

## Fed. Circ. Says Exergen Thermometer Patents Survive Mayo

By Ryan Davis

*Law360 (March 8, 2018, 7:31 PM EST)* -- The Federal Circuit on Thursday upheld a decision that Exergen Corp.'s forehead thermometer patents are not invalid for claiming laws of nature, though it found that only one of the two patents was infringed by Kaz USA Inc. and vacated a \$15 million damages award.

The 2-1 decision is a relatively rare instance in which diagnostic patents have been upheld by the Federal Circuit after being challenged under the U.S. Supreme Court's 2012 *Mayo v. Prometheus* decision that patents claiming nothing more than laws of nature are not patent-eligible.

In a majority opinion by U.S. Circuit Judge Kimberly Moore, the Federal Circuit held that there is no dispute that Exergen's patents on a device for detecting a person's core temperature through the temporal artery in the forehead employ a natural law about body temperature. However, they use a novel and inventive technique that makes them patent-eligible, she wrote.

"Following years and millions of dollars of testing and development, the inventor determined for the first time the coefficient representing the relationship between temporal-arterial temperature and core body temperature and incorporated that discovery into an unconventional method of temperature measurement," the judge wrote. "As a result, the method is patent-eligible."

A Massachusetts federal jury found in 2016 that Kaz infringed both Exergen patents and awarded Exergen \$14.6 million. Because Kaz moved for a judgment that the patents cover patent-ineligible subject matter late in the case, U.S. District Judge Richard Stearns addressed that issue after the trial and denied Kaz's motion.

While the Federal Circuit upheld the judge's holding that Exergen's inventions are patent-eligible, it found that the jury's infringement finding was correct as to only one of the two patents. Kaz's products calculate an "oral-equivalent" temperature, not the temperature beneath the forehead, and that meets the requirements of only one of Exergen's patents, the court said.

The appeals court left it to the district court to determine whether a new trial on damages is necessary to recalculate the amount of damages because Kaz infringed one patent, rather than two.

Kerry Timbers of Sunstein Kann Murphy & Timbers LLP, an attorney for Exergen, said the court's patent-eligibility decision is notable, because it comes after a series of rulings in which the Federal Circuit has used *Mayo* to find diagnostic tests invalid as patent-ineligible under Section 101 of the Patent Act. Those

cases involved patents on prenatal DNA tests, cardiovascular disease tests and more.

"This is the first diagnostic patent that has ever been upheld under 101 by the Federal Circuit," Timbers said.

The case hinged on the court's finding that Exergens patented methods are not "well understood, routine and conventional," a phrase from the Mayo decision that the Federal Circuit has now emphasized in three decisions over the past month, all of them written by Judge Moore.

The Supreme Court held in Mayo that if patents are directed to ineligible subject matter like abstract ideas or laws of nature, they must contain an inventive concept beyond what is routine and conventional in order to be patent-eligible.

In the two February decisions, widely viewed as making it more difficult to invalidate patents for claiming ineligible subject matter, the Federal Circuit held that deciding what is routine and conventional can involve factual questions that might not be appropriate to resolve early in cases on motions for dismissal or summary judgment.

In the Exergen case, the district judge considered patent-eligibility late in the case and concluded there was no evidence, either in Exergen's patents or that Kaz presented, showing the claimed invention is routine.

The Federal Circuit said that was the right call, because the techniques used in the patents were previously used to detect hot spots indicating injuries or tumors, not to measure body temperature.

Timbers said the decision makes clear that whether an invention is well-understood, routine and conventional "is a factual question that requires evidentiary proof," and that when that evidence is not presented, "the ruling should be that the patent is valid."

Judge Todd Hughes penned a strong dissent, arguing that the techniques in Exergen's patents are in fact well understood and routine and should have been invalidated, because they "merely calculate a law of nature using conventional, commercially available technology."

"Exergen's claimed invention amounts to nothing more than using a pre-existing temperature detector to take a conventional and routine measurement of forehead skin temperature," he wrote.

An attorney for Kaz could not immediately be reached for comment Thursday.

The patents-in-suit are U.S. Patent Numbers 6,292,685 and 7,787,938.

U.S. Circuit Judges Kimberly Moore, William Bryson and Todd Hughes sat on the panel for the Federal Circuit.

Exergen is represented by Kerry Timbers, Robert Asher, Joel Leeman, Brandon Scruggs and Sharona Sternberg of Sunstein Kann Murphy & Timbers LLP.

Kaz is represented by Pratik Shah, Ze-Wen Julius Chen, James Tysse, Kirt O'Neill and Daniel Moffett of Akin Gump Strauss Hauer & Feld LLP.

The case is Exergen Corp. v. Kaz USA Inc., case number 16-2315, in the U.S. Court of Appeals for the Federal Circuit.

--Editing by Nicole Bleier.

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