

## Fed. Circ. Agrees That Caterpillar ITC Patent Claim Is Invalid

By **Britain Eakin**

*Law360 (December 18, 2020, 8:24 PM EST)* -- The Federal Circuit said Friday that substantial evidence supports a decision by the U.S. International Trade Commission that one claim in a Caterpillar Inc. patent covering a road milling machine is invalid.

The three-judge panel agreed that the ITC rightly determined that a German machinery manufacturer, Wirtgen GmbH, showed that the only claim at issue on appeal was invalid under the on-sale bar, which is triggered when a patented invention is sold for use in the U.S. more than one year before the patent application is filed.

Illinois-based Caterpillar had argued that invoices Wirtgen submitted as evidence show that the SF 102 C machine it bought from Bitelli — an Italian company Caterpillar acquired in 2000 — make clear that it was sold in Italy, not the U.S., and so the on-sale bar wasn't triggered.

But Caterpillar's argument fell flat with the Federal Circuit, which said the invoices from 1999 and 2000 show that the SF 102 C was on sale in the U.S. by at least July 2000, which was well before Caterpillar filed the patent application in April 2001.

"Here, there is substantial evidence to support the Commission's finding that the sale documented by the June 1999 invoice constituted 'commercial activity directed to the United States' ... namely that the Bitelli SF 102 C machine was sold to a United States customer for use in this country," the decision said.

The panel said the 1999 invoice in particular shows that the buyer had a U.S. address and noted that numbers on the invoice correspond to a customs tariff number.

"There would be no need to note a customs tariff number for a sale between an Italian seller such as Bitelli and a buyer located in Italy or another European Union country," the decision said.

There was also a description of the machine in English, and the currency was listed in U.S. dollars — further evidence it was intended for use in the U.S., the panel said.

Caterpillar had argued in its appeal brief that each of those facts just show a sale took place, "not where activity related to the sale took place," and that "the currency used does not show that Bitelli directed any activity to the United States, nor does the mere fact that an item was described in English."

The ITC agreed to investigate Wirtgen's imports in November 2017 after Caterpillar alleged that Wirtgen imports and sells milling machines that include an automatic pivoting rear wheel that infringes on the U.S. company's patent. The commission issued a limited exclusion order in July 2019 blocking Wirtgen from importing certain road construction machines after it found that another claim in Caterpillar's patent was both valid and infringed.

Caterpillar appealed the decision only as to claim 28 of the patent, which the ITC found was anticipated by the SF 102 C machine.

The two have been duking it out at the ITC for several years, with Wirtgen lodging an ITC complaint of its own in 2017 asking the commission to investigate whether road milling machines sold by Caterpillar and several related companies infringe patents held by Wirtgen's American arm.

In July, the ITC issued a limited import ban barring Caterpillar from selling imported road-milling machines for concrete and asphalt pavement that infringe at least one claim of two Wirtgen America Inc. patents.

Counsel for the parties did not return a request for comment.

The patent-in-suit is U.S. Patent No. 7,140,693.

U.S. Circuit Judges Timothy B. Dyk, Alvin A. Schall and Todd M. Hughes sat on the panel.

Caterpillar is represented by Luke McCammon, James R. Barney and Mareesa A. Frederick of Finnegan Henderson Farabow Garrett & Dunner LLP.

The ITC is represented in house by Houda Morad, Sidney A. Rosenzweig, Dominic L. Bianchi and Wayne W. Herrington.

Wirtgen is represented by Michael E. Joffre, Paul A. Ainsworth, Donald Banowit, Ralph W. Powers III, Daniel Yonan and William Milliken of Sterne Kessler Goldstein & Fox PLLC and Ryan D. Levy, Seth R. Ogden, John F. Triggs, William E. Sekyi and Mark A. Kilgore of Patterson Intellectual Property Law PC.

The case is Caterpillar Inc. v. ITC, case number 19-2306, at the U.S. Court of Appeals for the Federal Circuit.

--Editing by Andrew Cohen.

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