

Rentrop v Spectranetics Corp.

No. 07-1560, Fed. Cir. (Michel, Friedman, Walker*)

[W]hen there is a relevant change in the law before entry of final judgment, a party generally must notify the district court; if the party fails to do so, it waives arguments on appeal that are based on that change in the law.

On December 18, 2008, the Federal Circuit affirmed the district court's judgment that Spectranetics infringed U.S. Patent No. 6,673,064, which related to an excimer laser catheter for angioplasty procedures. In addition, the Federal Circuit affirmed the ruling that the '064 patent was not invalid for obviousness or unenforceable for inequitable conduct, and upheld the damages award to Rentrop of \$500,000. The Federal Circuit stated:

Spectranetics [cannot] attack the basis for the jury's obviousness verdict directly as it did not move for judgment as a matter of law on obviousness. Rather, Spectranetics argues that claim 1 of the '064 patent was so clearly obvious based on the prior art presented to the jury that the only possible explanation for the jury not finding the claim to be obvious was that the district court gave a rigid "teaching, suggestion or motivation" jury instruction in violation of the Supreme Court's recent decision in *KSR Int'l Co. v Teleflex Inc.*, 550 US 398 (2007).

Rentrop argues that Spectranetics waived its argument based on KSR because Spectranetics did not bring this argument to the district court's attention before entry of judgment. We agree. KSR was decided on April 30, 2007. The jury returned its verdict on December 8, 2006, and briefing on post-trial motions was completed by February 20, 2007 — over two months before KSR was decided. The district court, however, did not decide the post-trial motions until August 23, 2007, and judgment was not entered until August 24, 2007, almost four months after the decision in KSR. . . .

Where possible, every legal argument should be presented first to the trial court. KSR was decided almost four months before the trial court entered judgment, giving Spectranetics ample time to bring that decision to the trial court's attention. Had Spectranetics done so, the trial court — if it agreed that the jury instructions on obviousness were incorrect under KSR — could have taken appropriate action and possibly obviated the need for this appeal. Spectranetics points out that we have taken up the KSR jury instruction issue several times where it had not been brought before the district court first, but in the cases Spectranetics cites, judgment was entered by the district court before KSR was decided.

We hold that when there is a relevant change in the law before entry of final judgment, a party generally must notify the district court; if the party fails to do so, it waives arguments on appeal that are based on that change in the law. Spectranetics did not bring KSR to the attention of the district court and therefore has waived its arguments based on KSR. The jury's determination that the '064 patent is not invalid will not be disturbed.

Although we hold that Spectranetics waived its arguments based on KSR, we note that the jury instructions on obviousness in this case appear to be consistent with KSR. KSR — a case in which jury instructions were not at issue — rejected a “formalistic conception of the words teaching, suggestion and motivation.” The Court held that the commonly used teaching, suggestion and motivation (“TSM”) test provides a “helpful insight,” noting that “it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does.” But the Court held that applying the TSM principle as a rigid rule is error. . . .

While [the jury] instruction [in this case] might violate KSR if it were the only instruction, the district court went on to define motivation for the jury: “The motivation may arise from common knowledge, or common sense of the person of ordinary skill in the art, without any specific hint or suggestion in a particular reference.” Thus, the court instructed the jury on the TSM principle, but described it in unrigid terms. . . .

Spectranetics also challenges the jury instructions as impermissibly prohibiting an “obvious to try” inquiry. In KSR, the Court held it was error to conclude that a “patent claim cannot be proved obvious merely by showing that the combination of elements was obvious to try.” Read in context, [the jury] instruction [in this case] states, correctly, that the test for obviousness is not whether it would be obvious to try to solve the problem that the invention solves. The instruction does not imply that a showing that the specific combination of elements was obvious to try is insufficient to find obviousness. Even if Spectranetics had not waived its KSR argument, it appears that it would not have been entitled to relief from the jury’s finding of nonobviousness.

[W]e conclude that Spectranetics waived its challenge to the jury instructions on obviousness, that the jury’s verdict of infringement was supported by legally sufficient evidence and that the district court’s determination that Spectranetics did not establish an inequitable conduct defense was not an abuse of discretion or based on clearly erroneous findings of fact.

The previous statements are for information purposes only, and do not constitute legal advice. Questions regarding the matters discussed above, and any requests to be subscribed to the free electronic distribution of this publication, may be directed to Lawrence M. Sung, Ph.D., at +1 202.346.7850 or lsung@dl.com, or to any other Dewey & LeBoeuf LLP attorney with whom you regularly consult.

NEWYORK|LONDONMULTINATIONALPARTNERSHIP|WASHINGTON,DC
ALBANY|ALMATY|AUSTIN|BEIJING|BOSTON|BRUSSELS|CHARLOTTE|CHICAGO|DUBAI
FRANKFURT|HARTFORD|HONGKONG|HOUSTON|JACKSONVILLE|JOHANNESBURG (PTY)LTD. | LOSANGELES
MILAN | MOSCOW | PARISMULTINATIONALPARTNERSHIP | RIYADHAFFILIATEDOFFICE | ROME | SANFRANCISCO | SILICON VALLEY | WARSAW