a claim so as to delete limitations stated in the claim – including the ‘preamble’ clause – and then to hold the claim ‘anticipated’ by subject matter that is excluded by the limitations stated in the preamble clause.” Id. at 1296. Newman argues that preambles should be given weight because they give life to the claim. Id. (citing Pitney Bowes, Inc. v. Hewlett-Packard Co., 182 F.3d 1298, 1305 (Fed. Cir. 1999)).

Cases Referenced:
Bicon, Inc. v. Straumann Co., 441 F.3d 945 (Fed. Cir. 2006).
Marrin v. Griffin, 599 F.3d 1290 (Fed. Cir. 2010).
WHEN REFERENCES QUALIFY AS PRIOR ART?

In order for a publication or patent to be used in an invalidity analysis, the reference must qualify as “prior art” under one or more of the sections of 35 U.S.C. § 102. Under 35 U.S.C. § 102(e), a U.S. patent may qualify as prior art based on its earliest effective filing date, provided that this earlier filed specification provides written description support for the patent-in-suit under Section 112. Specifically, 35 U.S.C. § 102(e)(2) bars patentability if:

the invention was described in . . . a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent . . . .

(emphasis added).

In In re Giacomini, 612 F.3d 1380 (Fed. Cir. 2010), the Federal Circuit was asked to decide whether a § 102(e) priority date can extend back to the filing date of a provisional patent application. The case involved an appeal from the Board of Patent Appeals and Interferences affirming a final rejection of certain claims under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 7,039,683 (the “Tran patent”). The Tran patent was filed on December 29, 2000, one month after Giacomini filed his application. However, the Tran patent claimed priority to a provisional application filed on September 25, 2000, which preceded the filing of Giacomini’s patent application.

Giacomini did not dispute that the provisional application disclosed the claimed invention. Rather, Giacomini argued that the earliest effective date of the Tran patent was the filing of its application, not the filing of the provisional application. The Federal Circuit affirmed, finding that a provisional application is “an application” under 35 U.S.C. § 102(e).

Cases Referenced:
In re Giacomini, 612 F3d 1380 (Fed. Cir. 2010).

THE INTERSECTION BETWEEN ORAL TESTIMONY AND ANTICIPATING REFERENCES

Orion acquired a patent directed to technology that assists customers in selecting automotive parts, and proceeded to sue twenty-one automobile manufacturers for infringement. All but Hyundai settled, and a jury awarded Orion $34 million dollars in damages at trial. In a rare ruling, the Federal Circuit reversed the jury verdict. The court held that “testimonial and documentary evidence regarding the Electronic Parts Catalog reference establish[ed] that the Electronic Parts Catalog reference anticipates claim 1 of the ‘627 patent.” Orion IP, LLC v. Hyundai Motor Am., 605 F.3d 967, 977 (Fed. Cir. 2010).

The prior art printed publication, a brochure for an electronic parts catalog, did not explicitly state that the advertised system generated a customer “proposal,” as required by claim 1 of the ‘627 patent. However, in order to anticipate, a single prior art reference can either expressly or inherently disclose each claim limitation. Id. at 975 (citing Finisar Corp. v. DirecTV Grp., Inc., 523 F.3d 1323, 1334 (Fed. Cir. 2008)). The district court had construed the claim term “proposal,” to mean “information intended for conveyance to a potential customer.” Hyundai presented expert testimony, as well as third-party fact witnesses, supporting its position that the system advertised in the brochure was designed to be used by dealership personnel to provide customers with a variety of information. Id. Orion argued that
the information generated by the advertised system was not intended for potential customers because it included wholesale and retail prices. Providing customers with this information would disclose the dealership’s markup on the automotive parts. Anticipation, a question of fact, must be proved by clear and convincing evidence. \textipa{Id.} (citing \textit{Yoon Ja Kim v. ConAgra Foods, Inc.}, 465 F.3d 1312, 1324 (Fed. Cir. 2006)). Based on the arguments presented at trial, the jury found that the brochure did not anticipate the patented invention because it did not meet the requirement of generating a customer “proposal.” Hyundai moved for judgment as a matter of law on the issue of anticipation. The district court denied its motion.

On appeal, the Federal Circuit noted that “anticipation is a question of fact that we review for substantial evidence when tried to a jury.” \textipa{Id.} at 974. After a detailed review of Hyundai’s testimonial evidence presented at trial, the court held that “Hyundai showed by clear and convincing evidence,” that as of the critical date, the advertised system generated proposals for customers. \textipa{Id.} at 977. The court summarily dismissed Orion’s argument that the system’s disclosure of both wholesale and retail prices demonstrated that the generated information was not meant for customers as required by the claims. In the end, the Federal Circuit reversed the jury’s verdict and vacated the district court’s judgment with respect to anticipation because it found that a “reasonable jury would not have a legally sufficient evidentiary basis to find that the claims at issue were not anticipated.” \textipa{Id.} at 977-78. This case illustrates the benefits of supporting anticipatory references with expert and fact testimony.

In another recent Federal Circuit case, the court upheld a jury verdict of invalidity based on anticipation, in part because of testimonial evidence supporting the anticipatory reference. As discussed above, an anticipatory reference must disclose each and every claim limitation within a single document. However, it is well settled that such disclosure may also be inherent. Alternatively, a single reference may properly incorporate by reference an additional piece of prior art. Under Federal Circuit law, the determination of what, if anything, has been properly incorporated by reference is a question of law, not a question of fact.

In \textit{Verizon Services Corp. v. Cox Fibernet Virginia, Inc.}, Verizon argued that the jury’s verdict should be overturned and a new trial ordered because the court failed to instruct the jury on incorporation by reference. 602 F.3d 1325, 1337 (Fed. Cir. 2010). The Federal Circuit agreed with Verizon that “if incorporation by reference comes into play in an anticipation determination, it is the court’s role to determine what material in addition to the host document constitutes the single reference.” \textipa{Id.} In this case, however, the Federal Circuit held that the failure to provide such instructions to the jury was harmless error because Cox’s expert’s testimony allowed the jury to conclude that the claims of the patents in question were anticipated by single references without incorporation of additional documents. Cox’s expert happened to be the author of the anticipating references and was able to provide detailed testimony on the substance of the prior art disclosed in them.

On a related issue, in \textit{i4i Ltd. Partnership v. Microsoft Corp.}, the Federal Circuit addressed an interesting twist relating to the burden of proof parties have in asserting and responding to an anticipation defense. 589 F.3d 1246 (Fed. Cir. 2009). The defendant Microsoft asserted that the plaintiff i4i’s patent-in-suit was invalid as anticipated in view of a prior sale of a software product called S4 more than one year before the patent was filed. At trial, the dispute was whether the prior art S4 software included a “metacode map” as required by the i4i’s patent claims. Because the source code of prior art S4 software was destroyed many years ago, the dispute centered on the testimony of two witnesses who
created the S4 software and who were also the inventors of the patent-in-suit. Both testified that the
prior art software did not include the key metacode map. Both were extensively cross-examined and
impeached with a letter one inventor had written to investors and a funding application submitted to
the Canadian government. Despite that documentary evidence, the jury found the patent valid over the
prior art S4 software.

On appeal, Microsoft argued that based on the documentary evidence, it presented a *prima facie*
case of anticipation and i4i only submitted the uncorroborated testimony of its inventors. Relying on the law
developed under 35 U.S.C. § 102(g) – that a party seeking to prove a prior invention cannot rely on
testimony alone, but must corroborate such testimony with written documentation – Microsoft argued that
i4i failed to meet that burden and its patent must be declared invalid. The Federal Circuit disagreed:

Though we require corroboration of “any witness whose testimony alone is asserted to invalidate
a patent,” *Finnigan Corp. v. Int’l Trade Comm’n*, 180 F.3d 1354, 1369-70 (Fed. Cir. 1999)
(emphasis added), here the inventor testimony was offered by i4i in response to Microsoft’s
attack on the validity of the ’449 patent. It was not offered to meet Microsoft’s burden of proving
invalidity by clear and convincing evidence. Cf. *TypeRight Keyboard Corp. v. Microsoft Corp.*, 374 F.3d 1151, 1159-60 (Fed. Cir. 2004); *Tex. Digital Sys., Inc. v. Telegenix, Inc.*, 308 F.3d 1193,
1217 (Fed. Cir. 2002); *Finnigan*, 180 F.3d at 1367. We know of no corroboration requirement for
inventor testimony asserted to defend against a finding of invalidity by pointing to deficiencies in
the prior art. Accordingly, we hold that corroboration was not required in this instance, where the
testimony was offered in response to a claim of anticipation and pertained to whether the prior art
practiced the claimed invention.

*Id.* at 1263.

**Cases Referenced:**
*Finisar Corp. v. DirecTV Grp., Inc.*, 523 F.3d 1323 (Fed. Cir. 2008).
i4i Ltd. Partnership v. Microsoft Corp., 589 F.3d 1246 (Fed. Cir. 2009).
*Orion IP, LLC v. Hyundai Motor Am.*, 605 F.3d 967 (Fed. Cir. 2010).
*Texas Digital Systems Inc. v. Telegenix, Inc.*, 308 F.3d 1193 (Fed. Cir. 2002).
*TypeRight Keyboard Corp. v. Microsoft Corp.*, 374 F.3d 1151 (Fed. Cir. 2004).

**Anticipation of Design Patents**

“That which infringes, if later, would anticipate, if earlier.” *Peters v. Active Mfg. Co.*, 129 U.S. 530,
537 (1889). Following this maxim of patent law, the Federal Circuit recently aligned the law of design
patent anticipation with its latest change to the law of design patent infringement. The court held that
the “point of novelty” test is no longer valid, and that the “ordinary observer” test is the sole test for
determining anticipation of design patents. *Int’l Seaway Trading Corp. v. Walgreens Corp.*, 589 F.3d
1233, 1240 (Fed. Cir. 2009).
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Seaway held three design patents directed to clogs. During prosecution, all three designs were found patentable over photographs of Crocs brand clogs, including the Beach model clog. The examiner, however, did not review Crocs’s co-pending design patent application directed towards the Beach model clog. On the basis of the issued design patents, Seaway sued Walgreens and Touchsports for infringement.

The Defendants filed a motion for summary judgment, arguing that the Seaway patents were anticipated under 35 U.S.C. §§ 102(a) and (e) by Crocs’s Beach and Cayman models and/or Crocs’s now-issued design patent directed towards the Beach model. The district court held that the three Seaway design patents were invalid because they were anticipated by the Crocs design patent under the ordinary observer test analysis alone. Seaway appealed, arguing that the district court was also required to apply the ordinary observer test in order to find anticipation.

Under the point of novelty test, the first step is to determine the points of novelty of the prior art reference by reviewing the prior art of the reference itself. Once the points of novelty of the reference design are determined, the fact finder must determine if the design in question appropriates those points of novelty. Under the ordinary observer test, anticipation is determined by viewing the design in question and the alleged anticipatory reference through the eyes of the ordinary observer. If the ordinary observer would believe the two are substantially the same, (i.e., such that he or she could be deceived into believing they are the same) the design in question is anticipated.

In the past, anticipation of design patents was determined by conducting both the point of novelty test and the ordinary observer test. Seaway, 589 F.3d at 1238. However, in 2008, the Federal Circuit dismissed the point of novelty test in the context of design patent infringement analysis, holding that the ordinary observer test was the sole test for infringement. Egyptian Goddess, Inc. v. Swisa, Inc., 543 F.3d 665, 678 (Fed. Cir. 2008) (en banc). The Federal Circuit also refined the ordinary observer test to take into account the state of the prior art:

When the differences between the claimed and accused design are viewed in light of the prior art, the attention of the hypothetical ordinary observer will be drawn to those aspects of the claimed design that differ from the prior art. And when the claimed design is close to the prior art designs, small differences between the accused design and the claimed design are likely to be important to the eye of the hypothetical ordinary observer.

Seaway, 589 F.3d at 1239-40 (quoting Egyptian Goddess, 543 F.3d at 676).

Guided by Egyptian Goddess, the Seaway court rejected the point of novelty test. Id. at 1240. In confirming the ordinary observer test as the sole test for design patent anticipation, the Federal Circuit stated that its ruling “will prevent an inconsistency from developing between the infringement and anticipation analyses, and [] will continue [its] well-established practice of maintaining identical tests for infringement and anticipation.” Id.

Cases Referenced:
If you have any questions, please contact the authors of this newsletter listed below or the Willkie attorney with whom you regularly work.

John M. DiMatteo  
(212) 728-8299  
jdimateo@willkie.com

Michael W. Johnson  
(212) 728-8137  
mjohnson1@willkie.com

Fara S. Sunderji  
(212) 728-8553  
fsunderji@willkie.com

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Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, NY 10019-6099  
Tel (212) 728-8000  
Fax (212) 728-8111

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