**Keywords:** **Appellate jurisdiction, summary judgment, mootness, non-infringement, invalidity**

**General:** **The credibility of witness testimony may present a genuine issue of material fact to preclude summary judgment of patent invalidity. It is not sufficient to merely contradict witness testimony. Rather, evidence must be adduced that is contrary to the conclusion put forth by the witness.**

***TypeRight Keyboard Corp. v. Microsoft Corp.***
71 U.S.P.Q.2d 1501 (Fed. Cir. 2004)
Decided July 6, 2004

## I. Facts

TypeRight Keyboard Corp. (TypeRight) sued Microsoft Corp. (Microsoft) for infringement of U.S. Patent No. 5,372,441 and U.S. Patent No. 5,503,484 (the ergonomic keyboard patents). After a *Markman* hearing, Microsoft moved for summary judgment, alleging invalidity of the ergonomic keyboard patents under 35 U.S.C. § 103. Microsoft also moved for summary judgment of non-infringement.

The ergonomic keyboard patents were both continuations of a single application with a filing date of February 21, 1991. Accordingly, the critical date of the patents was February 21, 1990. During discovery, Microsoft uncovered an undated, one-page document ("the Marquardt document") showing important features claimed in the ergonomic keyboard patents.

Microsoft adduced evidence of several paid consultants in support of the proposition that the Marquardt document was publicly available prior to the February 21, 1990, critical date of the ergonomic keyboard patents. One consultant testified that the Marquardt document was discovered in one of his files labeled "1990" but that he remembered receiving it at a trade show in 1986. Another consultant testified that he attended the 1986 trade show and remembered the circulation of photos similar to the Marquardt document. No witness was proffered from the company that created the Marquardt document.

The district court granted Microsoft's motion for summary judgment on the issue of invalidity, but declined to rule on the motion based on non-infringement. After some arcane procedural wrangling, the district court denied Microsoft's motion for a declaration of non-infringement. TypeRight appealed the district court's grant of summary judgment on the issue of patent invalidity and Microsoft cross-appealed the denial of its motion for summary judgment of non-infringement.

## II. Issue

A. Did the district court properly deny defendant Microsoft's motion for a declaratory judgment of non-infringement in view of a grant of summary judgment on the issue of patent invalidity?

B. Did the district court properly grant defendant Microsoft's motion on the issue of patent invalidity in view of evidence adduced by plaintiff TypeRight that witnesses testifying support of Microsoft's motion lacked credibility?



© 2005 FLETCHER YODER

## III. Discussion

A. Yes. Appellate jurisdiction is only appropriate in cases where a party is adversely affected by the outcome in the court below. Otherwise, a prospective appellant lacks standing to appeal. In the present case, the district court's ruling that the ergonomic keyboard patents were invalid precluded Microsoft from being adversely affected by the denial of its motion for summary judgment of non-infringement. In other words, a favorable decision on Microsoft's motion for summary judgment on the issue of non-infringement would not give Microsoft additional rights in view of the implied finding of no liability for infringement embodied in the grant of summary judgment that the ergonomic keyboard patents were invalid. The Federal Circuit noted that Microsoft's rights were actually broader under the decision of invalidity than they would be under a product-specific finding of non-infringement. Moreover, a decision on the issue of invalidy necessarily moots the issue of non-infringement.

B. No. The Federal Circuit concluded that evidence adduced by TypeRight raised a genuine issue of material fact with respect to the credibility of the testimony of Microsoft's consultants. Noting that the instant case is "close," the court mused that patents must be proved invalid by clear and convincing evidence. Several factors convinced the court that the clear and convincing standard was not met by Microsoft:

1. Microsoft contended that the Marquardt document was published in 1986 even though it was discovered in a file marked "1990." Testimony showed that the date of 1990 was when it was received in the files of the consultant. No explanation for the discrepancy in the alleged date the document was presented and the later date on the file was offered.

2. The events testified to by the consultants happened long ago (more than 18 years prior to their testimony.

3. The consultant testimony was tentative ("I think so…").

4. There was no evidence that the company who produced the document had been contacted to verify its date of publication, even though testimony indicated that it was likely that the company could tell from the markings on the document.

5. The company that created the document filed patent applications on similar subject matter in 1991. This indicated to the court the likelihood that the earlier publication date of 1986 must have been incorrect.

6. The consultants were paid for their testimony by Microsoft.

Based on these observations, the Federal Circuit concluded that a reasonable jury could disagree with the district court's conclusion that the Marquardt docment was prior art to the ergonomic keyboard patents. Accordingly, TypeRight was entitled to a trial on the issue of patent invalidity.

## IV. Conclusion

The impression left by litigation tactics can make or break a case. Here, the Federal Circuit was swayed by a record that gave the appearance that witnesses were possibly biased and that not everything that could be done to prove the actual publication date of the Marquardt document had been done. These impressions were fatal to the good result Microsoft obtained in the court below.



© 2005 FLETCHER YODER