

DECEMBER 14, 2006

L&W, Inc. v. Shertech, Inc.

Nos. 06-1065, -1097, Federal Circuit (Mayer, Clevenger, Bryson)

When a patentee with the burden of proof seeks summary judgment of infringement, it must make a prima facie showing of infringement as to each accused device before the burden shifts to the accused infringer to offer contrary evidence.

On December 14, 2006, the Federal Circuit, inter alia, vacated and remanded the district court's summary judgment that L&W infringed U.S. Patent No. 5,670,264, which related to automobile heat shields. The Federal Circuit stated:

The district court entered summary judgment of infringement because it found that Shertech had shown that the accused products contained each disputed limitation of the asserted claims and that L&W had failed to point to a genuine issue of material fact with respect to any of the claim limitations. [T]he district court concluded that the metal sheets of L&W's heat shields contained "standoffs" within the meaning of the claim 7 limitation requiring the recited heat shield to have "standoffs in local contact with at least one adjacent sheet of the plurality of sheets to generally separate each of the plurality of sheets from the adjacent sheet thereby creating a space between each of the plurality of sheets and the adjacent sheet." The district court construed the term "standoff" to mean "a projection that either separates or has the potential to separate." Neither party disputes that definition on appeal.

The district court predicated its summary judgment of infringement in part on its conclusion that L&W "acknowledges that embossments separate the layers of its heat shields" when the component metal sheets are stacked together. [But we find that] L&W did not admit that its accused heat shields contain undulations similar to those that allow separation at elevated temperatures, nor did it admit that its accused heat shields operate at the same "elevated temperatures" referred to in the [L&W patent] application.



NIXON PEABODY LLP
ATTORNEYS AT LAW

[T]he evidence submitted in connection with the motions for summary judgment did not establish that Shertech is entitled to summary judgment on each of the accused products that formed the basis for Shertech's charge of infringement. . . . The principal weakness of L&W's evidence is that it does not directly confront Dr. Holmes's measurements of L&W part #P30432B. Dr. Holmes's analysis of that part was specific, and L&W's response was general. If the parties and the district court had focused on the case of infringement with respect to part #P30432B, the district court might have found Dr. Holmes's specific evidence as to that part inadequately rebutted, in which case the court would have been justified in concluding that L&W had failed to demonstrate the existence of a genuine issue of material fact as to that particular product. But Shertech did not move for summary judgment of infringement on a part-by-part basis. Instead, both parties approached the issue of infringement as an "all-or-nothing" matter, and the district court accordingly addressed the summary judgment motions in the same manner. . . .

Shertech seeks to make up for the fact that Dr. Holmes's declaration assumes, without support, that all of L&W's accused products are structurally similar to part #P30432B by arguing that "if L&W genuinely believed that there were relevant distinctions between the 'accused products' that would have affected the district court's infringement analysis, L&W was obligated to make those arguments at the summary judgment stage in order to refute Shertech's assumption that the design of the sixteen heat shields was substantially similar." Among the flaws in that argument is that it ignores the burden of proof on infringement, which falls on Shertech, the patentee. Shertech cannot simply "assume" that all of L&W's products are like the one Dr. Holmes tested and thereby shift to L&W the burden to show that is not the case. When a patentee with the burden of proof seeks summary judgment of infringement, it must make a prima facie showing of infringement as to each accused device before the burden shifts to the accused infringer to offer contrary evidence. On the record made before the district court, we hold that Shertech failed to satisfy its burden of showing that there is no genuine issue of material fact on the issue of infringement.

For more information on these issues or other intellectual property law matters, please contact **Lawrence M. Sung, Ph.D.** at lsung@nixonpeabody.com or 202-585-8221.

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