

Perspectives on the Law: Intellectual Property - April 2004

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In ***PSC Computer Prods., Inc. v. Foxconn Int'l, Inc.***, 355 F.3d 1353 (Fed. Cir. 2004), the Court of Appeals for the Federal Circuit addressed for the first time the specificity required of a disclosure in a patent that results in a dedication to the public. When a patentee discloses more of her invention in the patent but does not claim it all, that unclaimed part is considered dedicated to the public, i.e., not covered by the patent literally or equivalently. The Court held for the first time that only "specific" disclosures result in dedication to the public, while "general" disclosures do not. So what is the difference? This Court held that PSC's disclosure of plastic for use as a resilient clip or strap was specific - and therefore dedicated to the public because the inventor only claimed a metal strap. In contrast, this Court found that PSC's disclosure of "other resilient materials" was too general to dedicate to the public all resilient strap materials other than metal. The Federal Circuit reaffirmed the "Disclosure-Dedication Rule" stating that "a patent applicant who discloses but does not claim subject matter has dedicated that matter to the public and cannot reclaim the disclosed matter under the doctrine of equivalents."

In ***Fieldturf, Inc. v. Southwest Rec. Indus., Inc.***, 2004 U.S. App. LEXIS 1642 (Fed. Cir. 2004), the Federal Circuit again navigates the treacherous waters of standing as it relates to patent infringement lawsuits. To have standing in an action for patent infringement, the "party must be either a patentee, a successor in title, or an exclusive licensee." But an exclusive licensee must demonstrate possession of "all substantial rights in the patent." Holding that the license agreement in this case did not convey "all" rights to the exclusive licensee, and thus standing existed, the Court found significant omissions in the license. The license did not address the licensee's right to enforce the patent against infringers or the licensor's right to practice the invention. The case was remanded to the trial court to determine if standing could be cured. If it cannot be, the case will be dismissed with prejudice.

In ***Nat'l Steel Car, Ltd. v. Canadian Pac. Ry., Ltd.***, 2004 U.S. App. LEXIS 1346 (Fed. Cir. 2004), the Federal Circuit looked at a rarely used patent-infringement defense - temporary presence in the U.S. Dependent upon specific conditions, 35 U.S.C. §272 (Temporary Presence in the United States) allows "the use of an invention in a vehicle" to enter the U.S. temporarily without being an infringement. National Steel Car (NSC) sought to enforce its patent on railway cars that Canadian Pacific Railway (CPR) used to haul lumber from Canada to the U.S. CPR did not contest use of the invention, but argued instead that under section 272 there could be no liability because its cars are only in the U.S. "temporarily." The undisputed evidence revealed that the CPR cars were present in the U.S. about 56% of the time they were in operation. Nevertheless, the Federal Circuit held that the CPR rail cars may be eligible for the defense if CPR can prove that its cars are "entering the United States for a limited period of time for the sole purpose of engaging in international commerce." Significantly, the meaning of "limited period of time" was broadly interpreted as a "finite period of time," apparently any amount of time other than permanent. The Court remanded, however, for a determination of whether CPR's use of the rail cars was "solely" for use in international commerce. Stay tuned for a ruling on the meaning of that seemingly unambiguous word.