



Federal Circuit Review

VOLUME 3 | ISSUE 1 JANUARY 2013

Prior Litigation Precludes Lawsuit

In *Cummins, Inc. v. TAS Distrib. Co.*, Appeal No. 2010-1134, the Federal Circuit affirmed the district court's grant of summary judgment to TAS on grounds of *res judicata*.

Cummins sought a declaratory judgment of invalidity and unenforceability of certain TAS patents relating to idle-control technologies for heavy-duty truck engines. TAS moved for summary judgment alleging that Cummins' suit was barred by the doctrine of *res judicata* in view of prior litigation between Cummins and TAS. The district court granted summary judgment, and Cummins appealed.

The Federal Circuit affirmed, finding that Cummins could have raised its patent invalidity defenses in the earlier case ("TAS I"). TAS I was a breach of contract action in which TAS alleged that Cummins breached a patent license agreement by failing to make "all reasonable efforts" to sell TAS's patented technology. In TAS I, Cummins did not challenge the license agreement by challenging the validity of the underlying patents. The Federal Circuit noted, however, that Cummins acquired information during discovery in TAS I that could have been used to challenge the validity of the patents. Under Illinois law, two claims are the same for purposes of *res judicata* if they "arise from a single group of operative facts" The Federal Circuit found that, although TAS I was a breach of contract case, Cummins could have contested the validity of the license agreement in TAS I on the grounds that the licensed patents were invalid. Therefore, the Federal Circuit affirmed the district court's decision that the two claims arose from the same group of operative facts and, as a consequence, that the doctrine of *res judicata* bars the later claim for a declaratory judgment of patent invalidity.

Disclosure of Broad Genus Does Not Disclose Species

In *Osram Sylvania, Inc. v. American Induction Technologies, Inc.*, Appeal No. 2012-1091, the Federal Circuit reversed and remanded the district court's summary judgment of anticipation and obviousness.

OSRAM alleged that American Induction Technologies, Inc.'s (AITI) 120-watt induction lamp infringed OSRAM's patent claiming a closed-loop tubular electrodeless lamp. The district court granted AITI's motion for summary judgment of

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invalidity.

The Federal Circuit reversed the district court's finding of anticipation of one claim for failing to explain or support its finding that the buffer gas pressure of "1 torr or less" disclosed in the prior art reference completely encompasses the "less than 0.5 torr" claimed in the patent. The Federal Circuit explained that the prior art's teaching of a broad genus does not necessarily disclose every species within that genus, as this inquiry depends on the factual aspects of the specific disclosure and the particular products at issue. Additionally, the Federal Circuit held that the district court failed to justify its complete rejection of OSRAM's expert testimony regarding the importance of the claimed pressure to the invention and what one of ordinary skill would have understood from the disclosures in the prior art reference.

Preamble Limits Claims

In *CW Zumbiel v. Kappos*, Appeal No. 2011-1332, the Federal Circuit affirmed the USPTO Board of Appeal's rejection of various claims as obvious and other claims at issue as non-obvious.

Zumbiel challenged the validity of certain claims of Graphic's '639 patent by requesting inter partes reexamination. The '639 patent is directed to a carton for containers such as cans. The patented carton includes a finger-flap for pulling a dispenser-piece at the end of the carton into an open position or completely off the carton. During reexamination, the Examiner rejected various claims as unpatentable for obviousness and confirmed the validity of other claims. Graphic appealed the Examiner's rejections to the BPAI while Zumbiel appealed the Examiner's confirmation of non-obviousness. The Board agreed with the Examiner that certain claims were obvious, but found that other claims rejected by the Examiner were non-obvious. Graphic and Zumbiel appealed the Board's decision to the Federal Circuit.

The Federal Circuit affirmed, finding that the Board's determinations of obviousness and non-obviousness were correct. Graphic argued on cross-appeal that the Board's construction of "free-ends" was not reasonably consistent with the written description of Graphic's '639 patent. The majority agreed with the Board and found that the term "free-ends" is not defined by the specification and that Graphic's proposed interpretation of "free-ends" is "unsupported by the plain meaning of the term." Based on the Board's interpretation of the claim limitation, the majority agreed that the limitation is taught by the prior art. Zumbiel argued on appeal that the Board erred in considering the term "containers" in the preamble to be a claim limitation because it does not appear in the body of the claim. The majority noted that "the preamble constitutes a limitation when the claim(s) depend on it for antecedent basis, or when it is 'essential to understand limitations or terms in the claim body.'" The majority observed that "containers" are in fact recited in the claim body and that these recitations depend on the "plurality of containers" recited in the preamble for antecedent basis.



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