Cadbury Wriggles out of Patent Liability for Cool Gum

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The Federal Circuit provides much to chew on.

Many consumers apparently favor "chewing gum that provides a cooling sensation when chewed." Wm. Wrigley Jr. Co. v. Cadbury Adams USA LLC, 2012 WL 2367047 at *1. Menthol has long been used as a physiological cooling agent, but it "has disadvantages, including a strong peppermint flavor and bitterness in high concentrations." *Id*. This opinion considers two patents; the sole disputed claim in each comprises menthol in combination with different supplemental cooling agents. The agents, developed by Wilkinson–Sword, are marketed as "WS–3" and "WS–23."

Cadbury's patent, filed in 1989, claims a WS-3 combination; Wrigley's, filed in 2000, claims a WS-23 combination. Initially, Cadbury marketed gum as claimed, but, after Wrigley introduced its product, Cadbury switched and Wrigley sued. Cadbury then counterclaimed for patent infringement, and both parties sought summary judgment.

Cadbury persuaded the district court that Wrigley's claim in issue was invalid under §§ 102 and 103. It did not, however, convince that court that its own claim in issue was infringed. On appeal, Judge Bryson, joined by Judge Fogel (now Director of the Federal Judicial Center), affirms. Judge Newman agrees that Wrigley does not infringe Cadbury's patent, but she makes a compelling argument that the district court erred in finding Wrigley's patent invalid on summary judgment.

Addressing § 102, Judge Bryson writes, "the district court relied on a patent, incorporated by reference into Shahidi [another patent], which provided a range for the amount of WS–23 to include…. a subset of the range for the amount of flavoring agent

recited in [the disputed claim]." *Id*. at *2. Yet Judge Newman states, "Shahidi does not describe any specific composition containing either WS–23 or menthol, nor the combination of WS–23 and menthol for any purpose." *Id*. at 13. It is difficult to see how both statements can be true.

The majority does not state that Wrigley's combination was fully disclosed. Rather it affirms on the basis that Shahidi "identifies the combination of WS–23… one of three 'particularly preferred' cooling agents, and menthol… as being among the 'most suitable' flavoring ingredients." *Id*. at *4. Anticipation seems a stretch under those circumstances. Moreover, if the court is satisfied that Shahidi does indeed anticipate, why does that not alone establish invalidity and terminate the discussion? If a claim is invalid on any basis, additional bases are superfluous.

It is unclear why Shahidi is not also or alternatively cited to show obviousness, but it was not. The majority agrees that a different pair of references used by the district court render Wrigley's claim facially obvious. Especially interesting aspects of the majority and dissenting opinions center on Wrigley's argument that evidence of deliberate copying and of commercial success overcame any doubts about validity under § 103.

Regarding commercial success, the majority agrees, "that Wrigley has not established a sufficient nexus between [its claimed] invention… and the success in the marketplace of its chewing gum products." *Id*. at *5. With regard to copying, the court finds that Wrigley's evidence indicates only "the extent to which parties in the chewing gum market typically copy any development by their competitors, whether patented or not." *Id*. at *6. This is perplexing insofar as the driving question seems not to be whether competitors copy one another's products but whether such copying is legal in light of established facts.

Judge Newman presents a very different picture using apparently uncontroverted facts. She points to evidence establishing that Cadbury did not copy until it had determined that its market share was dwindling because of strong consumer preferences for Wrigley's new gum. *Id*. at *10. It seems difficult to ignore Cadbury's own assessment "that if it did not reformulate its gums, it would lose market share at a cost in the United States of [many millions of dollars per year]." *Id*. at *11.

Moreover, a Cadbury report opined "that Wrigley's gums use a 'newer, more advanced cooling system than WS–3' and that 'cooling' and 'breath freshening' are 'key drivers of [consumer] loyalty.'" *Id*.

If substituting one physiological cooling agent for another was obvious, why did Cadbury not act before consumer behavior demonstrated that Wrigley's invention was superior? In 1987, WS-3 was, and WS-23 was not, generally recognized as a safe food additive. *See Id*. at *2 and *8. Neither opinion indicates when WS-23 was listed, but Cadbury surely had ample time to investigate during the time between filing its application in 1989 and Wrigley's filing in 2000.

It is difficult to view Cadbury's internal communications as not conceding that Wrigley's gum had unexpected consumer appeal. Such unexpected results are the hallmark of nonobviousness. Thus, in any event, the record as illuminated by Judge Newman seems to pose many issues inappropriate for resolution by summary judgment.