

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

INTUITIVE SURGICAL, INC.            )  
and INTERNATIONAL BUSINESS        )  
MACHINES CORPORATION,            )  
  )  
          Plaintiffs,                )  
  )  
          v.                            )        Civil Action No. 01-203-SLR  
  )  
COMPUTER MOTION, INC.,            )  
  )  
          Defendant.                 )

---

Thomas L. Halkowski, Esquire of Fish & Richardson P.C.,  
Wilmington, Delaware. Counsel for Plaintiff Intuitive Surgical,  
Inc. Of Counsel: Frank E. Scherkenbach, Esquire of Fish &  
Richardson P.C., Boston Massachusetts. Susan E. Emrich, Esquire  
and Todd G. Miller, Esquire of Fish & Richardson P.C., San Diego,  
California.

Thomas H. Kovach, Esquire and Robert W. Whetzel, Esquire of  
Richards, Layton & Finger, Wilmington, Delaware. Counsel for  
Plaintiff International Business Machines Corporation. Of  
Counsel: Raymond A. Kurz, Esquire, Celine Jimenez Crowson,  
Esquire and David A. Kikel, Esquire of Hogan & Hartson L.L.P.,  
Washington, D.C. Howard S. Weber, Esquire and Kathryn L. Goetz,  
Esquire of Hogan & Hartson L.L.P., New York, New York.

Josy W. Ingersoll, Esquire and Adam W. Poff, Esquire of Young  
Conaway Stargatt & Taylor LLP, Wilmington, Delaware. Counsel for  
Defendant. Of Counsel: Jan P. Weir, Esquire, and Steven M.  
Hanle, Esquire of Stradling Yocca Carlson & Rauth, Newport Beach,  
California.

---

**OPINION**

Dated: December 10, 2002  
Wilmington, Delaware

**ROBINSON, Chief Judge**

**I. INTRODUCTION**

On March 30, 2001, plaintiffs Intuitive Surgical, Inc. ("Intuitive") and International Business Machines Corporation ("IBM") filed this action against defendant Computer Motion, Inc. ("Computer Motion") alleging infringement of certain claims of United States Patent No. 6,201,984 (the "'984 patent"). (D.I. 1) On May 17, 2001, defendant filed counterclaims seeking a declaratory judgment of noninfringement, invalidity and unenforceability. (D.I. 11)

Prior to trial, defendant stipulated to literal infringement of certain claims of the '984 patent. (D.I. 293) From August 12, 2002 through August 21, 2002, the parties tried the issues of enablement, best mode and damages to a jury, and the issue of prosecution laches to the court.

On August 21, 2002, the jury returned a verdict that the asserted claims are enabled, the inventors satisfied the best mode requirement, and awarded damages of approximately \$4.5 million. (D.I. 309)

The court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331, 1338(a), 2201 and 2202. The following are the court's findings of fact and conclusions of law pursuant to Fed. R. Civ. P. 52(a) regarding the issue of prosecution laches.

## **II. FINDINGS OF FACT**

### **A. The Parties**

1. IBM is the assignee of the '984 patent, entitled "System and Method for Augmentation of Endoscopic Surgery." (PX 1)

2. Intuitive is engaged in the development, manufacture, marketing and sale of robotic devices for use in minimally invasive endoscopic surgery. (D.I. 311 at 145) Intuitive manufactures the da Vinci Surgical System. (Id. at 147, 149) Intuitive licensed a number of patents (including the '984 patent) from IBM on December 22, 1997. (PX 413)

3. Computer Motion is engaged in the development, manufacture, marketing and sale of robotic devices for use in minimally invasive endoscopic surgery. (D.I. 313 at 655-83) Computer Motion manufactures the AESOP, ZEUS Surgical System and HERMES Control Center. (Id. at 679-80)

### **B. Prosecution History of the '984 Patent**

4. The '984 patent resulted from patent application Serial No. 09/325,761 (the "'761 application"), which is a continuation of application No. 07/889,215 (the "'215 application") filed on May 27, 1992. (PX 1) The '984 patent is also a continuation-in-part of application No. 08/234,825 (the "'825 application") filed on April 28, 1994. (Id.)

5. In an Office Action dated September 27, 1993, the

examiner found that the '215 application contained four distinct inventions, and required IBM to elect one group of claims and file three additional divisional applications on the remaining groups of claims. (D.I. 318 at 1581-82) IBM elected claims from group one, which issued on May 23, 1995 as United States Patent No. 5,417,210. (Id. at 1582-85)

6. On January 26, 1995, IBM filed three divisional applications for the remaining claims of the '215 application. (DX 1003, DX 1007, PX 1)

7. The divisional application that contained claims from group three issued as United States Patent No. 5,572,999 ("the '999 patent") on November 12, 1996. (D.I. 318 at 1591-94; DX 1003) The official filing receipt from the PTO was received by IBM for this application on March 16, 1995. (D.I. 318 at 1591-94)

8. The divisional application that contained claims from group four issued as United States Patent No. 5,749,362 on May 12, 1998. (Id. at 1586-90; DX 1007) The official filing receipt from the PTO was received by IBM for this application on March 2, 1995. (D.I. 318 at 1586-90)

9. The divisional application that led to the '984 patent (the '761 application) contained claims from group 2 of the '215 application. (Id. at 1596)

10. It is undisputed that the '761 application file was misplaced by the PTO for several years. In an exhibit to the December 22, 1997 licensing agreement between IBM and Intuitive, the '761 application (designated as "0000000000") is noted as having a "filing receipt problem being resolved with the USPTO." (PX 413)

11. Louis Percello, the IBM attorney responsible for prosecuting the '984 patent, testified to multiple communications with the PTO attempting to resolve the status of the application. (D.I. 319 at 1778-84) At some point, Mr. Percello and the PTO determined that the PTO failed to create a file jacket for the '761 application. (D.I. 318 at 1598)

12. On May 14, 1999, IBM supplied the PTO with another copy of the '761 application and a copy of the postcard receipt as evidence of the original January 26, 1995 filing date. (Id.; CX 1 at 85) As a result, the official filing receipt from the PTO for the '761 application was not received by IBM until September 14, 1999. (D.I. 318 at 1598)

13. At the same time IBM re-submitted the '761 application, IBM added new claims. (CX 1 at 80-85) These claims cover the voice recognition aspects of the invention that were asserted in the instant litigation. The "voice recognition" claims were drafted by Intuitive and provided to IBM for filing with the PTO. (D.I. 319 at 1771-73)

14. On March 28, 2000, the examiner rejected all of the pending claims because of double patenting over claims 1-7 of the '999 patent. (D.I. 318 at 1607-08, CX 1 at 149) The examiner stated:

The subject matter claimed in the instant application is fully disclosed in the ['999] patent and is covered by the patent since the patent and the application are claiming common subject matter, as follows: a surgical instrument having a proximal and a distal end and extendable into a surgical site, a robot supporting the proximal end of the surgical instrument and moving the surgical instrument in response to motor signals, an input device comprising a voice recognition system for inputting instructions and a computer coupling the input device to the robot and generating the motor control signals controlling the robot. Furthermore, there is no apparent reason why applicant was prevented from presenting claims corresponding to those of the instant application during prosecution of the application which matured into [the '999] patent.

(Id.)

15. In response to the examiner's rejection, IBM filed a terminal disclaimer limiting the term of the '984 patent to that of the '999 patent.<sup>1</sup> (CX 1 at 166, 172-73)

16. The examiner further rejected certain claims for indefiniteness under 35 U.S.C. § 112 and anticipation under 35

---

<sup>1</sup>IBM subsequently limited the term of the '984 patent to 17 years from the issue date of patent 5,279,309 (also owned by IBM), giving it an expiration date of January 17, 2011. (CX 1 at 2988)

U.S.C. § 102 based on United States Patent No. 5,402,801, which issued to IBM from parent application No. 07/714,816 (the "'816 application"), filed on June 13, 1991. (Id. at 150)

17. On May 17, 2000, IBM amended certain claims and converted the '761 application into a continuation-in-part of the '816 application, thereby claiming the filing date of the '816 application. (Id. at 166-67) A Notice of Allowability was mailed on August 8, 2000 and the '984 patent issued on March 13, 2001. (Id. at 176-77; PX 1)

### **C. Computer Motion's Accused Products**

18. Computer Motion began working on developing a robot for use in minimally invasive surgery in early 1992. (D.I. 318 at 1628) In September 1993, Computer Motion had developed the first surgical robot approved by the FDA, the AESOP 1000. (D.I. 313 at 675-77) The AESOP 1000 was operated with foot controls. (Id. at 675).

19. By December 1992, Computer Motion had completed a National Institutes of Health grant proposal to develop a robot with a voice control interface. (D.I. 318 at 1630-31; DX 1122)

20. In 1996, Computer Motion completed development of a voice controlled robot, AESOP 2000, which was used in a minimally invasive surgical trial. (D.I. 318 at 1632)

21. AESOP 3000 and AESOP 3000HR is the current version of Computer Motion's voice controlled robot which was introduced in

1997 or 1998. (Id. at 1649) Computer Motion generated approximately \$31 million in revenue from AESOP sales from 1993 through 2000. (Id. at 1658-59; PX 73)

22. Computer Motion has also developed the Zeus Surgical Control System and the Hermes Control Center which use voice control. (D.I. 318 at 1649-54) Development on these products began in 1995 and 1996, respectively. (Id.) Computer Motion generated approximately \$25 million in revenue from Zeus and Hermes sales from 1996 through 2000. (PX 73)

### **III. CONCLUSIONS OF LAW**

#### **A. Equitable Doctrine of Prosecution Laches**

1. Computer Motion contends that the '984 patent is unenforceable against Computer Motion under the equitable doctrine of prosecution laches.

2. The Federal Circuit held in Symbol Tech. v. Lemelson Medical, 277 F.3d 1361 (Fed. Cir. 2002), that the equitable doctrine of laches may be applied to bar enforcement of patent claims that issued after an unreasonable and unexplained delay in prosecution even though the applicant complied with pertinent statutes and rules. Unfortunately, neither Congress nor the Federal Circuit has provided any further guidance on the legal standards applicable to the prosecution laches defense. Consequently, the court relies on two fundamental precepts as its analytical framework. First, a threshold inquiry must be



undertaken as to whether a patent "was obtained after an unreasonable and unexplained delay in prosecution." In re Bogese, 303 F.3d 1362, 1367 (Fed. Cir. 2002). The central focus of this inquiry is the reasonableness of the delay. See generally, Webster Elec. Co. v. Splitdorf Elec. Co., 264 U.S. 463 (1924). Second, in reviewing the record to determine whether the delay at issue was unreasonable and unexplained, the court must consider the fact that prosecution laches is an equitable tool which has been used sparingly in only the most egregious of cases.<sup>2</sup>

## **B. Application of Prosecution Laches**

### **1. Total Delay**

3. In the case at bar, the original parent patent application (the '761 application) was filed in May 1992. The '984 divisional patent issued in March 2001. Thus, the period

---

<sup>2</sup>The parties spend considerable time in their briefs debating the applicability of intervening rights, terminal disclaimers, prejudice, patent specification disclosures, the alleged infringer's knowledge and the differences in pre-1952 and post-1952 patent law to the doctrine of prosecution laches. Plaintiffs direct the court to the proposition that a patentee has the right to draft claims to cover competitors' products in the marketplace. See, e.g., Kingsdown Medical Consultants, Ltd. v. Hollister, Inc., 863 F.2d 867, 874 (Fed. Cir. 1988) (internal citation omitted). Defendant relies on the proposition that "subject matter disclosed but not claimed in a patent application is dedicated to the public." Maxwell v. J. Baker, Inc., 86 F.3d 1098, 1106 (Fed. Cir. 1996) (internal quotations omitted). It is the court's view, however, that none of these tenets of patent law is relevant until the threshold inquiry is conducted and the court finds that the delay at issue was unreasonable and unexplained.

between the original filing and the issuance of the '984 patent is almost nine years.

4. At least one other district court has held, post-Symbol, that a delay of more than nine years between the filing of a parent application and the issuance of a continuation or divisional patent is not unreasonable. See Gen-Probe Inc. v. Vysis, Inc., No. 99-CV-2668H (S.D. Cal. Aug. 5, 2002) (post-trial order) ("[T]he Court finds that the eleven years between filing and issuance of the '338 patent is not unreasonable.").

5. Although this court considers a nine year delay extended, the court must examine the prosecution history of the patent to determine if the delay is both unreasonable and unexplained. Three distinct periods of prosecution must be considered: 1) the time from the PTO's office action to the time of the original filing of the '761 application; 2) the time from the original filing of the '761 application to the time the application was re-submitted; and 3) the time from the re-submitted application to the time the '984 patent issued.

**2. Period One: PTO Office Action to Original Filing of the '761 Application**

6. The '215 application was filed in May 1992. In September 1993, the PTO concluded that the application contained four distinct inventions and required IBM to select one of the four for continued prosecution. In October 1993, IBM selected the first group of claims. IBM could have submitted divisional

applications on the remaining three inventions at any time after September 1993. The '761 application was submitted as a divisional application in January 1995. Thus, IBM delayed for approximately one year and four months from the time it could have filed the '761 application.

7. The court finds that one year and four months is not an unreasonable delay in filing a divisional application in response to the PTO's office action.

**3. Period Two: Original Filing of the '761 Application to Re-Filing of the Application**

8. It is undisputed that the original '761 application filed in January 1995 was misplaced by the PTO. As a result, IBM re-submitted the application to the PTO in May 1999. This error resulted in a delay in prosecution of 4 years and 4 months.<sup>3</sup>

---

<sup>3</sup>Defendant claims that the Supreme Court's decision in Webster Elec. Co. v. Splitdorf Elec. Co., 264 U.S. 463 (1924), establishes a "presumption of unreasonableness if the patentee delays more than two years." (D.I. 334 at 21) This court disagrees. The Federal Circuit, in discussing the Supreme Court's holding in Crown Cork & Seal Co. v. Ferdinand Gutmann Co., 304 U.S. 159 (1938), stated that Crown Cork "took aim at the bright-line rule established by Webster that a two-year delay is prima facie unreasonable and eliminated it." Symbol Tech., 277 F.3d at 1365. Moreover, as with equitable laches, if a two-year presumption exists the presumption would act only as a production burden shifting mechanism. See A.C. Auckerman Co. v. R.L. Chaides Constr. Co., 960 F.2d 1020, 1037 (1992) (en banc) ("The presumption compels the production of [a] minimum quantum of evidence from the party against whom it operates, nothing more.") (internal citation omitted). In the case at bar, IBM has met any burden of production it may have under the presumption.

9. This delay is at least partially due to the PTO's failure to create a file jacket for the '761 application. Any portion of the delay attributed to the mistake of the PTO must be considered an "explained" delay for purposes of the prosecution laches analysis.

10. The patentee, however, has some responsibility to ensure the continued progress of the prosecution of a patent application. In the case at bar, the patentee, IBM, is experienced in the procedures of the PTO. IBM filed three divisional applications on the same day. IBM received official filing receipts from the PTO for two of the applications in March 1995.

11. At some point, IBM realized that an official filing receipt was not received for the '761 application and contacted the PTO regarding the status of the application. The record does not disclose when IBM began communicating with the PTO regarding the official filing receipt problem. At the latest, IBM realized the official filing receipt problem by December 1997 as evidenced by the IBM - Intuitive licensing agreement. (PX 413)

12. The court finds four years and four months to be an unreasonable period of time for an experienced patentee such as IBM to identify and correct a misplaced application problem. This delay is especially troublesome if viewed from defendant's perspective. More specifically, the record arguably demonstrates

that IBM was not motivated to pursue its patent rights until it entered into a license agreement with plaintiff, a direct competitor of defendant, at a time when defendant had already committed its resources to producing the AESOP 2000 (the first voice controlled surgical robot), ultimately enabling plaintiff to monopolize the market without contributing a product for the public's use and, indeed, enabling plaintiff to divest both defendant and the public of a valuable medical product.

13. As noted above, however, the delay must be both unreasonable and unexplained. Because some part of the four year and four month delay is explained by the PTO's mistake, the court is reluctant to hold the '984 patent unenforceable by reason of prosecution laches on the record presented.<sup>4</sup> To put the point differently, despite the court's discomfort with the business

---

<sup>4</sup>The court notes that one of the many unsettled questions of law regarding prosecution laches is the burden of proof required to establish prosecution laches. One district court has held that "since the application of this doctrine would render a patent unenforceable, the moving party must provide clear and convincing evidence." Gen-Probe Inc. v. Vysis, Inc., No. 99-CV-2668H (S.D. Cal. Aug. 5, 2002) (post-trial order) (citing Li Second Family Ltd. Partnership v. Toshiba Corp., 231 F.3d 1373, 1378 (Fed. Cir. 2000)). Defendant argues that, consistent with the burden of proof in equitable laches and estoppel cases, the preponderance of the evidence standard should apply. This court agrees. See Auckerman, 960 F.2d at 1044-45 ("The issue of laches concerns delay by one party and harm to another. Neither of these factors implicates the type of special considerations which typically trigger imposition of the clear and convincing standard."). The court finds, however, that defendant has failed to meet its burden under either a preponderance of the evidence or clear and convincing standard.

strategies apparently employed by plaintiff and IBM, without further guidance from the Federal Circuit, the court is not persuaded that the facts of record are sufficiently egregious to warrant application of prosecution laches.

**4. Period Three: Re-Filing of the '761 Application to Issuance of the '984 Patent**

14. Once IBM re-submitted the '761 application in May 1999, the '984 patent issued one year and ten months later. The court has no difficulty finding that one year and ten months is not an unreasonable time to prosecute a patent.

**C. Defendant's Arguments**

15. Defendant repeatedly argues that plaintiff delayed in submitting the claims at issue until the May 1999 amendment, although the claims could have been submitted as early as May 1992 with the parent '215 application.

16. The relevant inquiry, however, is not whether the patentee unreasonably delayed in filing specific claims in a patent application. Nor could it be. Patents are held in confidence by the PTO until the patent issues.<sup>5</sup> See 35 U.S.C. § 122(a). Thus, even if IBM submitted the claims at the time the

---

<sup>5</sup>Effective November 29, 2000, a patent application may be published after eighteen months under 35 U.S.C. § 122(b). At the time of the '761 application, however, publication was not available. In addition, even with publication a potential infringer may only rely on the specification for notice of what may be claimed as claims may be amended or added before issuance.

'761 application was originally submitted, Computer Motion would not have been aware of the claims until the patent issued in March 2001.

17. Although the cumulative delay in the prosecution of the '984 patent may very well have been fortuitous for IBM and Intuitive given the May 1999 amendment and this litigation, this is not a basis per se for rendering the patent unenforceable under the doctrine of prosecution laches.

#### **IV. CONCLUSION**

For the reasons stated, IBM did not obtain the '984 patent after an unreasonable and unexplained delay in prosecution. Thus, prosecution laches does not apply. An appropriate order shall issue and judgment shall be entered accordingly.

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

INTUITIVE SURGICAL, INC.            )  
and INTERNATIONAL BUSINESS        )  
MACHINES CORPORATION,            )  
  )  
          Plaintiffs,                )  
  )  
          v.                            )     Civil Action No. 01-203-SLR  
  )  
COMPUTER MOTION, INC.,            )  
  )  
          Defendant.                 )

**O R D E R**

At Wilmington, this 10th day of December, 2002, consistent with the opinion issued this same day;

IT IS ORDERED that United States Patent No. 6,201,984 is not unenforceable by reason of prosecution laches. The Clerk of Court shall enter judgment in favor of plaintiffs and against defendant on this issue.

Sue L. Robinson  
United States District Judge