

Federal Circuit Backs Caterpillar Rival's Patent Win

By Adam Lidgett

Law360 (March 15, 2021, 10:20 PM EDT) -- The Federal Circuit on Monday backed the U.S. International Trade Commission's ruling that Caterpillar infringed a pair of road-milling machine patents owned by a rival, but told the ITC to take another look at its noninfringement finding related to another patent.

Two members of a three-judge panel affirmed an administrative law judge's determination that Caterpillar infringed two patents owned by Wirtgen: U.S. Patent Nos. 9,656,530 and 7,828,309. The judge's decision, which the ITC adopted, had "no reversible error" in regards to those two patents, the majority wrote.

"The ALJ's comprehensive and detailed findings as to those patents rest on substantial evidence, and we discern no prejudicial error of law in the rulings challenged in this court," the majority said.

However, the Federal Circuit undid the judge's decision that did not find a violation with regard to Wirtgen's U.S. Patent No. 7,530,641.

Regarding that patent, Wirtgen alleged that Caterpillar induced customers to use Caterpillar machines in ways that would infringe the '641 patent.

"Wirtgen expressly alleged knowledge sufficient for induced infringement" and "Caterpillar had admitted that it knew about the '641 patent," the majority said on Monday. That meant the issues relating to the '641 patent had to be remanded for another look, according to the majority.

In a concurring judgment, Circuit Judge Kathleen M. O'Malley pointed out that she believes that the ITC "has no authority to bar products that are non-infringing at the date of importation and that will only become infringing if and when some future parties are induced to use the products in a way that infringes a method of use claim."

She cited a dissenting opinion she penned in a case where the majority of the Federal Circuit ruled that the ITC has the authority to prevent the importation of products that hold the potential to induce infringement of U.S. patents after they are imported.

The manufacturers' dispute dates back to July 2017, with Wirtgen, a German company, alleging that road-milling machines sold by Caterpillar, based in Deerfield, Illinois, infringed its patents in violation of Section 337 of the Tariff Act of 1930, which prohibits the importation and sale of infringing goods. The

machines are used to remove an existing road surface before installing a new one.

In October 2018, an administrative law judge published an initial decision finding that Caterpillar's machines infringed the '309 and '530 patents, though the judge did not find a violation with regard to Wirtgen's '641 patent and U.S. Patent No. 9,644,340.

Then in July 2019, the ITC hit Caterpillar with a limited exclusion order blocking Caterpillar from selling imported road-milling machines for concrete and asphalt pavement that infringe at least one claim of the '309 and '530 patents.

The ITC and counsel for Wirtgen declined to comment to Law360.

Counsel for Caterpillar did not immediately respond to requests for comment on Monday.

Circuit Judges Kathleen M. O'Malley, Haldane Robert Mayer and Richard G. Taranto ruled on the matter for the Federal Circuit.

The patents-at-issue are U.S. Patent Nos. 9,656,530, 7,828,309 and 7,530,641.

Caterpillar is represented by James R. Barney and David K. Mroz of Finnegan Henderson Farabow Garrett & Dunner LLP.

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

The ITC is represented in-house by Dominic L. Bianchi, Wayne W. Herrington and Michael Liberman.

The cases are Caterpillar Prodotti Stradali v. ITC, case number 19-2445, and Wirtgen America, Inc. v. ITC, case number 19-1911, in the U.S. Court of Appeals for the Federal Circuit.

--Additional reporting by Tiffany Hu and Aebera Coe. Editing by Karin Roberts.