

Del. Valley Floral Group, Inc. v. Shaw Rose Nets, LLC

No. 09-1357, Fed. Cir. (Bryson, Linn, Prost*)

It is well settled that a court may “disregard an affidavit submitted solely for the purpose of opposing a motion for summary judgment when that affidavit is directly contradicted by deposition testimony.”

On March 11, 2010, the Federal Circuit affirmed the district court’s summary judgment that U.S. Patent No. 5,765,305, which related to producing larger rose heads by placing elastic, porous nets over the rose heads during the growing process and removing them before the roses are cut and sold, is invalid due to the on-sale bar of 35 U.S.C. § 102(b). The Federal Circuit stated:

The Supreme Court has established a two-part test for the on-sale bar set forth in 35 U.S.C. § 102(b). Under this test, an inventor is barred from obtaining a patent where the patent application is filed more than one year after (1) the product was sold or offered for sale and (2) the invention is ready for patenting. A patentee that demonstrates experimental use may overcome the application of the on-sale bar. Whether summary judgment was proper in this case rests principally on whether the district court erred in rejecting certain submissions by Shaw that arguably would have, if considered, presented a dispute over issues of material fact, i.e., whether the date of conception and commercial sales of products using the patented process was in 1994 or 1995. Faced with a motion for sanctions based on Mr. Shaw’s deposition testimony stating that 1994 was the date of conception and commercial sales, Shaw tried to recover in several ways. First, it submitted an errata sheet. Second, after Plaintiffs moved for summary judgment, it submitted Mr. Shaw’s declaration. Third, it submitted Muthiah’s declaration. All of these were efforts to create a dispute between its newly minted documents and Mr. Shaw’s deposition testimony. The district court dismissed these efforts after determining that each was inadmissible evidence. . . .

It is undisputed that Mr. Shaw’s errata sheet was not executed until May 23, 2008, fifty-seven days after March 27, 2008, the date the deposition transcript was available. Nonetheless, Shaw argues that the district court erred in failing to consider Mr. Shaw’s errata sheet because Rule 30(e) does not prohibit such substantive changes, presumably beyond the thirty days. . . . However, even if Rule 30(e) does not prohibit such substantive changes, it certainly does not require them, particularly after the thirty-day period has passed. Mr. Shaw did not attempt to submit an errata sheet to make substantive

changes to his unequivocal testimony until after the thirty days permitted under Rule 30(e) and after Plaintiffs moved for sanctions due to the application of the on-sale bar. Under the circumstances here, Shaw has failed to demonstrate that the district court abused its discretion by excluding his errata sheet.

Further, beyond the errata sheet, Shaw argues that the district court clearly erred in failing to consider Mr. Shaw's 2008 declaration submitted in opposition to summary judgment. . . . Mr. Shaw does not assert that any medical conditions affected his memory or awareness. Rather, his only explanation for his "mistaken deposition testimony" is that he looked at the wrong passport date stamps. However, the logic, persuasiveness, and viability of Shaw's effort to show his deposition testimony was in error is severely undermined by his purported explanation for his inconsistency. Indeed, the documentation Shaw offers for support that there are genuine issues in dispute is the same he offered for why his deposition was correct and his interrogatory answers were mistaken. It is well settled that a court may "disregard an affidavit submitted solely for the purpose of opposing a motion for summary judgment when that affidavit is directly contradicted by deposition testimony." [W]e cannot conclude that Shaw does anything more than offer a contradictory declaration to create a genuine issue of material fact. . . .

The district court found that the critical aspects of Muthiah's testimony, including the dates of the invention and commercial sale, occurred before Muthiah was hired. He therefore lacked personal knowledge of those events. Thus, according to the district court, Muthiah's declaration cannot be used to create a genuine issue of material fact that would preclude summary judgment because it was not based on personal knowledge. Reviewing the district court's decision to exclude this evidence for abuse of discretion, we find none. . . . Accordingly, the district court did not err in excluding Muthiah's declaration as it relates to the timing of the invention's conception or commercial sales.

Finally, Shaw asserts on appeal that there is also a genuine issue of material fact that precludes summary judgment with regard to whether the process was ready for patenting at the time of the offer to sell. The district court, however, explained that Mr. Shaw testified he "had ironed out all the wrinkles" and started in commercial exportation of roses grown with the process by September 1994. Further, the district court explicitly noted that Shaw did not dispute that the invention was ready for patenting at the time roses using the patented process were offered for sale. Therefore, the court

found there was no record evidence raising a genuine issue with respect to this prong. . . . We conclude that Shaw failed to contest whether the invention was ready for patenting below and that argument is therefore waived. [U]pon review, the undisputed evidence demonstrates that the process was developed, ironed out, and thus ready for patenting, with commercial sales occurring in 1994. As this was all before the statutory critical date, it meets the two prongs of the on-sale bar and summary judgment was proper.

The previous statements are for information purposes only, and do not constitute legal advice. Questions regarding the matters discussed above, and any requests to be subscribed to the free electronic distribution of this publication, may be directed to Lawrence M. Sung, Ph.D., at +1 202.346.7850 or lsung@dl.com, or to any other Dewey & LeBoeuf LLP attorney with whom you regularly consult.

NEW YORK | LONDON MULTINATIONAL PARTNERSHIP | WASHINGTON, DC
ALBANY | ALMATY | BEIJING | BOSTON | BRUSSELS | CHICAGO | DOHA | DUBAI
FRANKFURT | HONG KONG | HOUSTON | JOHANNESBURG (PTY) LTD. | LOS ANGELES | MADRID | MILAN | MOSCOW
PARIS MULTINATIONAL PARTNERSHIP | RIYADH AFFILIATED OFFICE | ROME | SAN FRANCISCO | SILICON VALLEY | WARSAW