

# Recent Supreme Court and Other Important Cases

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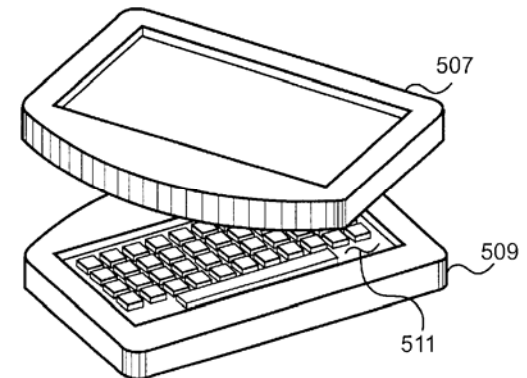
Securing Innovation

# Wireless Agents LLC v. Sony Ericsson

2006 U.S. App. LEXIS 18933 (Fed. Cir. July 2006)<sup>1</sup>

## Facts

- Wireless is assignee of 6,665,173 patent for “Physical Configuration of a Hand-Held Electronic Communication Device”.
- Sues Sony for their allegedly infringing S700i and S710a mobile phones. These devices have a standard 12-key phone “keyboard”
- Wireless moves for preliminary injunction; denied by district court, and appealed to federal circuit



<sup>1</sup> Non-precedential, unpublished opinion

# Wireless Agents LLC v. Sony Ericsson

2006 U.S. App. LEXIS 18933 (Fed. Cir. July 2006)

## Claim 1 (only independent claim)

1. A hand-held, electronic computing device having a physical configuration comprising:
  - a body portion;
  - a display portion pivotally coupled to the body portion;
  - a constantly visible display carried by the display portion;
  - an **alphanumeric keyboard** carried by the body portion;
  - wherein the **alphanumeric keyboard** is at least partially concealed by the display portion when not in use; and
  - wherein the display portion pivots relative to the body portion in a plane that is generally parallel with the **alphanumeric keyboard**.



# Wireless Agents LLC v. Sony Ericsson

2006 U.S. App. LEXIS 18933 (Fed. Cir. July 2006)

## Issue

- Does the scope of the term “alphanumeric keyboard” as used in the ‘173 patent include Sony’s 12-key devices?

# Wireless Agents LLC v. Sony Ericsson

2006 U.S. App. LEXIS 18933 (Fed. Cir. July 2006)

## Rules

- Terms in claims “must be read in view of the specification, of which [it is] part.”
- Where a specification makes clear that the invention does NOT include a particular feature, that feature is deemed to be outside the reach of the patent, even though the claims read alone might otherwise encompass that feature.
- Where a specification is clear as to the meaning of a term, expert testimony and extrinsic evidence cannot be used to contradict it.



# Wireless Agents LLC v. Sony Ericsson

2006 U.S. App. LEXIS 18933 (Fed. Cir. July 2006)

## Analysis

- Scope of term “alphanumeric keyboard” not readily apparent from the face of the claim; no common dictionary definition.
- “Summary of the Invention” said not limited to QWERTY, but “any other alphanumeric layout that includes a *substantially full* set of alphanumeric keys.” (emphasis added) (see col. 5, lines 11). This was not referring to a particular embodiment; summary of invention is “commensurate with the invention claimed.”
- Specification explicitly references disadvantages of twelve digit keypads and contrasts normal cell phone keypads with the invention’s alphanumeric keyboard.
  - The alphanumeric keyboard is easier and faster to use and learn than the keypads and touch screens on most mobile phones and personal digital assistants. (col. 5, lines 4-6)
- Boilerplate language (see col. 13, lines 20-28) does not conflict with court’s reading and thus does not save the motion.
  - “Although the invention has been described with reference to a particular embodiment, this description is not meant to be construed in a limiting sense...”



# Wireless Agents LLC v. Sony Ericsson

2006 U.S. App. LEXIS 18933 (Fed. Cir. July 2006)

## Analysis (continued)

- Expert testimony that accused device has an alphanumeric keyboard was conclusory and contradicts the clear meaning of that term in the specification.

## Result

- The Federal Circuit affirms the district court's claim construction, and since the undisputed facts show that the Sony devices have only 12 keys, also affirms the denial of the motion for a preliminary injunction.



# Wireless Agents LLC v. Sony Ericsson

2006 U.S. App. LEXIS 18933 (Fed. Cir. July 2006)

## Practice Tips

- Be careful in pointing out disadvantages of other embodiments to distinguish your invention as infringers may use the other embodiments to avoid infringement
- Be careful in providing definitions as to the meaning of terms and to what the terms do not mean
- Limit or delete discussion of references to distinguish over the prior art – put the references in IDS instead. Mention prior art references rarely and only when necessary to provide background or distinguish the invention
- Limit summary section – keep it short
- Limit background of invention – only include what you really want to overcome. Some commentators have commented that a background section may not even be necessary. Keep the background short and broad
- Avoid discussing in detail the benefits if other benefits are possible
- Avoid using absolute terms such as always, never, must, can not, won't work, etc. Can be used to limit scope of the claims since court will not broaden the claims when the specification clearly limits the scope of the invention
- Use language like, “according to an embodiment” or “according to an aspect” if other alternatives can be contemplated



# Medimmune, Inc. v. Genentech, Inc.

## Supreme Court No. 05-608 (decision. expected July 2007)

### Facts

- The patented technology relates to the use of cell cultures to manufacture human antibodies.
- Genentech, the world's top biotechnology company, owns the Cabilly I (US Pat. No 4,816, 567) and Cabilly II (US Pat No. 6,331,415, continuation of Cabilly I) patents.
- Medimmune, the 8th largest biotech firm in the world, generates about 80% of its revenue from sales of Synagis®, a drug which prevents certain respiratory infections in premature babies. Synagis® is made with the use of an antibody synthesis technology covered by the Cabilly II patent.
- MedImmune had since 1997 been licensed by Genentech under the Cabilly I patent and, by the terms of that agreement, received a license under the Cabilly II patent.
- After issuance of Cabilly II, Genentech advised MedImmune that Synagis® was covered by Cabilly II and subject to royalties in accordance with the license terms. MedImmune objected, and filed this declaratory judgment action in the central district of California, requesting a declaration that the Cabilly II patent is invalid or unenforceable.
- MedImmune paid and continues to pay the license royalties to Genentech, relying on precedent such as Cordis Corp. v. Medtronic, Inc., 780 F.2d 991 (Fed. Cir. 1985) for the holding that the licensor cannot terminate the license if the royalties are paid to the licensor and the license agreement is not otherwise breached.



# Medimmune, Inc. v. Genentech, Inc.

Supreme Court No. 05-608 (decision. expected July 2007)

## Issue

Does Article III's grant of jurisdiction of "all Cases . . . arising under . . . the Laws of the United States," implemented in the "actual controversy" requirement of the Declaratory Judgment Act, 28 U.S.C. § 2201(a), require a patent licensee to refuse to pay royalties and commit material breach of the license agreement before suing to declare the patent invalid, unenforceable or not infringed?

# Medimmune, Inc. v. Genentech, Inc.

Supreme Court No. 05-608 (decision. expected July 2007)

## Trial Court

- The district court held that Medimmune, as a licensee in good standing and not in reasonable apprehension of suit, cannot bring a declaratory action to challenge the patent under which it is licensed.
- The district court applied Gen-Probe and dismissed the suit as non-justiciable under the Declaratory Judgment Act.



# Medimmune, Inc. v. Genentech, Inc.

Supreme Court No. 05-608 (decision. expected July 2007)

## Federal Circuit Arguments

- MedImmune conceded that it was free of apprehension of suit, stating that the reason it is paying the royalties is to avoid the risk and possible consequences of a successful infringement suit by Genentech. However, MedImmune argued that under Lear, Inc. v. Adkins, 395 U.S. 653 (1969), it has the absolute right to challenge the validity or enforceability of the patent, whether or not it breaches the license and whether or not it can be sued by the patentee. MedImmune stated that the Gen-Probe decision resurrected the licensee estoppel that was abolished in Lear, and should be overturned.
- Genentech responded by arguing that this case did not present a question of licensee estoppel under Lear, but a question of Art. III jurisdiction under the Declaratory Judgment Act.



# Medimmune, Inc. v. Genentech, Inc.

## Supreme Court No. 05-608 (decision. expected July 2007)

### Federal Circuit Result

- **The Federal Circuit affirmed the decision of the district court.**
  - Distinguished the instant case from Lear because the licensee in Lear ceased payment and disavowed the license obligation, whereas here MedImmune did not cease payment.
  - Relied on Gen-Probe, which held that the jurisdictional requirements of a declaratory action are not met when royalties are fully paid to the licensor and there is no ground on which the licensor can cancel the license or sue for infringement. As the Gen-Probe court discussed, **there is an inequity when a patent owner, having contracted away its right to sue, is in continuing risk of attack on the patent whenever the licensee chooses-** for example, if the product achieve commercial success – while the licensee can preserve its license and royalty rate if the attack fails.
  - Affirmed the district court’s decision that MedImmune did not present a justiciable controversy. Under MedImmune v. Centocor, Inc., 409 F.3d 1376 (Fed. Cir. 2005), the Court used a two-prong rule to distinguish “abstract questions” from “controversies contemplated by the Declaratory Judgment Act” – there must be both:
    - a reasonable apprehension on the part of the declaratory judgment plaintiff that it will face an infringement suit, and
    - present activity by the declaratory judgment plaintiff which could constitute infringement.
  - Here, MedImmune conceded it was not under a reasonable apprehension of facing an infringement suit.



# Medimmune, Inc. v. Genentech, Inc.

## Supreme Court No. 05-608 (decision. expected July 2007)

The Supreme Court heard oral arguments in the case on Wednesday, October 4, 2006. A graphical representation of arguments and notes:

MedImmune	Genentech
Agreed to license patent “under protest” because only alternatives were to give up a huge piece of business or face threat of triple-damages infringement suit	MedImmune seeking the right to back out of a deal that both sides made in good faith – it has been “settled law forever that...an agreement for making payments pursuant to an agreement in the nature of a compromise, you can’t come and say that it has been coerced or is some form of duress”
Dispute is real and concrete, concerns lots of money – not an “abstract question”	CJ Roberts: “If firms could always sue over patents they agreed to respect, how do you ever end these things?”
Licensee cannot be contractually prevented from attacking validity of patent	
Supported by: Generic pharmaceutical association, Bush Administration (“strong federal policy in ridding economy of invalid patents”)	Supported by: Pharmaceutical research and manufacturers of America, Qualcomm, 3M, GE, Proctor & Gamble, DuPont

# AT&T v. Microsoft Corp.

414 F.3d 1366 (Fed. Cir. 2005) (petition for cert. pending)

## Facts

- Microsoft ships certain master discs of its Windows software overseas where it is replicated.
- AT&T alleges that when said software is installed on a computer it contains speech codecs which infringe its US reissue Patent 32,580 under 35 U.S.C. 271(f).
- 35 U.S.C. 271(f) assigns liability to anyone who supplies components of a patented invention to induce assembly of the invention overseas.

# AT&T v. Microsoft Corp.

414 F.3d 1366 (Fed. Cir. 2005) (petition for cert. pending)

## 35 U.S.C. 271(f) (emphasis added)

(1) Whoever without authority **supplies or causes to be supplied** in or from the United States all or a substantial portion of the **components of a patented invention**, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

(2) Whoever without authority **supplies or causes to be supplied** in or from the United States any **component of a patented invention** that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial noninfringing use, where such component is uncombined in whole or in part, knowing that such component is so made or adapted [**\*\*7**] and intending that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.



# AT&T v. Microsoft Corp.

414 F.3d 1366 (Fed. Cir. 2005) (petition for cert. pending)

## Issues

- Can software be a “component” of an invention with regards to 35 U.S.C. 271(f)?
- Is foreign copying of a software master disc “supplying” under the language of 35 U.S.C. 271(f)?

# AT&T v. Microsoft Corp.

414 F.3d 1366 (Fed. Cir. 2005) (petition for cert. pending)

## Microsoft Arguments

- Microsoft maintains that software supplied by electronic communication cannot be a “component” for the purposes of 271(f).
  - The court rejects this argument, relying on its holding in Eolas Technologies Inc. v. Microsoft, 399 F.3d 1325 (Fed. Cir. 2005)
  - The form in which the component is exported is immaterial, and is certainly not limited to only physical or structural components.
- Microsoft maintains that the foreign-made copies were not “supplied or caused to be supplied in or from the United States” as required by statute. Only the master copy is arguably supplied; the copies are “manufactured” overseas.
  - The Court rejects this argument, reasoning that given the nature of the technology, “supplying” software very frequently involves making a copy.
  - Microsoft’s theory “fails to account for the realities of software distribution”

# AT&T v. Microsoft Corp.

414 F.3d 1366 (Fed. Cir. 2005) (petition for cert. pending)

## Holding

- For software components, the act of copying is subsumed in the act of supplying under 35 U.S.C. 271(f). Thus, when a master copy is sent overseas with the intent that it be copied, those copies may be considered to be “supplied” by the sender of the master copy. It does not matter if the master is provided on a physical disk or by electronic communications.

# AT&T v. Microsoft Corp.

414 F.3d 1366 (Fed. Cir. 2005) (petition for cert. pending)

## Analysis

- Federal Circuit noted that “without question, software code alone qualifies as an invention eligible for patenting,..., such that software could very well be a ‘component’ of a patented invention for the purposes of §271(f).
- It is inherent in the nature of software that one can support only a single disk that may be replicated— saving material, shipping, and storage costs—instead of supplying a separate disk for each copy of the software to be sold abroad...Therefore, whether software is sent abroad via electronic transmission or shipped abroad on a “golden master” disk is a distinction without a difference for the purposes of §271(f) liability
- Congress obviously intended the statute to have an extraterritorial effect to the extent that the exportation was facilitated by acts in the U.S., and the acts at issue here originating from the U.S. can be understood to be similarly within the meaning of the statute

# AT&T v. Microsoft Corp.

414 F.3d 1366 (Fed. Cir. 2005) (petition for cert. pending)

## Dissent

- The act of supplying is separate and distinct from copying, reproducing, or manufacturing
- Thus, the court provides extraterritorial expansion to U.S. law by punishing under U.S. law “copying” that occurs abroad
- While copying in Dusseldorf or Tokyo may indeed constitute infringement, that infringement must find its remedy under German law or Japanese law
- AT&T can protect its foreign markets from foreign competitors by obtaining and enforcing foreign patents

# AT&T v. Microsoft Corp.

414 F.3d 1366 (Fed. Cir. 2005) (petition for cert. pending)

## Appeal to the Supreme Court

- Microsoft has petitioned for certiorari to the Supreme Court for this case.
- On April 24, 2006, the Supreme Court requested the Solicitor General's opinion on the granting of certiorari. 126 S. Ct. 1901.
  - This usually means the petition will be granted.

# Illinois Tool Works Inc., et al. v. Independent Ink, Inc.

## Issue

- “Whether, in an action under the Sherman Act, 15 U.S.C., section 1, alleging that 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?”

# Illinois Tool Works Inc., et al. v. Independent Ink, Inc.

## Facts

- Illinois Tool Works manufacture and market printing systems that include a patented printhead and ink container and unpatented ink. They sell these products to original equipment manufacturers who agree that they will purchase ink exclusively from them and that neither they nor their customers will refill the patented containers with any other ink. Independent Ink developed their own ink with the same chemical composition as petitioner's unpatented ink.

# Illinois Tool Works Inc., et al. v. Independent Ink, Inc.

## District Court

- Independent Ink filed suit seeking a judgment of noninfringement and invalidity of Illinois Tool Works's patents on the ground that Illinois Tool Works is engaged in illegal tying and monopolization in violation of sections 1 and 2 of the Sherman Act. The District Court granted Illinois Tool Works summary judgment, rejecting Independent Ink's argument that petitioners necessarily have market power as a matter of law by virtue of the patent on their tying product, the printhead system. If this was the case, it would render the tying arrangements per se violations of the antitrust laws.

# Illinois Tool Works Inc., et al. v. Independent Ink, Inc.

## Federal Circuit

- The CAFC reversed as to the section 1 claim, reasoning that it had to follow the Supreme Court's precedents until overruled by the Supreme Court. That is, the Supreme Court has held that a tying product does automatically confer market power. Therefore, until the Supreme Court overrules this, the lower courts must abide.

# Illinois Tool Works Inc., et al. v. Independent Ink, Inc.

## Supreme Court (3/1/06)

- “Because a patent does not necessarily confer market power upon the patentee, in all cases involving a tying arrangement, the plaintiff must prove that the defendant has market power in the tying product.”
- The Court reasoned that its strong disapproval of tying arrangements over the years has substantially diminished as the Court has moved from relying on assumptions to requiring an actual showing of market power in the tying product. Furthermore, the presumption that a patent confers market power arose outside the antitrust context. Moreover, after codifying the patent laws for the first time, Congress initiated the separation of the patent misuse doctrine and antitrust jurisprudence. After the seminal Jefferson Parish case, which repeated the presumption that patents confer market power, Congress amended the Patent Code under 35 U.S.C. 271(d)(5) in 1988 to eliminate this presumption in the patent misuse context.



# Illinois Tool Works Inc., et al. v. Independent Ink, Inc.

## Summary

- This case brings patent antitrust law into line with patent misuse standards and current thinking.
- The mere fact that a tying product is patented does not give rise to a presumption of market power in the patented product.
- In all cases involving tying arrangements, the plaintiff must prove defendant's market power in the tying product.

# eBay, Inc. v. MercExchange, LLC

## Issue

- “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.”
- “Whether [the Supreme 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.”

# eBay, Inc. v. MercExchange, LLC

## General Rule

- A permanent injunction will issue once infringement and validity have been adjudged.
- **Exception:** A court may exercise its discretion in rare instances to deny injunctive relief in order to protect the public interest. The Federal Circuit has stated that a court may decline to enter an injunction when “a patentee’s failure to practice the patented invention frustrates an important public need for the invention.”

# eBay, Inc. v. MercExchange, LLC

## Facts

- Plaintiff, MercExchange, is the assignee of three patents in issue concerning a fixed-price online purchasing feature (U.S. Patent Nos. 5,845,265, 6,085,176, and 6,202,051). Defendants, eBay and other Internet-based auction sites, operate websites that allow customers to purchase items listed on the websites for a fixed, listed price.

# eBay, Inc. v. MercExchange, LLC

## District Court Holding

- In the United States District Court for the Eastern District of Virginia (275 F.Supp.2d 695), the jury found that the defendants had willfully infringed certain claims of two patents and that neither patent was invalid. The jury awarded damages for infringement but denied the plaintiff's motion for a permanent injunction, for enhanced damages, and for attorney fees.

# eBay, Inc. v. MercExchange, LLC

## District Court Reasons

- Public interest favors denial of a permanent injunction in view of “a growing concern over the issuance of business-method patents, which forced the PTO to implement a second level review policy and cause legislation to be introduced in Congress to eliminate the presumption of validity for such patents.”
- Likelihood of continuing disputes over whether the defendant’s subsequent actions would violate MercExchange’s rights.
- Public statements that plaintiff had expressed willingness to license its patents.

# eBay, Inc. v. MercExchange, LLC

## Federal Circuit Holding

- On appeal, the CAFC (401 F.3d 1323) found that the injunction should be granted.

# eBay, Inc. v. MercExchange, LLC

## Federal Circuit Reasons

- “A general concern regarding business-method patents...is not the type of important public need that justifies the unusual step of denying injunctive relief.”
- “The fact that MercExchange may have expressed willingness to license its patents should not...deprive it of the right to an injunction to which it would otherwise be entitled.” The statutory right to exclude is equally available to those who intend to practice their patents and those who intend to license. Thus, the right to an adequate remedy, i.e., permanent injunction, is equally available to both groups.
- Therefore, the CAFC found no reason to depart from the general rule that courts will issue permanent injunctions against patent infringement.



# eBay, Inc. v. MercExchange, LLC

## Supreme Court Holding

- **The Supreme Court vacated the judgment of the Federal Circuit Court of Appeals and remanded the case for further proceedings consistent with the Supreme Court opinion**

# eBay, Inc. v. MercExchange, LLC

## Supreme Court Reasons

- According to well-established principles of equity, a plaintiff seeking a permanent injunction must satisfy a 4-factor test:
  - (1) that the plaintiff has suffered an irreparable injury;
  - (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury;
  - (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and
  - (4) that the public interest would not be disserved by a permanent injunction.
- These familiar principles apply with equal force to disputes arising under the Patent Act.
  - The Patent Act expressly provides that injunctions “may” issue “in accordance with the principles of equity.” 35 U.S.C. §283.
  - The Patent Act also declares that “patents shall have the attributes of personal property,” 35 U.S.C. §261, including, presumably, the provision that injunctive relief “may” issue only “in accordance with the principles of equity.”
- The decision whether to grant or deny injunctive relief rests within the equitable discretion of the district courts, and that such discretion must be exercised consistent with traditional principles of equity, in patent disputes no less than in other cases governed by such standards.



# eBay, Inc. v. MercExchange, LLC

## Summary

- This case moves the fight between big pharmaceuticals and the electronics and software industries that had been center stage before Congress to the judiciary; specifically, the Business Software Alliance successfully included a legislative provision in HR 2795 (the Patent Reform Act) last June that would accomplish the same result as sought in this case by eBay; an end to the nearly automatic grant of permanent injunctions against infringers.
- The goal is to deny injunctive relief to “patent trolls,” i.e., the patent owner who has no plan to practice the invention but only threaten manufacturers for high royalties.
- The Supreme Court opinion opens the door for continued efforts to overrule existing case law as part of the patent reform debates currently in Congress.

# Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.

## Status

- The Supreme Court granted certiorari, then reversed its decision and dismissed as improvidently granted.

# Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.

## 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.”

# Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.

## Facts

- Metabolite Laboratories, Inc.'s owns U.S. Patent No. 4,940,658 (the '658 patent). The '658 patent claims a homocysteine test comprising methods for detecting cobalamin or folate deficiency. Claim 13 reads:  
A method for detecting a deficiency of cobalamin or folate in warm-blooded animals comprising the steps of:
  - assaying a body fluid for an elevated level of total homocysteine; and
  - correlating an elevated level of total homocysteine in said body fluid with a deficiency of cobalamin or folate.
- Metabolite sues LabCorp for infringement of the '658 patent.



# Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.

## District Court Holding

- In the United States District Court for the District of Colorado, a jury found that LabCorp indirectly infringed the '658 patent.
- The jury also found that LabCorp partially breached its contract with Metabolite. Based on this verdict, the district court assessed damages of \$3,652,724.61 for breach of contract and \$1,019,365.01 for indirect infringement.
- After denying LabCorp's motion for judgment as a matter of law (JMOL), the district court doubled the infringement award for willful infringement and issued a permanent injunction.

# Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.

## Federal Circuit Holding

- At the Court of Appeals for the Federal Circuit (370 F.3d 1354), defendant LabCorp appealed the district court's claim construction as well as the denial of JMOL. The CAFC affirmed the district court's rulings, finding infringement and breach of contract by LabCorp.

# Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.

## Federal Circuit Reasons

- The primary challenge to the jury's indirect infringement verdict required the appellate court to review the district court's construction of the claim term "correlating."
- The CAFC found that the specification and prosecution history confirmed that the claim language "correlating" included both a mutual relationship between the presence of an elevated level of homocysteine and a vitamin deficiency and a reciprocal relationship between the absence of an elevated level of homocysteine and no vitamin deficiency.
- Further, it held that the claim language did not require a confirmatory step linking these conditions to diagnosed or apparent symptoms. Thus, the claim was correctly construed.

# Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.

## Federal Circuit Reasons

- LabCorp also argued that the specification does not adequately describe the claimed invention under 35 U.S.C. 112, paragraph 1, which contains both a written description and an enablement test for sufficiency: “The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains or with which it is most nearly connected, to make and use the same...”
- With regards to the written description test, all that is required is showing that inventor possessed invention at time of filing. From the viewpoint of one skilled in the art, the specification makes clear that the inventors possessed the “correlating” step at the time of filing.
- With regards to the enablement test, the patentee did not conceal the correlating step, but featured it as a centerpiece of the invention.

# Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.

## Federal Circuit Reasons

- The Federal Circuit also held that the record contained sufficient circumstantial evidence to permit the jury to imply that defendant's physicians directly infringed and a reasonable jury could find intent to induce infringement. The direct infringement issue hinged solely on whether the physicians perform the “correlating” step.
- The CAFC noted that the “record shows that physicians order assays and correlate the results of those assays, thereby directly infringing.”

# Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.

## Summary

- This case rejuvenates the “secrets of nature” issue of *Funk v. Kalo* and further opens the door to a consideration of patent eligibility for business method patents under the never-tested *State Street Bank*.
- In *Funk*, the Supreme Court held that products that were merely a discovery of the laws of nature in action were not patentable because they lacked invention. Specifically, the respondent's combination of a bacteria and production of a mixed inoculant was new and useful, but lacked invention.