

QUEST INTEGRITY USA, LLC v. COKEBUSTERS USA INC., Appeal No. 2017-2423 (Fed. Cir. May 21, 2019). Before Dyk, Taranto, and Hughes. Appealed from D. Del. (Judge Robinson).

Background:

Quest sued Cokebusters for infringement of Quest's patent directed to a method for displaying inspection data collected from commercial furnaces. Cokebusters alleged that the claims of the patent were invalid under §102(b) because Quest used the methods recited by the claims of the patent to provide services to a client (the "Norco Sale") more than one year before the date of the application that led to the patent. Quest claimed that a "composite data markers" feature of the claims was not performed in the Norco Sale. However, during a deposition, one of the inventors ("De Lorenzo") reviewed a portion of the source code of Quest's software and testified that the software would have performed the composite data markers limitation in the Norco Sale. Quest subsequently submitted declarations from De Lorenzo and a co-inventor ("Bondurant") contradicting the deposition testimony and explaining why De Lorenzo erred during the deposition.

The district court granted Cokebusters's motion for summary judgment of invalidity of the claims due to the Norco Sale. In granting the motion, the district court relied on the deposition testimony of De Lorenzo, and concluded that the later declarations of De Lorenzo and Bondurant were sham affidavits and declined to consider them.

Issue/Holding:

Are declarations of inventors that contradict the earlier deposition testimony of one of the inventors and offer an explanation for the conflict sham affidavits that can be disregarded? No, reversed.

Discussion:

The sham affidavit doctrine prevents a party from creating "a material issue of fact to defeat summary judgment by filing an affidavit disputing his or her own sworn testimony without demonstrating a plausible explanation for the conflict." The Federal Circuit held that the declaration of Bondurant could not be ignored under the sham affidavit doctrine, because it did not contradict Bondurant's own sworn testimony. Rather, Bondurant's declaration contradicted De Lorenzo's sworn testimony. The sham affidavit doctrine does not preclude introduction of testimony from other witnesses that is inconsistent with the prior sworn testimony. Thus, the Federal Circuit held that the district court erred in disregarding Bondurant's declaration.

The Federal Circuit also held that De Lorenzo's declaration could not be ignored because it offered a plausible explanation of why he misspoke during the declaration and there was independent evidence in the record that supports the declaration. In particular, De Lorenzo's declaration explained that the portion of code shown to him during the deposition excluded the revision date of the code, which was after the Norco Sale. Additionally, De Lorenzo explained that the code would have produced particular marks in the report produced by Quest's system, but no such marks were present in the report from the Norco Sale. Finally, De Lorenzo explained that the portion of the code that would have produced the composite data markers was commented out and would not be performed when the program was run. The Federal Circuit also found that the testimony of Quest's experts, Bondurant's declaration, and the code itself bolstered De Lorenzo's declaration.