

Keywords: § 102(e); § 103 admissions during prosecution; IDS; objection to jury charge; inventive entity; by another.

General: An inventive entity's own work may not be considered prior art in the absence of a statutory basis (i.e. basis in Section 102). Thus, a patent issued to the same inventive entity as a claim in question cannot be transformed into prior art by admission.

Riverwood Int'l Corp. v. R.A. Jones & Co.
66 U.S.P.Q.2d 1331 (Fed. Cir. 2003)
Decided March 31, 2003

I. Facts

Riverwood International Corp. (Riverwood) filed suit in the Northern District of Georgia against R.A. Jones & Co. (Jones) for patent infringement. Specifically, Riverwood alleged that Jones infringed certain claims of its U.S. Pat. Nos. 5,666,789 (the '789 patent), 5,692,361 (the '361 patent), and 5,241,806 (the '806 patent), which were directed to packaging method and machines, such as those used in the food and beverage industries to group cans and bottles for loading into cartons.¹ On each of the above-listed patents, Kelly W. Ziegler is a named inventor. Specifically, Kelly Ziegler is the sole named inventor on the '789 patent. However, on the '806 patent, Allen L. Olson and Curt W. Lovold are also named inventors, and on the '361 patent, Jeffrey A. Lashyro and Gary J. Vulgamore as well as Ziegler are named inventors.

During prosecution of the '789 and the '361 patents, Riverwood's patent counsel filed an IDS citing the '806 patent and containing the following statement:

The *prior art* references listed constitute the closest art of which the Applicant is aware relating to the invention of the above identified Application. The Application discloses and claims an invention over this *prior art*. (Emphasis added).

In view of this statement, Jones asserted that Riverwood, by admission, transformed the '806 patent into prior art. Alternatively, Jones argued that the '806 patent is prior art under 35 U.S.C. § 102 (e).² In response, Riverwood argued that the IDS did not constitute an admission of prior art. Additionally, Riverwood argued that only a portion of the '806 was applicable as prior art, and offered to show evidence that Ziegler was the sole inventor of the relevant "double stacking" embodiment in the '806 patent. The "double stacking" embodiment provides the foundation for the inventions of the '791 and '361 patents, and it served as the basis for the obviousness arguments at trial. Furthermore, Riverwood argued that Lashyro and Vulgamore contributed alternative methods that were claimed in the original patent application but were withdrawn during prosecution, and, as such, should be removed as named inventors from the '361 patent.

¹ The '806 patent issued on September 7, 1993 from an application filed on March 24, 1992, the '789 patent issued on September 16, 1997 from a continuation application having an effective filing date of March 1, 1993, and the '361 patent issued on December 2, 1997 from a continuation application having an effective filing date of March 25, 1993.

² Because the '789 and '361 were both filed prior to the November 29, 1999 effective date of the AIPA, Section 103(c) does not affect these patents.

Prior to trial, the district court held that the '806 patent was prior art by admission, and, as such, could be presented to the jury. Accordingly, the district court did not even address the Section 102(e) argument raised by Jones. Riverwood did not object to the jury charge, and the case proceeded to the jury.

Additionally, in a separate *Markman* hearing, the district court construed a number of recited claim terms, including the term "flight bars." The district court heard extrinsic evidence, in the form of expert testimony, during the hearing. In short, the district court found that the term "flight bar" included "a plurality of pieces driven by one conveyor or by multiple conveyors moving in synchronization." This claim construction was also submitted to the jury.

The jury found that Jones had infringed claim 18 of the '789 patent and all of the asserted claims of the '361 patent. However, the jury also found that the claims of the '361 and '789 patents were obvious under 35 U.S.C. § 103.³

Riverwood appealed the final judgment of invalidity regarding the '789 and '361 patents on the grounds that the district court should have conducted an evidentiary hearing to determine what portions of the '806 patent constituted prior art. Contrastingly, Jones argued that the '806 patent properly constituted prior art and that Riverwood waived the issue by failing to object to the jury instructions. Additionally, Jones cross-appealed the final judgment, so far as it was based on the district court's construction of the term "flight bars."

II. Issues

- A. Did Riverwood waive its right to appeal the district court's finding of the '806 patent as prior art by failing to object to the jury instructions?
- B. Did the district court properly employ the '806 patent as valid prior art against the '789 and '361 patents under 35 U.S.C. § 103?
- C. Did the district court give proper construction to the recited term "flight bars?"

III. Discussion

- A. No. Typically, in accordance with Federal Rule of Civil Procedure 51, a party must object to a jury instruction to preserve a claim of error on appeal. However, the Eleventh Circuit has recognized a futility exception to Rule 51 in circumstances where the basis for the objection is already known to the court and the objections would be futile. In the present case, the district court conducted a specific hearing to determine the applicability of the '806 patent as prior art and concluded that '806 patent was applicable. Accordingly, the prerequisites for the futility exception were met, and, as such, Riverwood had not waived its right to appeal.
- B. No. The Federal Circuit held that Riverwood did not transform the '806 patent into prior art by admission. Although references may be transformed into prior art solely by an applicant's admissions (i.e. without statutory basis in Section 102), this doctrine is inapplicable when the subject matter at issue is the inventor's own work. A finding of obviousness should not be based on an implied admission erroneously creating imaginary prior art. Indeed, with respect

³ The claims of the '806 patent had been previously invalidated. See *Riverwood Int'l Corp. v. Mead Corp.*, 212 F.3d 1365, 1367, 54 U.S.P.Q.2d 1763, 1766 (Fed. Cir. 2000).

to IDS's, the court stated that "[o]ne's own work may not be considered prior art in the absence of a statutory basis, and a patentee should not be 'punished' for being as inclusive as possible and referencing his own work in an IDS." This school of thought is buttressed by 37 C.F.R. § 1.97(h), which provides that the *filing* of an IDS shall not be construed as an admission that the information cited in the statements is considered to be prior art.

With respect to Section 102(e), the Federal Circuit concluded that this section explicitly states "by another," and, as such, an application issued to the same inventive entity as a claim in question cannot be applied as prior art under section 102(e). The Federal Circuit instructed the district court to "look beyond the superficial fact that the references were issued to different inventive entities." Rather, the pertinent question is whether the prior art subject matter relied upon and the claimed subject matter rejected belonged to the same inventive entity. Accordingly, the Federal Circuit vacated the district court's ruling and remanded the case for further inquiry.

- C. Yes. First, Jones argued that the district court improperly relied on extrinsic evidence regarding the definition of the term "flight bars" by hearing expert testimony from a Riverwood engineer. In contrast, the Federal Circuit reiterated that extrinsic evidence is admissible, "to help the court come to the proper understanding of the claims."

Secondly, Jones argued that the district court improperly held that the term "flight bars" may include "a plurality of pieces driven by one conveyor or by multiple conveyors moving in synchronization." Rather, Jones contended that that term "flight bars" required a unitary structure. The Federal Circuit, citing a review of the record, found no reason to provide such a limited interpretation. Accordingly, this portion of the district court's claim construction was affirmed.

IV. Conclusion

As a practice tip, statements labeling references as "prior art" should be avoided. Indeed, in the present case, the use of what is probably stock language allowed Jones to present a relatively plausible admission argument.

On an interesting tangent, the Federal Circuit berated Jones's counsel for arguing that Riverwood's appeal was frivolous. Indeed, the court stated that "[it] expects better from the members of our bar and disapproves of the cavalier assertion of allegations of frivolousness and the disregard of the court's rules by Jones' [sic] counsel in this case."