

Litigator of the Week: Juanita Brooks of Fish & Richardson

By Jan Wolfe
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It wasn't quick and it wasn't easy, but Juanita Brooks of Fish & Richardson seems finally to have wiped out a \$149 million patent case Baxter International Inc. brought against her client, Fresenius USA Inc. In the process, Brooks may have helped reinforce a common tactic in the patent defense playbook.

As we reported, the U.S. Court of Appeals for the Federal Circuit ruled on July 2 that Baxter "no longer has a viable cause of action" against Fresenius and instructed a trial judge to dismiss the ten-year old case. The appeals court adopted Brooks's argument that a ruling by the U.S. Patent and Trademark Office should spell doom for Baxter's still-pending claims in U.S. district court. Patent experts say the ruling could make judges more willing to grant stays in patent cases pending PTO reviews, potentially reducing defense costs in the future.

Fresenius launched a popular kidney dialysis machine with touch-screen interface in 2003. Baxter threatened to sue for infringement of three patents, so Fresenius hired Fish to bring a declaratory judgment action in U.S. district court in Oakland. In 2006, Brooks convinced a jury that Baxter's patents were invalid. But the judge assigned to the case at the time, Sandra Brown Armstrong, reversed the verdict, setting the stage for a damages trial. Baxter pegged damages at \$149 million, but ended up walking away with \$14 million in 2007. "We considered that something of a success," Brooks told us on Thursday.

Then things got really complicated. The Federal Circuit reversed Armstrong in 2009 and reinstated the original jury verdict, except as to a few remaining claims in a single patent. While the case was on remand, the PTO's Board of Patent Appeals and Interferences invalidated Baxter's remaining claims. Confident that the BPAI's determination would hold up on appeal to the Federal Circuit, Fresenius's lawyers urged the judge who took over the case, Phyllis Hamilton, to issue a stay. Hamilton refused, and eventually awarded Baxter a final judgment of \$23.5 million in damages and reasonable

royalties in March 2012. The Federal Circuit affirmed the PTO determination two months later. In April of this year, the agency finally issued a certificate invalidating all of Baxter's remaining patent claims.

In last week's ruling, the Federal Circuit reversed Judge Hamilton and tossed her \$23.5 million judgment. According to the appellate judges, the crucial moment in the long-running case came when the BPAI issued its 2010 ruling in Fresenius's favor. That ruling preceded a final judgment in the parallel U.S. district court litigation, so it wiped out Baxter's claims, the Federal Circuit ruled. "The [relevant statute] requires that a final PTO decision affirmed by this court be given effect in pending infringement cases that are not yet final," Circuit Judge Timothy Dyk wrote for the panel. "In light of the cancellation of Baxter's remaining claims, Baxter no longer has a viable cause of action against Fresenius."

According to Brooks, the ruling probably won't make defendants any more likely to initiate post-grant review proceedings. That's already a tried and true defense tactic, she said. The real takeaway, said Brooks, is that district court judges should stay their hands if a parallel PTO proceeding is in its advanced stages.

"If [the Fresenius case] had been stayed, we wouldn't have spent the last three years litigating. . .and we could have saved everyone a lot of time," Brooks told us. "What I'm hoping this opinion will do is cause district court judges to think more carefully about granting stays." PatentlyO and Law360 offered similar predictions [here](#) and [here](#).

Given the titanic expense of patent litigation, it occurred to us that Fresenius might have been better off just settling back in 2007, when Judge Armstrong pegged the value of the case at \$14 million. Brooks told us an early settlement probably would have been cheaper, but that justice wouldn't have been served.

"We're really proud of our client's tenacity," she said. "They believed and contended all along that these claims were not valid. And they were proved right, even if it took years."