IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

ISCO INTERNATIONAL, INC.,	)	
Plaintiff	)	
v.	)	C.A. No. 01-487 GMS
CONDUCTUS, INC., AND SUPERCONDUCTOR TECHNOLOGIES, INC.,	)	
Defendants.	)	

MEMORANDUM AND ORDER

I. INTRODUCTION

The plaintiff, ISCO International, Inc. ("ISCO"), filed the above-captioned suit against Conductus, Inc. ("Conductus") and Superconductor Technologies, Inc. ("STI") (collectively "the defendants") on July 17, 2001. In its complaint, ISCO alleges that Conductus and STI are infringing U.S. Patent No. 6,263,215 ("the '215 patent"). Presently before the court is ISCO's Motion for Summary Judgment that Defendant Superconductor Technologies, Inc.'s Internal Projects Are Not Prior Art to U.S. Patent 6,263,215 (D.I. 195). For the reasons that follow, the court will deny the motion.

II. STANDARD OF REVIEW

Summary judgment is appropriate in patent suits as in other civil actions. *Rains v. Cascade Industries, Inc*., 402 F.2d 241, 244 (3d. Cir. 1968). The court may grant summary judgment "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); *see also Boyle v. County of Allegheny Pa.*, 139 F.3d 386, 392 (3d Cir. 1998). Thus, summary judgment is appropriate only if the moving party shows there are no genuine issues of material fact that would permit a reasonable jury to find for the non-moving party. *Boyle*, 139 F.3d at 392. A fact is material if it might affect the outcome of the suit. *Id*. (citing *Anderson v. Liberty Lobby*, *Inc.,* 477 U.S. 242, 247-248 (1986)). An issue is genuine if a reasonable jury could possibly find in favor of the non-moving party with regard to that issue. *Id*. In deciding the motion, the court must construe all facts and inferences in the light most favorable to the non-moving party. *Id*.; *see also Assaf v. Fields*, 178 F.3d 170, 173-74 (3d Cir. 1999).

By the present motion, ISCO moves for summary judgment regarding whether certain internal projects of STI are prior art for purposes of 35 U.S.C. § 102(g). As discussed below, § 102(g) provides that a person is entitled to a patent unless someone else invented the claimed invention first and did not abandon, suppress, or conceal it. Thus, a priority attack pursuant to § 102(g) is a challenge to the patent's validity. When a party challenges a patent's validity, the court begins with the statutory presumption of validity. 35 U.S.C. § 282 ("A patent shall be presumed valid."). Accordingly, "[t]he burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity." *Id*. Invalidity must be shown by clear and convincing evidence. *Robotic Vision Sys., Inc. v. View Eng'g, Inc.*, 189 F.3d 1370, 1377 (Fed. Cir. 1999). This evidentiary standard is relevant in the context of a motion for summary judgment because "the judge must view the evidence presented through the prism of the substantive evidentiary burden." *Anderson*, 477 U.S. at 254.

III. DISCUSSION

As a defense to the infringement suit, STI has alleged that the '215 patent is invalid. In furtherance of this defense, STI maintains that certain of its internal projects are prior art to the '215 patent per 35 U.S.C. § 102(g). ISCO moves for summary judgment that these internal projects cannot constitute prior art to the patent-in-suit.

Pursuant to § 102(g), a person is not entitled to a patent if someone else first invented the claimed invention in this country and did not abandon, suppress, or conceal it. 35 U.S.C. § 102(g). This showing entails consideration of "not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence" of the priority challenger. *Id*. Conception occurs when "a definite and permanent idea of the complete and operative invention, as it is thereafter to be applied in practice," is formed in the inventor's mind. *Monsanto Co. v. Mycogen Plant Science, Inc.*, 61 F. Supp. 2d 133, 180 (D. Del. 1999). In turn, a reduction to practice occurs "when the inventor: (1) constructs a product that is within the scope of the claimed invention, and (2) demonstrates that his invention actually work[s] for its intended purpose." *Id*. Finally, diligence constitutes "reasonably continuous activity toward reduction of practice so that the invention's conception and reduction to practice are substantially one continuous act." *Id*. (citing *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1577 (Fed. Cir. 1996)).

The court concludes that there remain genuine issues of fact material to a determination of priority. For example, ISCO assumes that the '215 patent is entitled to the 1995 effective filing date of the first provisional patent application. Based on this assumption, ISCO asserts that certain of STI's internal projects that were reduced to practice after the filing date of the provisional application necessarily cannot constitute prior art relative to the '215 patent. The court has previously ruled,

however, that a genuine issue of material fact exists as to whether the '065 application contains a description of the invention as later claimed in claim 10 of the '215 application. *See* court's order of February 10, 2003 regarding STI's Motion for Summary Judgment of Invalidity of the '215 patent. Thus, summary judgment as to those internal projects cannot be sustained by that argument.

In addition, there remain unresolved factual disputes regarding conception, reduction to practice, and reasonable diligence. For example, ISCO urges that STI has not established diligence in reducing to practice its internal projects. STI has cited evidence, however, including deposition testimony and laboratory records,[1] to show that it exercised reasonable diligence in attempting to bring the invention to the marketplace. For purposes of this motion, that is sufficient. Thus, whether STI's activities constituted reasonable diligence is a factual determination that will be left to the trier of fact. *Scott v. Koyama*, 281 F.3d 1243, 1246 (2002) ("Priority of invention is a question of law, based on findings of evidentiary fact directed to conception, reduction to practice, and diligence.")

In short, because the determination of priority rests upon findings of fact, as to which there are genuine disputes, summary judgment is inappropriate.

IV. CONCLUSION

For the foregoing reasons, IT IS HEREBY ORDERED that:

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[1] The court is aware that ISCO objects to STI's reliance upon some of these records, as they were not produced during discovery for various disputed reasons. *See* ISCO's Reply Brief at 11-12. This objection was raised for the first and, apparently, only, time in ISCO's reply brief, which was filed with the court on August 19, 2002, some six months ago. The court will not rule on such objections now and in the context of a motion for summary judgment. Should ISCO wish to persist in its objection to certain evidence, the court will hear such grievances at the appropriate time at trial.

1. ISCO's Motion for Summary Judgment that Defendant Superconductor Technologies, Inc.'s Internal Projects Are Not Prior Art to U.S. Patent 6,263,215 (D.I. 195) is DENIED.

Date: February 10, 2003

Gregory M. Sleet
UNITED STATES DISTRICT JUDGE