

United States District Court,
D. Massachusetts.

VISION BIOSYSTEMS (USA) TRADING INC,
Plaintiff.

v.

VENTANA MEDICAL SYSTEMS, INC,
Defendant.

No. Civ.A. 03-10391-GAO

Sept. 30, 2004.

Christine M. Roach, Roach & Carpenter, P.C., Boston, MA, E. Anthony Figg, Elizabeth A. Leff, Richard Wydeven, Rothwell, Figg, Ernst & Manbeck, Washington, DC, for Plaintiff.

Brian Michaelis, Gregory T. Arnold, Robert L. Harris, Brown Rudnick Berlack Israels LLP, Boston, MA, Jeffrey N. Danis, Ventana Medical Systems, Inc., Oro Valley, AZ, Ron E. Schulman, Roger J. Chin, Wilson, Sonsini, Goodrich & Rosati, Palo Alto, CA, for Defendant.

MEMORANDUM AND ORDER

OTOOLE, J.

I. Introduction

The defendant, Ventana Medical Systems, Inc., manufactures and sells automated systems used in the medical industry for staining and analyzing tissue samples on microscope slides, primarily for the diagnosis of cancer and infectious disease. Ventana owns the rights to U.S. Patent No. 6,352,861, entitled "Automated Biological Reaction Apparatus," which claims an automated device that holds and can process at one time a large number of slides containing tissue samples and containers containing chemical reagents to be applied to the slides. As described in the '861 patent, each slide and reagent container placed in the system bears a bar code. The system has a bar code reader that reads the bar code on each slide to determine the location of and staining protocol to be applied to the slide. Another bar code reader reads the bar code on each reagent container to determine its location and contents. A computer system controls the bar code readers and the mechanical steps needed to perform the staining procedures, including dispensing the proper reagents onto the proper slides.

The plaintiff, Vision Biosystems (USA) Trading Inc., also manufactures and sells automated staining systems. Ventana has accused two of Vision's systems, the Bond-X and Bond-maX immunochemistry systems, of infringing independent claims 1 and 5, as well as dependent claims 2, 3, 6, and 8, of the '861 patent. Vision brought this action seeking declaratory judgments that it has not infringed the '861 patent and the patent is invalid. Ventana filed an amended answer and counterclaim in which it alleges that Vision has

infringed its '861 patent. The parties have filed cross-motions for summary judgment on the issue of infringement. After hearing and consideration of the parties' submissions, I conclude that Vision's motion for summary judgment ought to be denied, and Ventana's motion ought to be granted. In addition, several other pending motions are addressed at the end of this memorandum.

II. Cross-motions for summary judgment

A. Applicable law

It is well established that patent infringement cases proceed in two steps. "First, the claims of the patent must be construed to determine their scope. Second, a determination must be made as to whether the properly construed claims read on the accused device." *Interactive Gift Express, Inc. v. Compuserve, Inc.*, 256 F.3d 1323, 1330 (Fed.Cir.2001) (citation omitted). The first step, claim construction, is a question solely for the court. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 388-89, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996).

Claim construction begins with an analysis of the words of the disputed claim. *Gemstar-TV Guide Int'l, Inc. v. Int'l Trade Comm'n*, No. 03-1052, 2004 WL 2059279, at (Fed.Cir. Sept.16, 2004). The "ordinary and accustomed meaning of a disputed claim term is presumed to be the correct one." *K-2 Corp. v. Salomon S.A.*, 191 F.3d 1356, 1362-63 (Fed.Cir.1999). That presumption may be rebutted if the patent evidences an intent to attribute special meaning to the claim terms; however, "[i]n the absence of an express intent to impart a novel meaning to the claim terms, the words take on the full breadth of the ordinary and customary meanings attributed to them by those of ordinary skill in the art." *Ferguson Beauregard/Logic Controls, Div. of Dover Res., Inc. v. Mega Sys., LLC*, 350 F.3d 1327, 1338 (Fed.Cir.2003); *see also Johnson Worldwide Assocs., Inc. v. Zebco Corp.*, 175 F.3d 985, 989 (Fed.Cir.1999) ("a court must presume that the terms in the claim mean what they say, and, unless otherwise compelled, give full effect to the ordinary and accustomed meaning of claim terms"). Although a court may ultimately rely on a variety of evidence to give meaning to the terms of a patent claim, it "should look first to the intrinsic evidence of record, *i.e.*, the patent itself, including the claims, the specification and, if in evidence, the prosecution history. Such intrinsic evidence is the most significant source of the legally operative meaning of disputed claim language." *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed.Cir.1996) (citation omitted).

Although dictionaries are, strictly speaking, extrinsic to the patent, they may be used to help understand the ordinary meaning of a term to one skilled in the relevant art. *See CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366 (Fed.Cir.2002); *see also Texas Digital Sys., Inc. v. Telegenix, Inc.*, 308 F.3d 1193, 1202 (Fed.Cir.2002) ("It has been long recognized ... that dictionaries, encyclopedias and treatises are particularly useful resources to assist the court in determining the ordinary and customary meanings of claim terms."). "Indeed, these materials may be the most meaningful sources of information to aid judges in better understanding both the technology and the terminology used by those skilled in the art to describe the technology." *Texas Digital Sys.*, 308 F.3d at 1203. The Federal Circuit has cautioned, however, that while dictionary definitions of claim terms may be helpful, the claim terms must be construed in context:

Dictionary definitions, while reflective of the ordinary meanings of words, do not always associate those meanings with context or reflect the customary usage of words by those skilled in a particular art. The words used in the claims must be considered in context and are examined through the viewing glass of a person skilled in the art. It is the use of the words in the context of the written description and customarily by those skilled in the relevant art that accurately reflects both the "ordinary" and the "customary" meaning of the terms in the claims of a patent.

Ferguson, 350 F.3d at 1338 (citations omitted).

Further, "[t]he written description must also be examined in every case, because it is relevant to determine if the presumption of ordinary and customary meaning is rebutted." *Id.* at 1339; *see also* Texas Digital, 308 F.3d at 1203 (recognizing that because "words often have multiple dictionary definitions, some having no relation to the claimed invention, the intrinsic record must always be consulted to identify which of the different possible dictionary meanings of the claim terms in issue is most consistent with the use of the words by the inventor"). "The specification acts as a dictionary when it expressly defines terms used in the claims or when it defines terms by implication." *Vitronics*, 90 F.3d at 1582. However, while a court may turn to the specification to understand and clarify a claim's terms, it cannot use the specification to place unnecessary limits on a term. *Brassica Protection Prods. LLC v. Sunrise Farms (In re Cruciferous Sprout Litig.)*, 301 F.3d 1343, 1348 (Fed.Cir.2002) ("limitations appearing in the specification will not be read into claims, and ... interpreting what is *meant* by a word *in* a claim 'is not to be confused with adding an extraneous limitation appearing in the specification, which is improper' ") (citation omitted) (emphasis in original).

"Another tool to supply proper context for claim construction is the prosecution history. As in the case of the specification, a patent applicant may define a term in prosecuting a patent." *Home Diagnostics, Inc. v. Lifescan, Inc.*, No. 03-1370, 2004 WL 1925613, at (Fed.Cir. Aug.31, 2004). Finally, if the intrinsic evidence by itself does not permit the court to establish the clear meaning of a term, the court may turn to extrinsic evidence, such as expert and inventor testimony. *See Zodiac Pool Care, Inc. v. Hoffinger Indus., Inc.*, 206 F.3d 1408, 1414 (Fed.Cir.2000) ("The court turns to extrinsic evidence only when the intrinsic evidence is insufficient to establish the clear meaning of the asserted claim."). A court also may consult extrinsic evidence "to ensure that the claim construction it is tending to from the patent file is not inconsistent with clearly expressed, plainly apposite, and widely held understandings in the pertinent technical field." *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1309 (Fed.Cir.1999).

Once a court has construed the patent claims, the second step in a patent infringement case is to determine whether an accused device infringes. This determination requires findings of fact. *Int'l Rectifier Corp. v. Samsung Elecs. Co., Ltd.*, 361 F.3d 1355, 1362 (Fed.Cir.2004). The patentee has the burden to prove by a preponderance of the evidence that every limitation of the asserted patent claim is present in the alleged infringing device. *CVI/Beta Ventures, Inc. v. Tura LP*, 112 F.3d 1146, 1161 (Fed.Cir.1997). Summary judgment is proper at this stage if the record reveals that there are no trial-worthy issues of fact on the question of infringement and that one party is entitled to judgment as a matter of law. *Int'l Rectifier Corp. v. IXYS Corp.*, 361 F.3d 1363, 1369 (Fed.Cir.2004).

B. Claim construction

1. The claim language

Claim construction begins with a careful examination of the language of the relevant claims. Ventana has accused Vision of infringing independent claims 1 and 5 of the '861 patent, which read as follows:

1. A method of dispensing reagents onto a slide, the method comprising the steps of:

providing at least one reagent container;

providing at least one slide on a slide support;

automatically identifying the reagent container using a computer;

automatically determining whether reagent in the reagent container should be dispensed onto the slide; and

dispensing the reagent in the reagent container onto the slide based on the determination of whether the reagent in the reagent container should be dispensed onto the slide,

wherein the step of automatically determining whether reagent in the reagent container should be dispensed onto the slide includes the steps of:

providing a bar code reader;

reading a slide bar code placed on the slide using the bar code reader thereby acquiring slide information, the slide information indicating reagents to be applied to the slide; and

sending the slide information to the computer.

...

5. A method of dispensing reagents onto a slide, the method comprising the steps of:

providing a plurality of reagent containers in a reagent support, each of the reagent containers having a reagent bar code;

providing at least one slide on a slide support, the slide having a bar code;

providing a bar code reader;

reading the bar codes on the reagent containers;

determining reagents in the reagent containers based upon the reading of the bar codes on the reagent containers;

reading the slide bar code on the at least one slide;

determining a sequence of reagents to be applied on the at least one slide based upon the reading of the slide bar code on the slide; and

dispensing the reagents in the reagent containers based upon the sequence of reagents to be applied.

U.S. Patent No. 6,352,861 at 24:53-25:6, 25:19-36 (issued Mar. 5, 2002) (emphasis added).

These claims generally describe the method by which the invention employs bar codes and bar code readers to automatically control the dispensing of the proper reagents onto the proper slides. The parties recognize that the claim terms should be given their ordinary meaning, but they dispute the proper construction of the

underlined limitations. The dispute identified in the parties' submissions concerns whether the limitations require that a slide bar code itself contain substantive information concerning the staining protocol to be performed on that slide.

Vision argues that claims 1 and 5, and the underlined limitations in particular, should be construed to require that each slide's bar code has substantive information encoded into it specifying the reagents that the system should apply to the slide. According to Vision, all of the information needed to determine the reagents to be applied to the slide must be encoded into the bar code, without resort to any information or instructions entered at any time by a system operator.

Vision focuses on the use of the term "indicating" in claim 1. It argues that in its ordinary usage the word "indicate" means to show or make known, and the phrase "the slide information [which is acquired by reading a bar code] indicating reagents to be applied" should be construed to mean that the bar code shows or makes known reagents to be applied. Vision then argues, "This necessarily requires that the sequence of reagents to be applied is encoded in the slide bar code from which the slide information is acquired. If the sequence of reagents were not encoded into the bar code, the slide information could not make the sequence of reagents known." Pl.'s Mem. Supp. Mot. for Summ. J. at 12.

Similarly, Vision argues that the ordinary meaning of the term "base," as used in claim 5, is to establish as a fact or conclusion. Thus, the phrase "determining a sequence of reagents to be applied ... based upon the reading of the slide bar code" must be construed to mean "that the sequence of reagents is established, as a fact or conclusion, by reading the bar code on the slide. For the slide bar code to establish the reagent sequence to be applied to the slide, the specification of the sequence must be encoded in the slide bar code." Id. at 16.

Vision's proposed construction is not consistent with the ordinary meaning of the terms used in the limitations, as those terms would be understood by someone of ordinary skill in the relevant art, which, as far as claims 1 and 5 are concerned, is bar code technology. A bar code is commonly understood to be "a series of contiguous lines of like height coded by width and applied to an item for identification by an optical scanner, as for registering the price of a product." *Random House Webster's College Dictionary* 110 (1992).

The Columbia Encyclopedia provides the following description of bar code technology:

computer coding system that uses a printed pattern of lines or bars to identify products, mail and packages, customer accounts, and the like. Bar codes are read by optically scanning the printed pattern and using a computer program to decode the pattern. In a linear bar code system, the code itself contains no information about the item to which it is assigned but represents a string of identifying numbers or letters. When the code is read by an optical scanner linked to a computer, the computer can provide and record information about the item, such as its price or the quantity sold, from and to databases.

The Columbia Encyclopedia 238 (6th ed.2000).

Further, Ventana submitted a document titled "Bar Code Primer," by Worth Data, Inc., FN1 printed in 2003, that was written "to help you understand bar codes so that you can better plan for your bar coding applications." The Bar Code Primer, at 1, states,

FN1. Worth Data manufacturers and sells computer hardware and software products related to bar code technology. Information concerning the company and a copy of the Bar Code Primer may be found at its website, <http://www.barcodehq.com>.

There is a mystique surrounding bar codes that intimidates many people. Let's eliminate it quickly. First the bar code usually doesn't contain descriptive data, (just like your social security number or car's license plate number don't have anything about your name or where you live). The data in a bar code is just a reference number that the computer uses to look up associated computer disk record(s) that contain descriptive data and other pertinent information.

For example, the bar codes found on food items at grocery stores *don't* contain the price or description of the food item; instead the bar code has a "product number" (12 digits) in it. When read by a bar code reader and transmitted to the computer, the computer finds the disk file item record(s) associated with that item number. In the disk file is the price, vendor name, quantity on-hand, description, etc....

....

In conclusion, bar codes typically have only ID data in them; the ID data is used by the computer to look up all the pertinent detailed data associated with the ID data.

All of these sources, taken singly or jointly, confirm that the ordinary and common understanding is that bar codes are used in conjunction with referents that contain detailed information (usually digital files) and that they do not have substantive data encoded in them.

It may be that some bar code technology can be used to encode substantive information. For example, the Columbia Encyclopedia describes the difference between bar codes that contain only identifying data and those that store substantive information: "In a linear bar code system, the code itself contains no information about the item to which it is assigned but represents a string of identifying numbers or letters.... So-called two-dimensional (2D) bar codes permit the encoding of information about an item in addition to an identifying code." *The Columbia Encyclopedia* at 238; *see also* <http://www.data-net.com/education/barcodes2.html> ("The most common and recognizable type of bar code is the 'one-dimensional' linear bar code.... Two-dimensional bar codes are a relatively recent development. These special purpose bar codes can store a great deal of information in a small space.").

The construction that Vision advocates here might be consistent with the use of two-dimensional bar code technology. However, from all that appears, such use of bar codes is not the common and ordinary use, and Vision has not submitted any evidence to support a different conclusion. Vision also has not submitted any evidence to show that two-dimensional bar code technology would actually be sufficient to function in the manner that Vision has argued. In other words, while the technology appears to be available in some form, there is no evidence that it could actually perform consistent with Vision's proposed construction of claims 1 and 5, so that substantive reagent protocol information could be encoded into a bar code.

As Vision recognized at the hearing, the term "indicating" and the phrase "based upon," as used in the claim limitations, have no special meaning to one of ordinary skill in the relevant art. There is, therefore, no basis for distorting their ordinary meaning to achieve a result that would be plainly inconsistent with the common understanding of the words in the context in which they are used.

Accordingly, I conclude that, properly construed, claim 1 discloses an invention in which a "bar code

reader" "read[s] a slide bar code," which is commonly understood to be a linear bar code containing only identifying information. It is also commonly understood that a computer system uses the identifying information to access other computer files containing substantive information, "thereby acquiring slide information." It is this slide information, acquired by use of a bar code reader and the related and indispensable computer system and files, that "indicate[s] reagents to be applied to the slide."

Similarly, claim 5 discloses an invention which employs a bar code reader to "determin[e] a sequence of reagents to be applied on the ... slide based upon the reading of the slide bar code." It is commonly understood that a "slide bar code" refers to a linear bar code, and a computer system and files would be used to connect the identifying information provided by such a bar code with substantive information concerning the sequence of reagents to be applied.

2. The specification

Nothing in the patent specification indicates that the inventor intended the terms used in claims 1 and 5 to have special meaning. Instead, the specification supports the finding that the terms should be understood to have their ordinary meaning, *i.e.*, that the bar codes themselves contain only identifying information, not substantive details.

For example, the section of the patent describing the "Best Mode for Carrying out the Invention," states, "Specifically prepared slides containing a *bar code identifier* and a mounted tissue section are placed in special support on a carousel, [and] subjected to a preprogrammed sequence of reactions...." U.S. Patent No. 6,352,861 at 6:24:27 (emphasis added). The specification also states that the system "is provided with a bar code cleaner ... for cleaning drops of liquid off of the bar codes ... provided for each of the slides 234 *for identification purpose* [sic] as previously described." *Id.* at 23:67-24:3 (emphasis added).

Further, the description in the "Technical Field" section at the beginning of the patent undermines Vision's argument that no operator input is needed because all of the staining protocol data is encoded in the bar code itself. It states, "The automatic device of this invention can be used to process a large number of samples such as tissue sections mounted on slide surfaces using agents and protocols *pre-selected by the operator....*" *Id.* at 1:19-22 (emphasis added). Although this sentence does not mention or describe the operation of the bar code technology, it is consistent with a system where the bar code provides identifying, but not substantive, information concerning the staining protocols. As explained in the specification, the protocols are "pre-selected" or "preprogrammed" by the system operator, not indicated by the bar code itself, and the bar code acts as an identifier that the computer system uses to locate the pre-selected protocols.

Vision cites two sections of the specification, arguing that they support its proposed construction. First, Vision cites 9:49-55, which states,

The slide bar codes [sic] 233 identifies the slide sample and the particular immunohistochemical process required for that sample. This information is fed into the computer and correlated with the indexed position of that slide with respect to "home," to control the sequence of reagent chemicals to be applied to that slide in the reagent application zone.

Vision argues that this language describes a system where the staining protocol information is encoded into the bar code and then fed into the computer. Vision also cites 19:55-60, which states, "A typical immunohistological method, as carried out with the apparatus of this invention includes the following steps.

1) Preparing the slides, including applying a bar code to the slide indicating the immunohistological process to be used with the sample...." Again Vision argues that the use of the word "indicating" requires that the protocol information must be encoded into the bar code. These arguments, however, ignore the commonly understood operation of bar code technology and the role of the computer system and files in the process described, and the identified portions of the specification do not clearly demonstrate that the inventor intended the words to have anything other than their ordinary meaning.

3. The prosecution history

Vision argues that during the prosecution of the '861 patent Ventana disclaimed the construction of claims 1 and 5 that it is advocating here:

During prosecution of the '861 patent, Ventana repeatedly distinguished the purported invention of claim 1 from processes described in prior art documents in which an operator is required to input protocol information for each slide prior to placing the slide into the instrument.

....

The process recited in claim 1 of the '861 patent 'does not rely on *any form* of data entry from the operator,' ... because the bar code itself provides "slide information indicating reagents to be applied to the slide."

Pl.'s Mem. Supp. Mot. for Summ. J. at 14-15. Vision's argument is unconvincing because it takes select quotes out of context and ignores significant portions of the prosecution history.

The patent history file reveals that, before allowing the claims in issue here, the Patent and Trademark Office (the "PTO") rejected all of the claims in the '861 patent as either indefinite, obvious under the prior art, or anticipated by the prior art. *See* Leff Decl., Ex. C, Tab 9. Ventana responded to that rejection by distinguishing the prior art from its claimed invention. *Id.* Tab 14. In its response, Ventana stated:

Bogen [the putative prior art] does not teach or even suggest *automatically* identifying the reagent container using a computer or *automatically* determining whether reagent in the reagent container should be dispensed onto the slide. Instead, Bogen teaches a system which relies, at least in part, on data entry from the operator. Specifically, in Bogen the operator "programs the microprocessor with the information such as the locations of reagents" ... or "programs the particular histochemical protocol to be performed on the tissue sample." ... For example, the operator programs that for reagent container position 1, reagent "A" is selected. Likewise, for slide position 1, histochemical protocol "z" is selected. The operator must then load reagent container position 1 with reagent "A" and slide position 1 with a slide requiring histochemical protocol "z".... [T]he computer runs its program under the assumption that the operator placed the reagent containers and the slides in their pre-programmed positions (*i.e.*, the operator has entered "data" in the form of placing the reagent containers and slides in the proper positions) and does not bother to check if, in fact, the reagents or slides are in their proper positions.

By contrast, the present invention automatically identifies the reagent container using a computer and automatically determines whether reagent in the reagent container should be dispensed onto the slide. The present invention does not rely on any form of data entry from the operator (*e.g.*, the placement of the reagent containers or slides in the pre-assigned positions)....

Id. Tab 14 at 7-8.

In distinguishing other inventions, Ventana also stated,

These limitations [of the '861 patent] describe an automated system which requires no "data entry" from the operator. The operator, therefore, is not required to place the reagent containers or slides in pre-assigned positions. Instead, the operator need only place the reagent containers on any position in the reagent support. Likewise, the operator need only place the slide in any position on the slide support....

Id. at 11.

And at page 12 it stated,

[T]he prior art ... relied on manually identifying the reagent container. Specifically, prior to beginning a staining run, the necessary reagents for the staining run were assigned to particular reagent container positions (*e.g.*, position 1 was programmed with reagent 1, position 2 was programmed with reagent 2, etc.). The operator was thus required to insert the proper reagent container in the proper position. By contrast, the automatic identification of the staining protocols and the automatic identification of the reagent containers work in combination to eliminate the need for operator input at the beginning of a staining run. In turn, the present invention significantly reduces the possibility of applying the wrong staining sequence or applying the wrong reagent.

Vision focuses myopically on the phrases "does not rely on any form of data entry from the operator," *id.* at 8, "requires no 'data entry' from the operator," *id.* at 11, and "eliminate the need for operator input," *id.* at 12. It then argues that these phrases must mean that Ventana had conceded that all of the substantive information concerning the staining protocol to be applied must be encoded into the bar code, because the system operator need not input any form of data into the computer system. In advocating this position, Vision ignores everything that comes before and after the selected phrases. From the prosecution history file, it is evident that Ventana defined the term "data entry" to have a narrow meaning in the context of distinguishing its patent from the putative prior art.

As the patent file indicates, when Ventana used the term "data entry" it referred specifically to the need, in the prior art, to tell the system which slide is in each position, which reagent container is in each position, and the appropriate staining protocol to apply to each position. Nowhere in the patent history file did Ventana use the term "data entry" in the very broad sense that Vision now advocates. And nowhere did Ventana suggest that no data entry is required because all of the data needed to identify the slides, reagent containers, and staining protocols is encoded in the bar codes themselves.

Accordingly, the prosecution history does not indicate that Ventana intended the words used in claims 1 and 5 to describe the operation of the bar code technology to have anything other than their ordinary meaning.

C. Infringement

The next step, after claim construction, is to determine whether the accused Vision systems infringe. Ventana has submitted a detailed analysis of how each disputed claim-independent claims 1 and 5 as well as dependent claims 2, 3, 6 and 8-reads on Vision's Bond systems. *See* Def.'s Mem. in Opp'n to Pl.'s Mot. for Summ. J. and in Supp. of Def.'s Cross-Mot., App. A. Ventana's analysis is supported by citations to the

summary judgment record. Much of Ventana's evidence in support of its infringement arguments is uncontroverted, except as set forth below.

As to claim 1, Vision argues that the following three limitations do not read on its Bond System devices:

automatically identifying the reagent container using a computer;

automatically determining whether reagent in the reagent container should be dispensed onto the slide; and

....

reading a slide bar code placed on the slide using the bar code reader thereby acquiring slide information, the slide information indicating reagents to be applied to the slide....

U.S. Patent No. 6,352,861 at 24:57-25:5.

As to claim 5, Vision argues that the following two limitations do not read on its Bond System devices:

determining reagents in the reagent containers based upon the reading of the bar codes on the reagent containers; [and]

....

determining a sequence of reagents to be applied on the at least one slide based upon the reading of the slide bar code on the slide....

Id. at 24:57-25:5.

Vision's non-infringement arguments concerning the disputed limitations are nearly identical to its claim construction arguments, which I have rejected above. Contrary to Vision's assertions, these limitations do not describe an invention that operates without the need for operator input. Instead, the limitations describe a device that relies on bar code technology and a computer system, and those technologies necessarily rely on operator input at some point. For example, bar code technology, in its common form, only works if, at some point, an operator creates a database of information that the computer system can call on to obtain substantive information once it has been provided with a bar code identifier.

Vision does not dispute that its systems employ these elements, but only that the timing of operator input is different in its systems than in the system described in the '861 patent. However, the patent claims in issue says nothing about the timing of the operator input that is an essential part of the proper functioning of the bar code and computer technology that is employed.

Accordingly, there is no trial-worthy issue of fact in dispute concerning infringement. The conclusion must be that Vision's Bond-X and Bond-maX systems infringe claims 1 and 5 of the '861 patent.

B. Other pending motions

A. Motions concerning the '439 patent

Vision filed this action in March 2003, seeking declaratory judgments of non-infringement and invalidity concerning Ventana's '861 patent as well as U.S. Patent No. 5,355,439. The Court permitted Ventana to file an amended answer and counterclaim in which Ventana alleges that Vision has infringed the '861 patent. In September 2003, Ventana filed a motion to sever and stay proceedings concerning the '439 patent because of a Patent and Trademark Office determination that the patent claims were invalid. In October 2003, Vision opposed the motion to stay and sever and filed a motion to amend its complaint to add claims for declaratory judgment concerning U.S. Patent No. 6,594,537. Vision argued that the '439 and '537 patent are closely related and should be litigated together.

After hearing on November 25, 2003, I reserved ruling on the motion to stay and sever proceedings concerning the '439 patent and the motion to add claims concerning the '537 patent. I also allowed discovery to continue concerning the '439 patent and stayed discovery concerning the '537 patent.

In March 2004, Ventana filed a "statement of non-liability" and a motion to dismiss for lack of jurisdiction concerning the '439 patent. In its motion, Ventana argues that there is no case or controversy because it has filed a covenant indicating that

[Ventana will] not assert any claim of patent infringement against Vision ... or their controlled affiliates, customers and authorized users, under U.S. Patent No. 5,355,439, for the claims as they presently read and for any claims that emerge from reexamination proceedings without substantive change, with respect to any Bond-X or Bond-maX product currently or previously advertised, manufactured, marketed or sold by Vision in the United States.

This covenant is personal to Vision and is not transferable.

Vision argues that the covenant is inadequate because (1) it does not protect Vision from suit if it makes changes to its current products; (2) it does not protect Vision from suit concerning the '537 patent; (3) it diminishes the value of Vision's business because it is personal and non-transferable; and (4) it does not protect Vision if any patent claims emerge from the PTO's pending reexamination of the '439 patent. Each of Vision's arguments is unavailing, and Ventana's motion to dismiss is granted.

First, a number of Federal Circuit cases make clear that a covenant not to sue need not cover hypothetical, future products; the patentee need only agree not to sue the alleged infringer based on past or present products. *See, e.g., Amana Refrigeration, Inc. v. Quadlux, Inc.*, 172 F.3d 852, 855 (Fed.Cir.1999) (rejecting argument concerning fear of suit over new products "in the pipeline"; "an actual controversy cannot be based on a fear of litigation over future products"); *Super Sack Mfg. Corp. v. Chase Packaging Corp.*, 57 F.3d 1054, 1060 (Fed.Cir.1995) ("The residual possibility of a future infringement suit based on Chase's future acts is simply too speculative a basis for jurisdiction....").

Second, the dispute concerning the '537 patent has no bearing on whether the covenant is adequate and whether the Court has jurisdiction over the '439 patent. Vision's motion to amend to add claims concerning the '537 patent is considered separately below.

Third, the fact that the covenant not to sue does not apply to potential successors of Vision does not render it inadequate. A determination whether an actual controversy exists focuses on the present activity of the parties presently before the Court. The possibility that Vision might transfer certain interests in the future to an unidentified third party remains remote and speculative and does not demonstrate a live controversy

between the present parties. *See, e.g.*, *Super Sack*, 57 F.3d at 1060; *Intellectual Prop. Dev., Inc. v. TCI Cablevision of Cal., Inc.*, 248 F.3d 1333, 1341-42 (Fed.Cir.2001). FN2

FN2. The Federal Circuit, in an unpublished opinion, has rejected the precise argument that Vision makes here. *See Inline Connection Corp. v. Atlantech Online, Inc.*, No. 03-1397, 2004 WL 74622, at ----2 (Fed.Cir. Jan.16, 2004) (unpublished opinion) ("Future disputes relating to Atlantech's successors in interest and others in privity with Atlantech are just that-future disputes. They must be left to future cases and are not ripe for consideration in this case."). While the *Inline* decision is unpublished and not binding precedent, it is, nevertheless, instructive and in this instance persuasive.

Fourth, Vision's concern that some claims may emerge from the PTO's reexamination of the '439 patent is too speculative and does not provide a basis for jurisdiction at this time. *See Amana*, 172 F.3d at 856 ("Here, as in *Spectronics [Corp. v. H.B. Fuller Co.*, 940 F.2d 631 (Fed.Cir.1991)], the future existence of a reissue patent is wholly speculative and, therefore, cannot create a present controversy.").

Accordingly, Ventana's statement of non-liability is sufficient to establish that there is no live controversy concerning the '439 patent and, thus, to divest the Court of jurisdiction. Ventana's motion to dismiss (no. 70) claims 2 and 4 concerning the '439 patent is granted. Further, Ventana's motion to sever and stay (no. 25) proceedings concerning the '439 patent and its motion for protective order (no. 73) regarding discovery concerning the '439 patent are now moot.

B. Vision's motion to file amended complaint

In October 2003, Vision sought to amend the complaint to add claims for declaratory judgments that it has not infringed Ventana's '537 patent and that the patent is invalid. Vision argues that it should be allowed to add the new claims because the '537 patent was not issued until July 2003, more than three months after it commenced this action, and because the '537 patent is a continuation-in-part of the '439 patent and therefore closely related to the issues raised in the original complaint. In its proposed amended complaint, at 3, Vision alleged that Ventana's statements and actions "evinced a clear intention ... to enforce the '861, '439 and '537 patents against [Vision]."

Ventana opposes the motion arguing that (1) the motion to amend is untimely, (2) the Court lacks jurisdiction because there is no actual controversy between the parties concerning the '537 patent, and (3) the relationship between the '439 and '537 patent does not justify allowing new claims concerning the '537 patent.

The motion to amend (no. 28) is denied. Vision has not sufficiently demonstrated that it has a reasonable apprehension of being sued for infringement of the '537 patent. Instead, its apprehension of litigation stems from actions concerning the '439 patent. Ventana has agreed not to sue on the '439 patent, the PTO has rejected the '439 claims, and that rejection casts some doubt on the claims of the '537 patent. Therefore, I decline to exercise jurisdiction over this speculative controversy; Vision may seek declaratory judgment if an actual controversy ever materializes.

C. Conclusion

As set forth above, Vision's motion for summary judgment (no. 33) on the issue of infringement of the '861 patent is denied, and Ventana's cross-motion (no. 63) is granted.

Ventana's motion to dismiss (no. 70) claims 2 and 4 concerning the '439 patent for lack of jurisdiction is granted. Consequently, Ventana's motions to sever and stay (no. 25) and for protective order (no. 73) are moot.

Vision's motion to file amended complaint (no. 28) concerning the '537 patent is denied.

It is SO ORDERED.

D.Mass.,2004.

Vision Biosystems (USA) Trading, Inc. v. Ventana Medical Systems, Inc.

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