

BARD PERIPHERAL VASCULAR, INC. v. W.L. GORE & ASSOCIATES, INC., Appeal No. 2014-1114 (Fed. Cir. January 13, 2015). Before Prost, Hughes and Newman. Appealed from D. Ariz. (Judge Murguia).

Background:

Bard Peripheral Vascular, Inc. ("BPV") and Dr. David Goldfarb ("Patentee") sued W.L. Gore & Associates ("Gore") for infringement of a patent directed to prosthetic vascular grafts made of highly-expanded polytetrafluoroethylene ("ePTFE"), and having varying fibril lengths. As a defense, Gore argued that there was no willful infringement of a valid patent, asserting that the patent at issue was invalid due to the non-joinder as a joint inventor of its employee, who supplied to Patentee the ePTFE tubing of the vascular grafts. In both pre-trial and post-trial motions for judgment as a matter of law ("JMOL"), Gore also argued that there was a lack of jurisdiction because Patentee and BPV lacked standing to sue. Gore asserted that Patentee lacked standing because he had virtually assigned his rights to another party, C.R. Bard, Inc. ("Bard"), and further asserted that BPV lacked standing because Bard had improperly transferred its rights to BPV.

The district court held that the patent was valid and Gore willfully infringed, and denied Gore's JMOL motions on the issue of standing. Gore appealed, and the Federal Circuit affirmed. The en banc court denied review, but remanded to the district court to apply the correct standard of willfulness. On remand, the district court again found willfulness. Gore appealed.

Issues/Holdings:

(1) Did the district court err in its determination that BPV and Patentee had standing to sue? (2) Did the district court err in its determination that Gore had been willful in its infringement? No, affirmed.

Discussion:

On the issue of standing, Gore asserted that Patentee lacked standing because his license agreement with Bard was a transfer of all of Patentee's substantial rights in the patent, thereby resulting in a virtual assignment to Bard. Gore further asserted that BPV lacked standing because Bard had improperly transferred its interests obtained from Gore to BPV due to the lack of a written agreement between Bard and BPV. The Federal Circuit found that because Patentee had retained significant reversionary rights, there was no basis to conclude that Patentee had virtually assigned all substantial rights to Bard. The Federal Circuit also found that BPV was an exclusive licensee of Bard, and that a grant of a license is not required to be in writing. Accordingly, the Federal Circuit affirmed the district court's decision that BPV and Goldfarb had standing to sue.

On the issue of willful infringement, Gore argued that its employee supplied the ePTFE tubing of the patent to Patentee, and thus, its employee should have been named as a joint inventor. The Federal Circuit noted that the mere use of ePTFE in vascular grafts did not constitute the invention. To the contrary, the Federal Circuit found that the invention was based on specific fibril lengths of the ePTFE tubing that were essential to the vascular grafts. Because Gore's employee did not contribute to the conception of the fibril lengths, the Federal Circuit held that Gore's employee was not a joint inventor and affirmed the district court's decisions of validity and willful infringement.