

Playing Defense Had Its Moments in 1994

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CASE TYPE: patent infringement

CASE: *Ortho Diagnostic Systems, Inc. v. Miles Inc.*, 90-5043-WCC (S.D.N.Y.)

PLAINTIFFS' ATTORNEYS: *William G. Todd and Michael F. Hurley, of New York's Hopgood, Calimafde, Kalil & Judlowe.*

DEFENSE ATTORNEYS: *Fred H. Bartlit, Jr. and Mark E. Ferguson, of Chicago's Bartlit Beck Herman Palenchar & Scott LLP; Arnold Sprung, Nathaniel D. Kramer and Ira J. Schaefer, of Tarrytown, N.Y.'s Sprung, Horn, Kramer & Woods.*

DATE OF VERDICT: July 22, 1994

ORTHO DIAGNOSTIC SYSTEMS Inc., a division of Johnson & Johnson, was issued two patents in the early 1970s for a system that counts and sorts blood cells. The system was an automated means of examining cells and was leagues ahead of the previous method, which involved counting cells by hand. The current system is marketed to hospitals and blood labs and has an enormous market—"half a billion dollars a year," says defense attorney David P. Berten.

Then, in the mid-1980s, Technicon Instruments Corp. (which became a subsidiary of Miles Inc. in 1989) began marketing its own blood-analyzing equipment. Both systems involved counting blood cells automatically by projecting laser beams through a glass prism. Charging patent infringement, Ortho filed suit against Technicon. The plaintiff company claimed that Technicon had siphoned off more than \$150 million in sales through the use of Ortho's patented blood analyzing system.

Ortho and Technicon were not the only companies marketing blood-analysis systems but the other companies were licensed by Ortho and paid royalties. Miles, however, claimed that its product in no way violated the Ortho patent and that, in any case, Ortho's patents were invalid and were based on work done by other scientists in the 1960s.

On July 22, 1994, a White Plains, N.Y., jury agreed, finding that Technicon and its successor company, Miles, had not infringed and declaring the Ortho patents invalid. Because the jury found no liability, damages were never considered. There was not appeal.

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