

Caterpillar Can't Knock Out Road Milling IP At Fed. Circ.

By **Adam Lidgett**

Law360 (February 4, 2021, 10:38 PM EST) -- The Federal Circuit has shot down Caterpillar's efforts to undo Patent Trial and Appeal Board findings that upheld a rival's road milling machine patent and left intact some claims in another patent.

In separate Wednesday decisions, a three-judge panel upheld a PTAB decision backing one Wirtgen America Inc. patent and affirmed another PTAB ruling, which invalidated more than two dozen claims in a related patent but kept in place eight claims. The Federal Circuit did not give any reasoning behind its decisions.

As part of a sprawling intellectual property battle — which also roped in a dispute over the patent claims at the U.S. International Trade Commission — the appeals panel was trying to determine whether a Wirtgen invention related to sensor placements was novel.

Caterpillar argued in the two related cases before the circuit court that the PTAB ignored key evidence showing Wirtgen's patents were obvious, even going as far as to improperly leave out some of Caterpillar's arguments from its decision entirely.

Caterpillar had said a skilled artisan would have combined two prior art references pertaining to the placement of sensors. But the board said it found Caterpillar's arguments unpersuasive and gave no weight to its expert, who according to the PTAB had muddled his testimony.

The board also rejected an argument it said Caterpillar made for the first time in a reply that the two references would be combined to enable a manual milling operation and was therefore improper since it wasn't included in the original petition.

Caterpillar filed circuit appeals in July and August of 2019 after unfavorable rulings from the PTAB, although the board did find that more than two dozen claims in one of Wirtgen's patents were obvious. Wirtgen cross-appealed those PTAB findings, but they were affirmed by the Federal Circuit on Wednesday.

On top of the instant dispute, the circuit court is also weighing the ITC's rulings on the sale of equipment in the U.S. market that both companies claim infringes their patents regarding the placement of sensors. That case dates to August 2017, when the commission said it would investigate claims by Wirtgen, a

German manufacturer, that Caterpillar was violating the Tariff Act with its importation and sales of certain equipment.

In November of that year, the ITC said it would also probe whether certain Wirtgen equipment was violating three Caterpillar patents. Both companies are appealing adverse ITC decisions before the Federal Circuit.

Counsel for Wirtgen declined to comment to Law360 on Thursday.

Counsel for Caterpillar was not immediately available for comment.

U.S. Circuit Judges Kathleen M. O'Malley, Haldane Robert Mayer and Richard G. Taranto sat on the panel for the Federal Circuit.

The patents-in-suit are U.S. Patent Nos. 9,656,530 and 7,828,309.

Caterpillar is represented by Joshua Goldberg, James R. Barney, David K. Mroz and Alexander E. Harding of Finnegan Henderson Farabow Garrett & Dunner LLP.

Wirtgen is represented by Ralph Wilson Powers III, Jon E. Wright and Daniel E. Yonan of Sterne Kessler Goldstein & Fox PLLC and Ryan Levy, John F. Triggs, Seth R. Ogden, William E. Sekyi and Mark A. Kilgore of Patterson Intellectual Property Law PC.

The cases are Caterpillar Inc. v. Wirtgen America Inc., case numbers 19-2206 and 19-2294, in the U.S. Court of Appeals for the Federal Circuit.

--Additional reporting by Christopher Cole, Britain Eakin, Steven Trader, Tiffany Hu and Kevin Penton. Editing by Daniel King.