

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

BAYER AG and)
BAYER CORPORATION,)
)
Plaintiffs,)
)
v.) Civil Action No. 01-148-SLR
)
HOUSEY PHARMACEUTICALS, INC.,)
)
Defendant.)

MEMORANDUM ORDER

At Wilmington this 12th day of November, 2002, having reviewed the papers submitted in connection therewith;

IT IS ORDERED that defendant Housey Pharmaceuticals' ("Housey") motion for summary judgment of literal infringement of claims 1, 3 and 5 of U.S. Patent No. 5,688,655 (D.I. 166) shall be denied, for the reasons that follow:

1. **Legal Standards.** A court shall grant summary judgment only if "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). The moving party bears the burden of proving that no genuine issue of material fact exists. See Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 586 n.10 (1986). "Facts that could alter the outcome are 'material,' and disputes are 'genuine' if evidence exists from

which a rational person could conclude that the position of the person with the burden of proof on the disputed issue is correct.” Horowitz v. Fed. Kemper Life Assurance Co., 57 F.3d 300, 302 n.1 (3d Cir. 1995) (internal citations omitted).

2. A determination of infringement requires a two-step analysis. First, the court must construe the asserted claims so as to ascertain their meaning and scope. Second, the claims as construed are compared to the accused product. See KCJ Corp. v. Kinetic Concepts, Inc., 223 F.3d 1351, 1355 (Fed. Cir. 2000). Claim construction is a question of law while infringement is a question of fact. See id. To establish literal infringement, “every limitation set forth in a claim must be found in an accused product, exactly.” Southwall Tech., Inc. v. Cardinal IG Co., 54 F.3d 1570, 1575 (Fed. Cir. 1995). An accused product that does not literally infringe a claim may still infringe under the doctrine of equivalents if each limitation of the claim is met in the accused product either literally or equivalently. See Sextant Avionique, S.A. v. Analog Devices, Inc., 172 F.3d 818, 826 (Fed. Cir. 1999).

3. **Factual Disputes.** Defendant asserts that the following are representative of assays performed by plaintiffs that literally infringe claims 1, 3 and 5 of the '655 patent: 1) assays performed in connection with plaintiffs' efforts to identify agonists of the Beta-3 protein; 2) assays performed in

association with plaintiffs' raf kinase antagonist project; and 3) assays used in plaintiffs' ICAST project. Plaintiffs assert that, under either plaintiffs' or defendant's claim construction, genuine issues of fact exist.

4. In particular, plaintiffs assert that the phenotypic characteristic identified by defendant, levels of cAMP in the Beta-3 agonist and the ICAST assays, is not a phenotype. Further, even if levels of cAMP are a phenotype, there is no meaningful change in the level of cAMP so as to meet the responsive change in a phenotypic characteristic claim element. For the raf kinase assay, plaintiffs assert that there is no responsive change in a phenotypic characteristic.

5. Based on the record, the court concludes that genuine issues of material fact remain on the issue of infringement and, therefore, summary judgment is inappropriate.

6. Accordingly, the court shall deny defendant's motion for summary judgment of literal infringement.

Sue L. Robinson
United States District Judge