

Invalidity Claim To Be Tried In Pitt, Varian Patent Fight

By **Megan Leonhardt**

Law360, New York (February 28, 2012, 5:21 PM ET) -- A trial on the validity of the University of Pittsburgh's patent covering a radiation device for cancer treatment will go forward, a Pennsylvania federal judge said Tuesday, following a \$37 million jury verdict against Varian Medical Systems Inc. for willful infringement.

U.S. District Judge Arthur J. Schwab denied the university's request to cancel the trial on Varian's claims of invalidity — scheduled to start April 19 — saying he interpreted a recent order by the Federal Circuit to mean that an invalidity trial must occur.

"The issue of whether Varian would have the ability to present their substantive invalidity defenses was addressed by this court and by the Federal Circuit," Judge Schwab said.

Judge Schwab divided the university's infringement claims against Varian into a three-part trial, the first of which was held over Varian's willfulness in infringing the university's U.S. Patent Number 5,727,554.

The court had previously granted in part the university's motion for summary judgment on liability in December, finding Varian infringed the '554 patent.

A jury found Varian's infringement was willful on Jan. 26 and awarded the university \$37 million in damages on Feb. 23.

The award included \$12 million in damages for Varian's sales of its Real-time Position Management respiratory gating system, which the jury found violated seven claims of the university's patent. They also awarded \$24.8 million in damages for Varian's linear accelerators sold in combination with the RPM systems.

The university sued Varian in 2008, alleging that its product infringes a patent that covers an apparatus for turning on and off a radiation treatment beam in time with a patient's breathing.

The patent describes a system that uses a video camera to monitor patient movement, and turns off the radiation beam when a tumor moves out of the beam's path due to breathing and turns it back on when the tumor re-enters the beam's path.

Varian's RPM System is also a video-based system that monitors patient breathing during radiation and turns the beam off and on in time with breathing, according to the ruling.

The key claim in the university's patent involves determining movement of the patient through digital image signals, including movement associated with breathing, Judge Schwab said.

Varian maintained that its product does not infringe because it does not track markers on a patient's body, as described by the patent, but rather the position of a single point.

When Judge Schwab set up the three-part trial using the same jury in December, Varian opposed the scheduling order and moved for reconsideration. When that failed, it appealed the scheduling to the Federal Circuit.

Varian argued that Judge Schwab's schedule did not adequately provide the company enough time to prepare for trial. But the Federal Circuit denied Varian's appeal, saying there was no indication that the lower court would refuse to have a trial on its invalidity claims.

“Varian's concerns regarding claim and issue preclusion are purely speculative and do not require us to step in and dictate the district court's management of its own docket,” the opinion said.

After the willfulness trial, the University of Pittsburgh filed a motion to preclude further evidence or a trial of invalidity, arguing that a jury had already found Varian's invalidity arguments unreasonable, so a third jury proceeding on invalidity was not necessary.

But in Tuesday's order, Judge Schwab said that the jury in the willfulness portion of the trial did not make any decisions on the validity of the '554 patent.

Judge Schwab said that on numerous occasions, both the district court and appeals court have said that a later trial on invalidity would occur. Further, there has been no reason to warrant changing the “law of the case,” or the practice of the courts to generally leave in place what has been decided.

Representatives for the parties were not immediately available for comment Tuesday.

The patent-in-suit is U.S. Patent Number 5,727,554.

The university is represented by William P. Quinn Jr., David W. Marston Jr., Elizabeth Stroyd Windsor, John D. Zele and Bradford A. Cangro of Morgan Lewis & Bockius LLP and Arthur H. Stroyd Jr. and William S. Stickman IV of Del Sole Cavanaugh Stroyd LLC.

Varian is represented by William L. Anthony Jr., Matthew H. Poppe, Zheng Liu and M. Leah Somoano of Orrick Herrington & Sutcliffe LLP, Henry M. Sneath, Joseph R. Carnicella and Robert Wagner of Picadio Sneath Miller & Norton PC, and Joe Greco of Beck Ross Bismonte & Finley LLP.

The case is University of Pittsburgh of the Commonwealth System of Higher Education v. Varian Medical Systems Inc., case number 2:08-cv-01307, in the U.S. District Court for the Western District of Pennsylvania.

--Additional reporting by Carolina Bolado, Erin Coe and Ryan Davis. Editing by Andrew Park.