LISMONT v. ALEXANDER BINZEL CORP. Appeal No. 2014-1846 (Fed. Cir. February 16, 2016). Before Lourie, Reyna and Chen. Appealed from E.D. Va. (Judge Davis).

Background:

Lismont brought a suit on October 31, 2012 to correct inventorship under 35 USC § 256(a) of a patent owned by Binzel. The district court granted summary judgment in favor of the patent owner and other interested parties, including the named inventor (referred to below collectively as "Binzel") on the ground that the suit, having been filed 10 years after the patent issued, was barred by laches.

Lismont alleged that in 1995, he began developing the inventive subject matter that is the subject of the present suit in response to Binzel's request for assistance, and completed development in 1997, disclosing the details thereof to Binzel. Binzel then filed a patent application in Germany in 1997, naming its employee Mr. Sattler as inventor. Two years after the German patent issued, Lismont initiated litigation against Binzel in Germany seeking to change inventorship. The German courts ruled against Lismont on the ground that he failed to prove an inventorship interest.

Meanwhile, Binzel filed a PCT application in 1998 based on the German application, followed by a national stage application in the U.S., which issued in 2002 with Sattler named as sole inventor. During the German litigation, which terminated in 2009, Lismont had become aware of the U.S. application; it was this awareness that prompted the district court to find the issue date of the patent as the date for starting the laches "clock" to run.

Issue/Holding:

Did the district court err in granting summary judgment to Binzel on the ground that Lismont's suit was barred by laches. No, affirmed.

Discussion:

A rebuttable presumption of the equitable defense of laches attaches whenever more than six years pass from the time a purportedly omitted inventor knew or should have known of the issuance of the relevant patent. The presumption may be rebutted if the inventor offers evidence to show an excuse for the delay or that the delay was reasonable or by offering evidence sufficient to place the matters of defense prejudice and economic prejudice genuinely in issue.

Lismont argued before the Federal Circuit that the presumption of laches should not apply based on the facts, since he had been challenging the denial of his inventorship rights for years in the German courts, including a 2002 case when he requested “worldwide damages” and a “worldwide declaration of liability, including in the U.S.”

The court held that the presumption applied, given the 10 year delay from US patent issuance to Lismont's suit, and that Lismont's facts were insufficient to rebut the presumption. Specifically, the court found the earlier challenge to be irrelevant. The court likewise rejected Lismont’s argument that the German litigation served as notice to Binzel that an inventorship suit in the U.S. was likely forthcoming, which should be sufficient to excuse his delay and rebut the presumption of laches. The court found that Lismont provided no actual notice to Binzel.