

**Atlantic Thermoplastics Co., v. Faytex Corp.**  
**(United States Court of Appeals, Federal Circuit, Jul 13, 1992. 970 F.2d 834 (Fed. Cir. 1992))**

Prepared by UNCTAD's Intellectual Property Unit

### **Case summary**

The Federal Circuit deviates from earlier precedent (*Scripps Clinic*, see case summary) in applying different treatment to patent claims in the context of patent prosecution on the one hand and in the context of patent litigation on the other hand. This case concerns in particular the scope of product-by-process claims. It also provides a useful illustration of how to examine infringement of a process claim in terms of literal infringement and the doctrine of equivalents.

### **The facts**

The plaintiff (Atlantic Thermoplastics Co.) held a patent on a shock absorbing shoe innersole. This patent contained (1) a claim of a particular manufacturing process and (2) a claim of the product as made by that manufacturing process ("The molded innersole produced by the method of claim 1."). The defendant (Faytex) sold shoe innersoles that were produced by two different processes. While one process was similar to the plaintiff's patented manufacturing method (thereby infringing the plaintiff's process claim, as agreed among the parties), the other process - i.e. the one at issue here - differed from it. The patented process relied on the insertion of a solid material into a mold, where the solid insert would have sufficient resistance ("tack") to remain in the placed position during the production of the sole. By contrast, the defendant's method relied on the injection of liquid material into the mold, which (other than the patented process) contained a dam to hold in place the injected material.

Atlantic sued Faytex for alleged infringement of the patented manufacturing process. In addition, Atlantic claimed infringement of its product-by-process claim by Faytex through the unauthorized sale of innersoles manufactured by the process as described before. Neither the district court nor the Federal Circuit found infringement of the process claim or infringement of the product-by-process claim.

### **The legal issues**

#### Infringement of the process claim

The Federal Circuit affirmed the district court's view that Faytex's manufacturing method constituted neither literal infringement of Atlantic's patented process nor infringement according to the doctrine of equivalents. As to literal infringement, the district court emphasized the two elements that distinguished the defendant's manufacturing process from the protected one, i.e. the injection of liquid (rather than solid material) and the different ways of ensuring that the inserted or injected material

would remain in place during the subsequent production process.<sup>1</sup>As to the doctrine of equivalents, the district court (as affirmed by the Federal Circuit) concluded that the accused process performed its function (i.e. the building a shoe innersole) in a way that was substantially different from the way this was undertaken by the patented process (i.e. use of a dam to hold the inserted material rather than the tack of the insert itself). Therefore, the accused process could not be considered equivalent to the protected process.<sup>2</sup>

#### Infringement of the product-by-process claim

Alternatively to the asserted process patent infringement, Atlantic claimed violation of its product-by-process claims through the sale by Faytex of innersoles that are indistinguishable from Atlantic's products, even though made through a different (and non-infringing) process.<sup>3</sup> The rationale behind this argument was to prevent any further use by Faytex of its alternative manufacturing process. The plaintiff invoked Federal Circuit precedent (*Scripps Clinic*, see case summary in this database) to support its view that infringements of product-by-process claims are not limited to the use of the process expressly mentioned in the claim. Thus, according to the plaintiff, its patent claim to the product (i.e. the shoe innersole) would enable it to prevent the defendant from making such product by any process, even if not mentioned in the patent claim.

The district court and the Federal Circuit rejected this view. The latter recalled the history of product-by-process claims in the United States. These were originally admitted only to the extent that the inventor was unable to describe its invention by other means, e.g. by its structure. Later, these claims were admitted more broadly, but with an important limitation:

“We think the rule is well established that where one has produced an article in which invention rests over prior art articles, and where it is not possible to define the characteristics which make it inventive except by referring to the process by which the article is made, he is permitted to so claim his article, but is limited in his protection to articles produced by his method referred to in the claims.”<sup>4</sup>

The Federal Circuit emphasized the view that patent claims in litigation (i.e. patent infringement and validity) have to be treated differently from patent claims in patent prosecution cases (i.e. the decision by the patent examiner to (not) grant a patent and related judicial review):

“The entire history of product-by-process claims suggests a ready explanation for the apparent difference of view about treatment of those claims during ex parte administrative proceedings and during litigation. This court already distinguishes treatment of claims for patentability before the PTO from treatment of claims for validity before the courts. [...] This court permits the PTO to give claims their broadest reasonable meaning when determining patentability. [...] During litigation determining validity or infringement,

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<sup>1</sup> See the decision of the Federal Circuit, page 837.

<sup>2</sup> *Ibid*, page 838.

<sup>3</sup> *Ibid*.

<sup>4</sup> *Ibid*, page 846.

however, this approach is inapplicable. [...] Rather the courts must consult the specification, prosecution history, prior art, and other claims to determine the proper construction of the claim language. [...] Thus, accommodating the demands of the administrative process and recognizing the capabilities of the trial courts, this court treats claims differently for patentability as opposed to validity and infringement. The PTO's treatment of product-by-process claims as a product claim for patentability is consistent with policies giving claims their broadest reasonable interpretation. The same rule, however, does not apply in validity and infringement litigation. In any event, claims mean the same for infringement and validity. [...]

In light of Supreme Court caselaw and the history of product-by-process claims, this court acknowledges that infringement analysis proceeds with reference to the patent claims. Thus, process terms in product-by-process claims serve as limitations in determining infringement.”<sup>5</sup>

The Federal Circuit thus came to the conclusion that the plaintiff's product-by-process claims were limited to the expressly mentioned manufacturing process. Production and sale of a similar product made by a different process therefore constituted no infringement of the product-by-process claims.

### **Points of significance**

- The present decision by the Federal Circuit has created considerable confusion in the United States regarding the scope of product-by-process claims in that country. In *Scripps*, a different panel of the same court had decided that product-by-process claims are to be treated as ordinary product claims in cases of patent prosecution and infringement litigation (see case summary in this database). In *Atlantic* however, the same court decided that the above approach only applies to patent prosecution, but not to patent infringement litigation. In other words, while the patent applicant before the patent office has to meet the patentability criteria in respect of the entire product, protection under such patent against infringement will only extend to the product as made by the process expressly mentioned in the claim.
- The implications for generic producers are substantial. Following *Scripps*, protection under product-by-process claims would be even broader than under ordinary structural product claims. Under the latter, product patent protection prevents a competitor from making the claimed structure through any process. Under the *Scripps* interpretation of product-by-process claims, protection would not be limited to a particular structure, but would extend to any structure that could potentially result from the process used to define the claimed product. For instance, certain chemical purification processes, each time they are performed, may create a structurally different product (i.e. in chemical structure, concentration of components, differences in purity, etc). All of these products would arguably be protected, as opposed to ordinary

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<sup>5</sup> Ibid, page 846/47.

structural claims. Product-by-process claims under *Scripps* are limited neither to a certain structure nor to a certain process.

- Under the approach used in *Atlantic*, the protection of multiple structures could also arise. But the limitation of the patent scope to only one process enables competitors to make the same structures by different processes.
- The nearly unlimited scope of product-by-process claims as understood in *Scripps* may be the reason why this claims format has been limited in other jurisdictions like the European Patent Office, which only admits such claims if structural claims are impossible.
- TRIPS leaves Members free to design their approach to product-by-process claims.

### **Key words**

Product-by-process claims, process claims, patent prosecution, patent infringement, patent litigation, patent validity, doctrine of equivalents.

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