



UNIVERSITY OF
MARYLAND
SCHOOL OF LAW

**PATENT LAW
UPDATE**

***Union Carbide
Chems. &
Plastic Tech.
Corp.
v.
Shell Oil Co.***

Nos. 02-1001,
-1020

Federal Circuit
Sept. 20, 2002

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On September 20, 2002, the Federal Circuit, *inter alia*, reversed the district court’s entry of judgment on the jury verdict that Shell did not infringe U.S. Patents No. 4,916,243, No. 4,908,343, and No. 5,057,481, which related to improved silver catalysts for the production of ethylene oxide. With respect to the district court’s denial of Union Carbide motion for a new trial on infringement, the Federal Circuit stated:

In the instant case, the court concluded that “Shell’s counsel did make numerous improper remarks” at trial. [For example:]

Ladies and gentlemen, Union Carbide has been caught once copying Shell’s technology in this very same catalyst business, and they’ve gotten one judgment against them, and they’re about to get another one. That’s what this lawsuit is all about. . . .

In fact, the whole point of this case is that it was Shell’s patents that Union Carbide copied. Shell’s already issued patents that Union Carbide copied in an urgent need, Carbide’s own words, in an urgent need to remain competitive It is the result of that copying by Union Carbide that resulted in these three dusty old copycat patents. . . .

The evidence in this case is . . . primarily from Union Carbide’s own documents, the story of a company that simply copies instead of invents. And a company that is finally fallen on desperate enough times that it must come and compete in a courtroom because it can no longer compete in research laboratory or in the ethylene oxide catalyst business.

The court concluded, however, that it was not reasonably probable that Shell’s improper statements had influenced the jury’s verdict of noninfringement. The court determined that “to the extent that the jury’s verdict was influenced by any improper remarks, the court has already remedied that through the granting of Union Carbide’s JMOLs [on invalidity].” “[T]he remaining verdicts [of noninfringement] in favor of Shell were not the product of undue prejudice.” The court consequently denied Union Carbide’s motion for a new trial on infringement.

[T]he court’s denial of Union Carbide’s motion did not constitute an abuse of its discretion. [H]owever, that Shell’s conduct is not acceptable and that the district court’s finding that Shell’s remarks were improper strongly suggests that the court must police attorney trial tactics more carefully. We trust that that will be the case on remand. Improper comments such as Shell’s run the risk of infecting the entire trial.

[W]e agree that Shell’s improper statements were pertinent to issues of invalidity rather than to the question of Shell’s alleged infringement. Even if Shell did attempt to characterize Union Carbide as a copyist, such suggestions would imply that Union Carbide’s patents were invalid for prior inventorship or anticipation, not that Shell’s catalysts failed to contain all of the limitations found in the salt patents. Moreover, the only issue decided by the jury verdict that remains before this court, infringement of the salt patents under the correct claim construction, was not a close question. [T]he district court did not abuse its discretion when it found that it was not reasonably probable that Shell’s improper remarks influenced the jury’s verdict of noninfringement.