United States Court of Appeals for the Federal Circuit

INLINE PLASTICS CORP.,
Plaintiff-Appellant

v.

LACERTA GROUP, LLC,
Defendant-Cross-Appellant

2022-1954, 2022-2295

Appeals from the United States District Court for the District of Massachusetts in No. 4:18-cv-11631-TSH, Judge Timothy S. Hillman.

Decided: March 27, 2024

DAVID SILVIA, McCarter & English, LLP, Stamford, CT, argued for plaintiff-appellant. Also represented by JAMES M. BOLLINGER; ERIK PAUL BELT, ALEXANDER HORNAT, Boston, MA.

LAUREL M. ROGOWSKI, Hinckley, Allen & Snyder, LLP, Boston, MA, argued for defendant-cross-appellant. Also represented by DANIEL JOHNSON; CRAIG M. SCOTT, Providence, RI.

Before TARANTO, CHEN, and HUGHES, *Circuit Judges*.

TARANTO, *Circuit Judge*.

In this action, filed by Inline Plastics Corp. against Lacerta Group, LLC, Inline alleges infringement of several of its patents, *i.e.*, U.S. Patent Nos. 7,118,003; 7,073,680; 9,630,756; 8,795,580; and 9,527,640, which describe and claim certain containers (having features that make them resistant to tampering and make tampering evident) as well as methods of making such containers using thermoformed plastic. After the district court granted Inline summary judgment of infringement on a subset of claims, a jury determined that the remaining asserted claims were not infringed and that all the asserted claims (including those already held infringed) were invalid. The district court denied posttrial motions, found the case not exceptional for purposes of attorney fees under 35 U.S.C. § 285, and entered a final judgment.

Inline appeals on several grounds, including that it was entitled to judgment as a matter of law of no invalidity and that an error in the jury instructions requires a new trial on invalidity. Lacerta cross-appeals, challenging the denial of attorney fees and the judgment's dismissal "without prejudice" of certain patent claims Inline voluntarily dropped from its asserted-claims list near the end of trial.

We reject Inline's argument for judgment as a matter of law of no invalidity, but we agree with Inline that the jury instruction on the objective indicia of nonobviousness constituted prejudicial legal error, so the invalidity judgment must be set aside. We affirm the judgment's adoption of the verdict's finding of no infringement, a finding separate from invalidity. We remand for a new trial on invalidity as to all Inline-asserted claims; damages (not yet adjudicated) also will have to be adjudicated for the claims already held infringed on summary judgment if newly held not invalid. We address Inline's other arguments in a limited manner given our new-trial ruling. On Lacerta's cross-appeal, because there is no longer a final judgment, we

vacate the without-prejudice dismissal of Inline's late-withdrawn claims and the denial of attorney fees.

I

A

The '003, '680, and '756 patents claim containers with certain properties, and the '580 and '640 patents claim methods of making such containers using thermoformed plastic. *See* J.A. 81–181. The patents are related and have materially similar specifications. The properties of significance are "features which either deter unauthorized tampering or clearly indicate whether unauthorized tampering has occurred, or both." '003 patent, col. 1, lines 58–60. The so-called "tamper-resistant/evident" features "deter[] theft and prevent[] the loss of product and income for the seller, as well as instill[] consumer confidence in the integrity of the contents within the container and confidence in the ability of the seller and/or manufacturer to provide and maintain quality goods." *Id.*, col. 1, line 65, through col. 2, line 3. Figure 1 illustrates an embodiment:

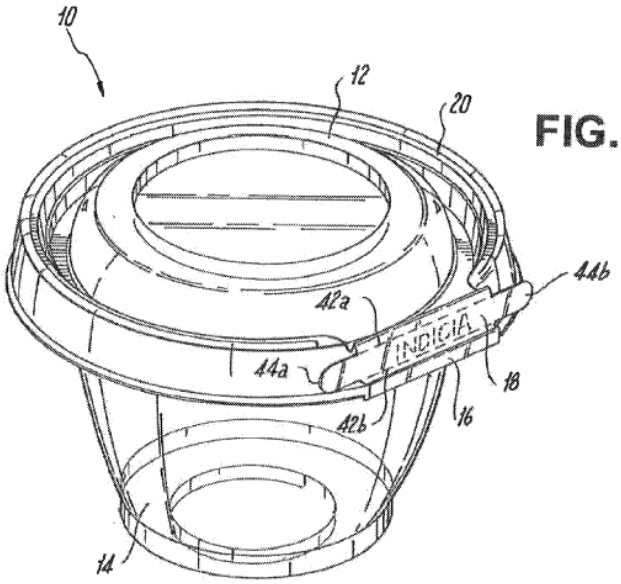

FIG. 1

The patents describe tamper-resistant features that make the containers physically difficult to open: The containers are "configured and dimensioned to render the outwardly extending flange of the cover portion relatively inaccessible when the cover is closed." *Id.*, col. 2, lines 25–27. In one preferred embodiment, the claimed containers include "an upwardly projecting bead" that "is positioned to surround the outer edge" of a flange on the cover portion when the container is closed and thereby "physically impede[] access" to the cover portion "from fingers or any other object that might normally be used for leverage" to pry the cover open. *Id.*, col. 5, line 65, through col. 6, line 13; *id.*, fig.10. The patents also describe tamper-evident features that indicate whether the container has previously been opened, for example, a "hinge" that "preferably includes a frangible section, which upon severing, provides a projection that extends out beyond the upwardly projecting bead of the upper peripheral edge of the base portion to facilitate removal of the cover portion from the base portion." *Id.*, col. 2, lines 28–39.

Claim 1 of the '003 patent is representative:

> 1. A tamper-resistant/evident container comprising:
>
> > a) a plastic, transparent cover portion including an outwardly extending peripheral flange;
> >
> > b) a base portion including an upper peripheral edge forming at least in part an upwardly projecting bead extending substantially about the perimeter of the base portion and configured to render the outwardly extending flange of the cover portion relatively inaccessible when the container is closed; and

> c) a tamper evident bridge connecting the cover portion to the base portion.

Id., col. 8, lines 55–65.

B

In August 2018, Inline filed a complaint in the United States District Court for the District of Massachusetts alleging Lacerta's infringement of the '003, '680, and '756 patents. J.A. 182–92. Later, Inline added allegations of infringement of the '580 and '640 patents. J.A. 231–45.

The district court made several pretrial rulings of significance to the issues on appeal now. In December 2019, the district court issued an order construing the claim terms "upwardly projecting bead," "relatively inaccessible," "hinder access," and "configured to substantially surround." *Inline Plastics Corp. v. Lacerta Group, Inc.*, 415 F. Supp. 3d 243, 258 (D. Mass. 2019) (*Claim Construction Order*); *see also* J.A. 6–13, 15–17, 19. In January 2021, the district court ruled on the parties' cross-motions for summary judgment regarding the issue of infringement (apart from invalidity): The court granted Inline summary judgment of Lacerta's infringement of claims 1–3 and 6 of the '640 patent, but it otherwise denied both parties' motions. *Inline Plastics Corp. v. Lacerta Group, Inc.*, 560 F. Supp. 3d 424 (D. Mass. 2021) (*Summary Judgment Opinion*); *see also* J.A. 2980–97.

In January 2022, a few days before trial, the district court ruled on several motions in limine. It ruled that because the expert report of Dr. MacLean (Lacerta's expert) was silent on the objective indicia of nonobviousness, Dr. MacLean would not be allowed to testify as to the objective indicia at trial; and yet, because deposition testimony established that Dr. MacLean had "considered secondary considerations of non-obviousness in forming his opinion on the ultimate question of obviousness," Dr. MacLean would be allowed to state his conclusion about the

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