Advanced Issues for Patent Claim Construction: Leveraging Recent Court Guidance
Navigating New Standard of Review, Interplay With Litigation and Choice of Law, and Continuation Application

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1pm Eastern  |  12pm Central  |  11am Mountain  |  10am Pacific

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Claim Construction

“[P]atent claims are so universally challenging to the non-specialist, that this court has converted the judicial need to understand them into an unruly cottage industry called ‘claim construction.’”

Markman v. Westview Instruments

- Supreme Court
- Judges were to decide the construction of claim terms because “[u]niformity would . . . be ill served by submitting issues of document construction to juries”

Teva

- Supreme Court
- Claim construction based on intrinsic evidence is reviewed by the Federal Circuit de novo and without deference to the lower court decision; any underlying findings of fact are reviewed for clear error.
Supreme Court: *Teva v. Sandoz*

Group I claims: “molecular weight of about 5 to 9 kilodaltons”

Group II claims: “molecular weight range from about 2 kDa to about 20 kDa....”

*Multiple ways to measure “molecular weight”* -> insolubly ambiguous because it could refer to $M_p$, $M_n$, $M_w$, or yet another average molecular weight measure?
Supreme Court: Teva v. Sandoz (con’t)

- District court: Valid and infringed.
- Fed. Cir.: Group II claims not invalid; Group I claims invalid for indefiniteness.
  - Claim construction reviewed de novo.
  - Group I claims do not indicate which average molecular weight measure is intended. Two prosecution statements directly contradict each other (one says $M_p$, one says $M_w$) and render the ambiguity insoluble.
  - Group II claims recite a percentage in a sample falling between precise points - scope of Group II claims is thus readily ascertainable.
Supreme Court Weighs in on Standard of Review of Claim Construction


• Issue: Whether a district court's factual finding in support of its construction of a patent claim term may be reviewed de novo, as the Federal Circuit requires (and as the panel explicitly did in this case), or only for clear error, as [Fed. R. Civ. P.] 52(a) requires.
Teva v. Sandoz (con’t)

Supreme Court: Vacated and remanded.

• 7-2.
  – Dissent: claim construction does not involve findings of fact; Rule 52(a)(6) does not apply.

• “the appellate court must apply a “clear error,” not a de novo, standard of review” for “evidentiary underpinnings” of claim construction.

• “Federal Rule of Civil Procedure 52(a)(6) states that a court of appeals ‘must not ... set aside’ a district court's ‘[f]indings of fact’ unless they are ‘clearly erroneous.’ In our view, this rule and the standard it sets forth must apply when a court of appeals reviews a district court's resolution of subsidiary factual matters made in the course of its construction of a patent claim.”
Supreme Court (con’t):

• “when we held in Markman that the ultimate question of claim construction is for the judge and not the jury, we did not create an exception from the ordinary rule governing appellate review of factual matters.”

• “it is necessary to explain how the rule must be applied in that context. ...As all parties agree, when the district court reviews only evidence intrinsic to the patent (the patent claims and specifications, along with the patent's prosecution history), the judge's determination will amount solely to a determination of law, and the Court of Appeals will review that construction de novo. ...In some cases, however, the district court will need to look beyond the patent's intrinsic evidence and to consult extrinsic evidence in order to understand, for example, the background science or the meaning of a term in the relevant art during the relevant time period. ...In cases where those subsidiary facts are in dispute, courts will need to make subsidiary factual findings about that extrinsic evidence. These are the ‘evidentiary underpinnings’ of claim construction that we discussed in Markman, and this subsidiary factfinding must be reviewed for clear error on appeal.”
Teva v. Sandoz (con’t)

Supreme Court (con’t)

• District court credited Teva’s expert that a POSITA would understand “molecular weight.”
  – “a factual finding—about how a skilled artisan would understand the way in which a curve created from chromatogram data reflects molecular weights. Based on that factual finding, the District Court reached the legal conclusion that figure 1 did not undermine Teva’s argument that molecular weight referred to the first method of calculation (peak average molecular weight).”

• Federal Circuit did not accept Teva’s expert’s explanation, but it should have “unless it was ‘clearly erroneous.’ Our holding today makes clear that, in failing to do so, the Federal Circuit was wrong.”
Post-Teva Federal Circuit

Decided based on intrinsic evidence/reviewed de novo

- Eidos Display, LLC v. AU Optronics Corp., 779 F.3d 1360 (Fed. Cir. 2015);
- Pacing Technologies, LLC v. Garmin Intern., Inc., 778 F.3d 1021 (Fed. Cir. 2015);
- Lexington Luminance LLC v. Amazon.com Inc., 601 Fed.Appx. 963 (Fed. Cir. 2015);
- FenF, LLC v. SmartThingz, Inc., 601 Fed.Appx. 950 (Fed. Cir. 2015);
- In re Papst Licensing Digital Camera Patent Litigation, 778 F.3d 1255 (Fed. Cir. 2015);
- In re Imes, 778 F.3d 1250 (Fed. Cir. 2015)
Post-Teva Federal Circuit

No “error”

- *Warsaw Orthopedic, Inc. v. NuVasive, Inc.*, 778 F.3d 1365 (Fed. Cir. 2015), the Federal Circuit noted the Teva standard and then later stated that it found “no error” in the district court’s claim construction, but there was no further discussion.

- *Fenner Investments, Ltd. v. Cellco Partnership*, 778 F.3d 1320 (Fed. Cir. 2015), after reciting the Teva standard, the Federal Circuit concluded its opinion by stating, “We discern no error in the district court's claim construction.”
Claim Construction Very Different Before PTAB

- Broadest reasonable interpretation (BRI) before PTAB.

- *Markman/Phillips* framework in litigation.
## Reminder of Burdens

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>PGR/CBM PGR/IPR</th>
<th>DISTRICT COURT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burden of proof</td>
<td>Preponderance of the evidence</td>
<td>Clear and convincing evidence</td>
</tr>
<tr>
<td>Presumption of Validity?</td>
<td>No</td>
<td>Yes (+ construe to maintain validity)</td>
</tr>
<tr>
<td>Claim construction</td>
<td>Broadest reasonable Interpretation (BRI)</td>
<td>\textit{Phillips/Markman} framework: analyze claims, specification, and prosecution history to determine how claims would be understood by one of ordinary skill in the art</td>
</tr>
<tr>
<td>Decision maker</td>
<td>Patent Trial and Appeal Board (APJs)</td>
<td>District court judge or jury</td>
</tr>
</tbody>
</table>
Claim Construction In District Court Litigation

First, construe claims

- Intrinsic evidence
  - Claims
  - Specification
  - Prosecution history, if in evidence

- Extrinsic evidence, if necessary

Then, compare claims as construed:

- to accused product (infringement analysis)
- to prior art (invalidity analysis)
- to written description (§112 support analysis)
Framework For Claim Construction

Phillips v. AWH Corp., 415 F.3d 1303 (Fed. Cir. 2005) (en banc)

• Claim 1: “comprising internal steel baffles extending inwardly from the steel shell walls.”

• FC: Reversed portion of judgment addressed to infringement
  – Construed claim to be anything but 90°
  – “The specification is always highly relevant to claim construction and is the single best guide to the meaning of a claim term in dispute.”
  – “The specification necessarily informs the correct construction of the claim”
    – special definition given to a claim term by the patentee
    – intentional disclaimer, or disavowal, of claim scope by the inventor
  – “It is appropriate to rely heavily on the written description for guidance as to the meaning of the claims.”
Framework For Claim Construction

**Phillips (con’t)**

  - “What we said in those cases bears restating, for the basic principles of claim construction outlined there are still applicable, and we reaffirm them today. We have also previously considered the use of dictionaries in claim construction. What we have said in that regard requires clarification.”

- “Importantly, the person of ordinary skill is deemed to have read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification.”
  - Specification
  - Claims
  - Prosecution history
The prosecution history provides evidence of how the PTO and the inventor understood the patent.

“The prosecution history represents an ongoing negotiation and not the final product of the negotiation.”

“The prosecution history thus often lacks the clarity of the specification and is less useful for claim construction purposes.”

“Nonetheless, the prosecution history can often inform the meaning of the claim language by demonstrating how the inventor understood the invention and whether the inventor limited the invention in the course of prosecution, making the claim scope narrower than it would otherwise be.”
Role of extrinsic evidence limited.

- “What Phillips now counsels is that in the absence of something in the written description and/or prosecution history to provide explicit or implicit notice to the public—i.e., those of ordinary skill in the art—that the inventor intended a disputed term to cover more than the ordinary and customary meaning revealed by the context of the intrinsic record, it is improper to read the term to encompass a broader definition simply because it may be found in a dictionary, treatise, or other extrinsic source.” *Nystrom v. Trex Co.*, 424 F.3d 1136 (Fed. Cir. 2005).

Note: different in PTAB where judges are looking to dictionaries. See, e.g., *St. Jude Medical, Cardiology Division, Inc. v. University Of Michigan*, IPR2013-00041, Paper No. 12 (May 2, 2013), PTAB used a dictionary definition to construe “C₁-C₃ aliphatic alcohol” to include trihydric alcohols, including glycerol (C₃H₅(OH)₃) disclosed in the references.
Claim Construction Under AIA → EFD

“Because the changes to 35 U.S.C. 102 and 103 in the AIA apply only to specific applications filed on or after March 16, 2013, determining the effective filing date of a claimed invention for purposes of applying AIA 35 U.S.C. 102 and 103 provisions or pre-AIA 35 U.S.C. 102 and 103 provisions is critical.”

So a question will be whether under the broadest reasonable claim construction, a claim has an effective filing date before March 16 or after March 15?

Definition of EFD

§ 1.109 Effective filing date of a claimed invention under the Leahy-Smith America Invents Act.

(a) The effective filing date for a claimed invention in a patent or application for patent, other than in a reissue application or reissued patent, is the earliest of:

• (1) The actual filing date of the patent or the application for the patent containing a claim to the invention; or

• (2) The filing date of the earliest application for which the patent or application is entitled, as to such invention, to a right of priority or the benefit of an earlier filing date under 35 U.S.C. 119, 120, 121, or 365.
Rule 1.55: AIA Statement

For nonprovisional applications that are:

- **filed on or after** March 16, 2013; and
- claim priority/benefit of a foreign, provisional, or nonprovisional application filed **before** March 16, 2013,
  - applicant must indicate if the application contains, or contained at any time, a claim having an effective filing date **on or after** March 16, 2013

Applicant is not required to identify how many or which claims have an effective filing date on or after March 16, 2013

Statement not required if applicant reasonably believes that the application does not, and did not at any time, contain a claim to a claimed invention that has an effective filing date on or after March 16, 2013

- Statement does **not** require applicant to do further investigation
Rule 1.55: Timing for AIA Statement

AIA statement must be filed within the later of:

• 4 months from the actual filing date of the later-filed application;

• 4 months from the date of entry into the national stage;

• 16 months from the filing date of the prior-filed application from which benefit or priority is sought; or

• the date that a first claim having an effective filing date on or after March 16, 2013, is presented in the later-filed application
“If a disagreement between the applicant and an examiner cannot be resolved informally and results in a rejection that would otherwise be inapplicable, the applicant may respond to the merits of the rejection with an explanation of why the Office‘s treatment of the application as a pre-AIA application or an AIA application is improper.”

Appeal: If cannot be resolved, applicant would have to appeal

• See pp. 11041 of Exam Guidelines (2/14/13)
Checking the “Box”

Once checked, the box cannot be “unchecked” in that application or any application claiming priority to it.
Straddling the Effective Date: It’s all about Claim Construction!!

“First To Invent” System or “FITF” System? (see SEC. 3(n)(1)(A) and (n)(2))
(Even if one claim not supported at priority date is eventually canceled, still in FITF.)

Scenario 1: no claims entitled to priority date: FITF
Scenario 2: all claims entitled to priority date: first-to-invent
Scenario 3: at least 1 claim not entitled to priority date: mixed

Assumes “priority date” is ex-US
Effects of Checking the “Box”

Global view of prior art
• Prior public use/sale anywhere = prior art
• U.S./PCT application citable from foreign priority date

Global view of “effective filing date”
• Priority application filed anywhere
Inventor-centric grace period
AIA Prior Art

§ 102(a)(1) public disclosure
- Pre-AIA case law established that something is “publicly accessible” when “one skilled in the art exercising reasonable diligence” could find it.

§ 102(a)(2) “effectively filed” unpublished patent application
- “Effectively filed” requires that ultimately at least one of the following three documents publish:
  - a U.S. patent
  - a U.S. patent application
  - a U.S.-designating PCT application

A Nomiya type admission
Public use is not prior art to Bob’s App 1 or the CIP
Public use is prior art to Bob’s CIP but is not prior art to App 1
Check the Box?  Yes

Secret Sale In US  < One Year
Bob files Ex-US App 1 on X  < One Year
Bob files US App 1 on X

3/16/2013
Bob files CIP patent application on X and Y
Claims X and Y

Secret sale is not prior art to the CIP
Pre-AIA grace period in U.S. (35 U.S.C. §102(b)(2006)).

AIA grace period in U.S. (35 U.S.C. §102(b)(1), applies to applications containing at least one claim with an effective filing date after March 15, 2013)
Recent Federal Circuit Claim Construction Cases
Construing apparatus claim based on device’s unassembled components

Regents of University of Minnesota v. AGA Medical Corp., 717 F.3d 929 (Fed. Cir. 2013)

Claim:

a septal defect closure device comprising first and second occluding disks…;

a central portion of the membrane of the first disk being affixed to a central portion of the membrane of the second disk to define a conjoint disk . . .

Must there be two separate disks?
Construing apparatus claim based on device’s unassembled components

*University of Minnesota v. AGA Medical Corp.* (con’t)

- **Fed. Cir. says yes, there must be two disks that are discrete structures**
  - **Specification supports**
    - “specification never teaches an embodiment constructed as a single piece. Quite the opposite: ‘every single embodiment disclosed in the ’291 patent’s drawings and its written description is made up of two separate disks.’”
    - “a device formed by attaching two disks together ‘is not just the preferred embodiment of the invention; it is the only one described.’”
  - **Prosecution history supports**
    - Notice of Allowability: “primary reason for the allowance of the [’217 patent’s] claims [wa]s the inclusion, in all the claims, of the limitation that . . . *a first membrane is connected to a central portion of a second membrane to form a conjoint disk.*”
Construing apparatus claim based on device’s unassembled components

*University of Minnesota v. AGA Medical Corp.* (con’t)

“Figure 4 illustrates how … the two membrane disks are ‘sewn to one another … with the stitching defining the shape and size of the **conjoint disk**’” (40)

*Fig. 3*

*BUT WAIT!!!* Does the claimed “conjoint disk” help the patentee’s or the defendant’s position?
Construing apparatus claim based on device’s unassembled components

University of Minnesota v. AGA Medical Corp. (con’t)

**Plaintiff’s position: if the claim recites a singular, integrated device with a conjoint disk, then there need not be two discrete disks in the accused product**

Conjoint disk only exists because the disks are affixed together
Construing apparatus claim based on device’s unassembled components

University of Minnesota v. AGA Medical Corp. (con’t)

• Fed Cir rejects argument that DCt improperly imported process limitations
  – The University argues that the district court improperly imported process limitations into the construed claims. We disagree. Words like “affixed” or “conjoint,” which when “read in context, describe[] the product more by its structure than by the process used to obtain it,” are product limitations, not process limitations.

• But did the Fed Cir do just that?
  – “The dictionary definitions support the conclusion that when a physical object is described as having been “affixed,” “joined,” “connected,” or “conjoin[ed]” to another object, it means that those objects were previously separate.”
Patentee Gets “Restricted”


- **Invention:** method of mailing parcels and envelopes using an automated shipping machine” including a step of “validating receipt of said parcel”

- **Issue:** whether the claimed “validating” step can be carried out only by an automated shipping machine, or whether a human being may perform this step.

- **Response to restriction during prosecution**
  - Examiner restricted pending method and apparatus. The applicant traversed the restriction requirement, arguing that all of the claims were drawn to a single invention because the method claims “use an automated shipping machine as set forth in the preamble.”
Patentee Gets “Restricted”

*Uship Intellectual Properties, LLC v. U.S.*, (con’t)

- Preamble: “Method of mailing parcels and envelopes using an automated shipping machine”

- Fed Cir: Affirmed that only an automated machine can perform the “validating” step.
  - Preamble language “does not raise presumption that every step of the claimed method must be performed by a machine.”
  - *BUT*, in this case, claim construction correct because of the doctrine of prosecution disclaimer.

ANY applicant’s statements to the PTO characterizing its invention may give rise to a prosecution disclaimer, not just those made in overcoming a rejection.
Undefined Relative Term is Okay

*Aventis Pharmaceuticals Inc. v. Amino Chemicals Ltd.*, 715 F.3d 1363 (Fed. Cir. 2013)

- Claim term at issue: "substantially pure"
- No definition for the term in the specification.
- District Ct: *gives narrow construction*
  - In prosecution history, inventor disclaimed any claim scope other than “substantially pure” =98% purity regarding all impurities.
  - Also, both the ingredients and the end product required to have 98% purity
Undefined Relative Term is Okay

_Aventis Pharmaceuticals Inc. v. Amino Chemicals Ltd._ (con’t)

- Fed Cir: _Reverse and remand._
  - 1. ordinary meaning of “substantially”
    - interpreted “substantially” as “a non-specific term of approximation that avoids a numerical boundary.”

How can defendant be apprised of the claim’s scope?
Undefined Relative Term is Okay

*Aventis Pharmaceuticals Inc. v. Amino Chemicals Ltd.* (con’t)

- Fed Cir: *Reverse and remand.*
  - 2. same claim term can have different constructions - not “one size fits all.”
  - POSITA would not understand that an intermediate product needs to have the same purity as the end product

What about presumption that a term means the same thing throughout the claim?
Ordinary Meaning Trumps Claim Differentiation

Starhome GMBH v. AT&T Mobility LLC, 743 F.3d 849 (Fed. Cir. 2014)

Purpose of the invention: When mobile phone users are in a home network, a mobile phone user might dial a short code, such as “121,” to access voice mail. But while roaming, the visiting network may not recognize the code, resulting in an error message.

Solution: The ′487 patent's solution to this problem is the “intelligent gateway.”
Ordinary Meaning Trumps Claim Differentiation

Starhome GMBH v. AT&T Mobility LLC (con’t)

• Claim: way of improving functionality of phone services for users in a roaming telephone network via an “intelligent gateway.”

Must a gateway connect two different networks?
Ordinary Meaning Trumps Claim Differentiation

**Starhome GMBH v. AT&T Mobility LLC** (con’t)

<table>
<thead>
<tr>
<th>Patentee’s Construction</th>
<th>Defendants’ Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>“a network element that uses knowledge implemented in databases or the like and application logic to perform its operations.”</td>
<td>“a network element that transfers information to and from a mobile network and another network external to the mobile network.”</td>
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**Why does the defendants’ construction require two networks?**
Accused product is software enabling “mobile-network operators to translate numbers dialed by roaming cell-phone users visiting their networks.” Product does not connect to an external packetswitch network or other external network.
Ordinary Meaning Trumps Claim Differentiation

*Starhome GMBH v. AT&T Mobility LLC (con’t)*

**DCT:** construed claim to require connecting two different networks and entered stipulated judgment of non-infringement.

— “the word ‘gateway’ had a well-known technical meaning in the telecommunications industry when the application for the asserted patents was filed.”

— Cites IEEE Dictionary
Ordinary Meaning Trumps Claim Differentiation

*Starhome GMBH v. AT&T Mobility LLC (con’t)*

**Fed Cir:** *Affirmed.*

– “nothing in the specification ... indicates a clear intent to depart from the ordinary meaning of ‘intelligent gateway.’”

– Patentee’s claim differentiation argument fails
  – “The doctrine is not a hard and fast rule, but instead ‘‘a rule of thumb that does not trump the clear import of the specification.’”

Interesting example where the “ordinary meaning” is narrow.
Ordinary Meaning Unless Inventor Says Otherwise

*GE Lighting Sol’ns v. Agilight*, 750 F.3d 1304 (Fed. Cir 2014)

- Patents are directed to light emitting diode (LED) string lights that include an LED, an insulated electrical conductor (*i.e.*, wire), and an insulation displacement connector (IDC connector)

- Claim construction issue: what is an IDC connector?
Ordinary Meaning Unless Inventor Says Otherwise

GE Lighting Sol’ns v. Agilight (con’t)

“[T]he patents disclose an IDC connector with terminals (60, 66, 68) that are electrically connected to the LEDs and configured to displace a portion of the insulation surrounding the electrical conductor.”
Ordinary Meaning Unless Inventor Says Otherwise

GE Lighting Sol’ns v. Agilight (con’t)

DCT:
Recognized that an “IDC connector” “is commonly used in electrical engineering to connote a range of devices,” but found that the patents were limited to a “more specialized IDC connector.”

- required:
  - two-part device; and
  - multiple terminals
Ordinary Meaning Unless Inventor Says Otherwise

Ge Lighting Sol’ns v. Agilight (con’t)

Fed Cir:
Nothing in the intrinsic record requires a departure from this plain and ordinary meaning. AgiLight is certainly correct that claim terms must be construed in light of the specification and prosecution history, and cannot be considered in isolation. See Phillips v. AWH Corp., 415 F.3d 1303, 1313 (Fed.Cir.2005) (en banc). However, the specification and prosecution history only compel departure from the plain meaning in two instances: lexicography and disavowal.
Ordinary Meaning Unless Inventor Says Otherwise

GE Lighting Sol’ns v. Agilight (con’t)

Disclosure of single embodiment is not limiting

“[W]hile the specifications only disclose a single embodiment of an IDC connector in Figure 6, they do not disavow or disclaim the plain meaning of IDC connector or otherwise limit it to that embodiment. A patent that discloses only one embodiment is not necessarily limited to that embodiment.”

Contrast this with other cases saying that the single embodiment is “the invention.”
Broad Claim Construction

-> Not Enabled

*Wyeth and Cordis Corp. v. Abbott Labs.*, 720 F.3d 1380 (Fed. Cir. 2013)

- Claim: method of treating or preventing [disease] “which comprises administering an effective amount of [genus]”
- Specification discloses only one species.
- DC: Summary judgment of invalidity for nonenablement and lack of written description.
- FC: Affirmed.
  - Claims requires excessive—and thus undue—experimentation.
    - Cover any structural analog of species that exhibits claimed effects.
    - Unpredictability of the chemical arts, the complexity of the invention; limited knowledge of treatment using species at the time of the invention.
    - “practicing the full scope of the claims would require synthesizing and screening each of at least tens of thousands of compounds.”
    - Specification “discloses only a starting point for further iterative research in an unpredictable and poorly understood field.”
Non-structural “nonce” words about a “device” → indefinite under § 112(6)

Robert Bosch v. Snap-On Inc., 769 F.3d 1094 (Fed. Cir. 2014)

• **Subject matter:** diagnostic car tester for determining whether the car’s computer control unit needs to be reprogrammed

• **Claim:** external diagnostic tester made up of a “program recognition device” and a “program loading device”

• **Specification:** No figures.
  — Discloses that the “program recognition device” connects to the car via a diagnostic plug to query and recognize the program version of the software in the car’s control unit.
  — Discloses that the “program loading device” also connects to the car via a diagnostic plug and loads an updated version of a program into the car’s control unit.
Non-structural “nonce” words about a “device” → indefinite under § 112(6)

Robert Bosch v. Snap-On Inc. (con’t)

- Fed Cir
  - Although “program recognition device” and “program loading device” are presumed not to invoke 112(6), the “strong” presumption is overcome.
  - The specification only describes these “devices” in a functional context, not structurally.
  - The claimed language “involve[s] ordinary functional terms, and there is no language ... in the specification that defines the terms to refer to structures.”
Non-structural “nonce” word about a “module” → not governed by § 112(6)

Williamson v. Citrix Online, LLC, 770 F.3d 1371 (Fed. Cir. 2014)

- **Subject matter**: method for “distributed learning” using computers to create “virtual classroom” environment
- **Claim**: a system comprising … “a distributed learning control module for receiving communications … between presenter and the audience member….”
- **DCT**: held that this was a means-plus-function term under 112(6) with no supporting structure - found invalid
Non-structural “nonce” word about a “module” → not governed by § 112(6)

Williamson v. Citrix Online, LLC, (con’t)

• Fed Cir:
  – “district court here failed to give weight to the strong presumption that ... 112(6) did not apply based on the absence of the word ‘means.’”
  – “district court erred ... in failing to appreciate that the word ‘module’ has a number of dictionary meaning with structural connotations; ... and failing to give proper weight to the surrounding context of the rest of the claim language.
  – Parties did not cite to any dictionaries, but Fed Cir did its own dictionary research and found that “‘module’ has a structure connotating meaning to POSITA”
Evaluating claim for § 101 without construing it

*Ultramercial, Inc. v. Hulu, LLC, 772 F.3d 709 (Fed. Cir. 2014)*

- **Subject matter:** method for distributing copyrighted content over the Internet where customer receives content at no cost in exchange for viewing an advertisement and advertiser pays for the content.
- **Claim:** method for distribution of products over the Internet comprising steps of:
  - receiving content; selecting a sponsor message; providing content for sale; restricting general public access; offering a customer access on a precondition; receiving a consumer request; allowing customer access; .. recording the event in a media log; receiving payment from a sponsor.
Evaluating claim for § 101 without construing it

_Ultramercial, Inc. v. Hulu, LLC_ (con’t)

- **Fed Cir:**
  - Following _Alice_, we:
    - First, determine whether the invention fits within one of the 4 statutorily provided categories of patent-eligible subject matter
      - Consider the “important implicit exception” that abstract ideas are not patentable
    - Then, if the claims are directed to a patent-ineligible concept, determine whether the claims contain an element or combination that is “sufficient to ensure that the patent amounts to significantly more” than the concept itself.
Evaluating claim for § 101 without construing it

_Ultramercial, Inc. v. Hulu, LLC_ (con’t)

- **Fed Cir:**
  - “We first examine the claims ... [w]ithout purporting to construe the claims....”
  - First, found that the ordered combination of steps recites an abstraction.
  - Next, conclude that “the limitations ... do not transform the abstract idea ... because the claims simply instruct the practititioner to implement the abstract idea with routine, conventional activity.”
Evaluating claim for § 101 without construing it

*Ultramercial, Inc. v. Hulu, LLC* (con’t)

- **Fed Cir:**
  - Judge Mayer’s concurring opinion:
    - “the section 101 determination bears some of the hallmarks of a jurisdictional inquiry.... No formal claim construction was required by the asserted claims disclosed no more than ‘an abstract idea garnished with accessories’ ....”
  - Referring to *Alice*: “The problem was not that the asserted claims disclosed no innovation, but that it was an entrepreneurial rather than a technological one.”
Claim Construction Before PTAB
During patent examination, the pending claims must be “given their broadest reasonable interpretation consistent with the specification.” The Federal Circuit’s en banc decision in Phillips v. AWH Corp., 415 F.3d 1303, 75 USPQ2d 1321 (Fed. Cir. 2005) expressly recognized that the USPTO employs the “broadest reasonable interpretation” standard:

The Patent and Trademark Office ("PTO") determines the scope of claims in patent applications not solely on the basis of the claim language, but upon giving claims their broadest reasonable construction “in light of the specification as it would be interpreted by one of ordinary skill in the art.” (Citation omitted.) ... Because applicant has the opportunity to amend the claims during prosecution, giving a claim its broadest reasonable interpretation will reduce the possibility that the claim, once issued, will be interpreted more broadly than is justified. (Citations omitted.)
§ 42.100 Procedure; pendency.
(a) An inter partes review is a trial subject to the procedures set forth in subpart A of this part.
(b) A claim in an unexpired patent shall be given its broadest reasonable construction in light of the specification of the patent in which it appears.

§ 42.200 Procedure; pendency.
(a) A post-grant review is a trial subject to the procedures set forth in subpart A of this part.
(b) A claim in an unexpired patent shall be given its broadest reasonable construction in light of the specification of the patent in which it appears.
But The PTO's Standard Has Limits

In re Suitco Surface, Inc., 603 F.3d 1255, 1260 (Fed. Cir. 2010):

The express language of the claims requires a “material for finishing the top surface of the floor.” ... A material cannot be finishing any surface unless it is the final layer on that surface. Otherwise, the material would not be “finishing” the surface in any meaningful sense of the word.

The PTO's proffered construction ignores this reality by allowing the finishing material to fall anywhere above the surface being finished regardless of whether it actually “finishes” the surface. ...
In re Suitco Surface, Inc. (con’t)

The PTO's construction here, though certainly broad, is unreasonably broad. The broadest-construction rubric coupled with the term “comprising” does not give the PTO an unfettered license to interpret claims to embrace anything remotely related to the claimed invention. Rather, claims should always be read in light of the specification and teachings in the underlying patent.

Id. at 1260
In re Abbott Diabetes Care Inc.,
696 F.3d 1142, 1148 (Fed. Cir. 2012)

The parties' primary dispute centers on whether the broadest reasonable construction of “electrochemical sensor” includes external cables and wires connecting the sensor to its control unit. Abbott argues that the Board improperly relied on language in its patents that was directed to the failings of the prior-art devices—failings that the claimed invention attempts to overcome. Abbott notes that all descriptions of the claimed electrochemical sensor in the specification are devoid of any mention of external cables or wires for connecting to the sensor control unit. Abbott further contends that the plain language of the claims … does not support an embodiment with external cables or wires attached to the sensors.
We agree with Abbott that the Board's construction of “electrochemical sensor” is unreasonable and inconsistent with the language of the claims and the specification. As a preliminary matter, the claims themselves suggest connectivity without the inclusion of cables or wires .... That suggestion is only reinforced by the specification... Here, the specification contains only disparaging remarks with respect to the external cables and wires of the prior-art sensors ....

Id. at 1149 (emphasis added)
In re Abbott Diabetes Care Inc. (con’t)

*** In fact, the primary purpose of the invention was to provide “a small, compact device that can operate the sensor and provide signals to an analyzer without substantially restricting the movements and activities of the patient.” ...

Even more to the point, every embodiment disclosed in the specification shows an electrochemical sensor without external cables or wires... Here, Abbott's patents “repeatedly, consistently, and exclusively” depict an electrochemical sensor without external cables or wires while simultaneously disparaging sensors with external cables or wires.

Id. at 1149-50
Consistent with the statute and the legislative history of the AIA, the Board interprets claim terms by applying the broadest reasonable construction in the context of the specification in which the claims reside.

We give claim terms their ordinary and customary meaning as would be understood by one of ordinary skill in the art in the context of the entire patent disclosure... That ordinary and customary meaning applies unless the inventor as a lexicographer has set forth a special meaning for a term... When an inventor acts as a lexicographer, the definition must be set forth with reasonable clarity, deliberateness, and precision...

Institution decision, at p.6 ( citations omitted).
Patent Owner proposed interpretation of “engine off”: requires that there be no associated electronics in the ignition system that are primed and ready to automatically start the engine upon detection of a certain condition...

**PTAB construction:**

Language of claims does not require any particular placement of the vehicle’s ignition switch.

Specification: satisfaction of the engine off condition by the vehicle’s complete shut down does not undermine, take away from, or otherwise preclude satisfaction of the engine off condition by a stopped or nonrunning engine.

-> “unpersuaded by Patent Owner’s argument that for the engine to be off, electronics circuits which automatically start the engine on a certain detected condition must also be off.”
Presumption of Ordinary Meaning


• Decision instituting IPR.
• Patent Owner did not file Preliminary Response.
• Board noted “’heavy presumption’ that a claim term is given its ordinary and customary meaning.”
  — Petitioner did not propose special meaning.
  — Presumption of ordinary meaning applies.

Because we are bound by the decision in Cuozzo, we must therefore reject Proxyconn’s argument that the Board legally erred in using the broadest reasonable interpretation standard during IPRs. That is not to say, however, that the Board may construe claims during IPR so broadly that its constructions are unreasonable under general claim construction principles.

As we have explained in other contexts, “[t]he protocol of giving claims their broadest reasonable interpretation . . . does not include giving claims a legally incorrect interpretation.” In re Skvorecz, 580 F.3d 1262, 1267 (Fed. Cir. 2009); see also In re Suitco Surface, Inc., 603 F.3d 1255, 1260 (Fed. Cir. 2010) ... Even under the broadest reasonable interpretation, the Board’s construction “cannot be divorced from the specification and the record evidence,” In re NTP, Inc., 654 F.3d 1279, 1288 (Fed. Cir. 2011), and “must be consistent with the one that those skilled in the art would reach,” In re Cortright, 165 F.3d 1353, 1358 (Fed. Cir. 1999). A construction that is “unreasonably broad” and which does not “reasonably reflect the plain language and disclosure” will not pass muster. Suitco, 603 F.3d at 1260.

Id. at *6-7.
Because the Board’s determination that claims 6, 7, and 9 were unpatentable was based on an unreasonably broad construction of the term “gateway . . . between at least two other computers,” we vacate the Board’s findings of unpatentability of claims 6, 7, and 9 and remand for proceedings consistent with this opinion.

Id. at *9-10.

Because the Board’s determination that claims 1, 3, 10, 22, and 23 were unpatentable was based on an unreasonably broad construction of the terms “sender/computer” and “receiver/computer,” we vacate the Board’s findings of unpatentability of claims 1, 3, 10, 22, and 23 and remand for proceedings consistent with this opinion.

Id. at *12.
So Far, Decisions Show PTAB Considers Claim Construction VERY Important

• Institution decisions often have a “Claim Construction” section.

• PTAB may construe terms on its own.
  – When no constructions are proposed, or
  – Even when constructions are proposed.

• Claim construction can be very important and can even lead to denial of institution.
  – PTAB may deny based on:
    – Patent Owner’s proposed construction;
    – Rejecting Petitioner’s proposed construction; or
    – PTAB’s own construction arrived at independently.
Federal Circuit: Institution Decision Not Appealable; PTAB Correct to Use BRI

*In re Cuozzo Speed Technologies, LLC*, 778 F.3d 1271 (Fed. Cir. 2015)

- No jurisdiction to review PTAB’s IPR institution decision (See 35 U.S.C. § 314(d)).

- Affirm PTAB’s Final Written Decision in full (all instituted claims unpatentable as obvious)
  - No error in PTAB’s application of BRI claim construction standard;
  - No error in obviousness determination; and
  - No error in denial of Cuozzo’s motion to amend.
    - Lack of written description support;
    - Improper broadening
Claim Construction Timeline

- Petition
- PO Prelim. Response
- Decision of Institution
- PO Response / Motion to Amend
- Petitioner Reply / Opposition
- PO Reply
- Oral Hearing
- Final Written Decision

- PO Discovery on Real Parties in Interest (3 months)
- PO Discovery (3 months)
- Petitioner Discovery (3 months)
- PO Discovery (1 month)
- Period for Observation & Motions (2 months)

Periods:
- 3
- \( \leq 3 \)
- 3
- 3
- 1
- 2
- \( \leq 3 \) months
CLAIM CONSTRUCTION

As a step in our analysis for determining whether to institute a trial, we determine the meaning of the claims. Consistent with the statute and the legislative history of the AIA, the Board will interpret claims using the broadest reasonable construction. See Office Patent Trial Practice Guide, 77.

“[T]he Board will interpret claims using the broadest reasonable construction. This is true even if a district court has construed the patent claims. There is a ‘heavy presumption’ that a claim term carries its ordinary and customary meaning. By ‘plain meaning’ we refer to the ordinary and customary meaning the term would have to a person of ordinary skill in the art.”

CBM2012-00005, Paper 17 (Jan 1, 2013) (instituting review)
Cannot Rely on Being Able to Amend Claims in IPR

Finnegan research of 73 IPRs in which substitute claims were considered; allowed 4 times (5%) (as of June 15, 2015).

**Use POR**

If trial instituted, file Patent Owner Response (POR) and identify why facts or reasoning of Institution is faulty.

- Especially if Institution claim construction unhelpful.

  - *Illumina v. Columbia*, IPR2012-00006, FWD: “Columbia did not in their [Patent Owner] response ...identify a defect in the factual findings or reasoning which led to the institution of the patentability challenge. We therefore adopt the findings and reasoning set forth in the Decision on Petition.”

- PTAB may change claim construction from institution to FWD. See, e.g., *Facebook, Inc. v. Rembrandt Social Media, LP*, IPR2014-00415, Paper 33, at 7-11 (PTAB June 22, 2015).
Lay a Strong Foundation For Desired Claim Construction During Drafting and Prosecution

- **Claims andSpecification**
  - Define terms judiciously, considering dual objectives of patentability and proving infringement.
  - Once defined, use terms consistently.
  - Lay basis for Patent Owner’s desired claim construction, both at PTAB and in district court litigation.
  - Probably want range of claims from broad to narrow, but consider what limits you want on broad claims so that the broadest reasonable interpretation (BRI) is not unreasonable.

- **Such a specification can be your best friend for contradicting Petitioner’s proposed claim construction!**
Claim Construction is Step in Determining Whether to Institute Trial


• Decision instituting IPR.
• Patent Owner filed Preliminary Response.
• PTAB: “As a step in our analysis for determining whether to institute a trial, we determine the meaning of the claims. Consistent with the statute and the legislative history [!] of the AIA, the Board will interpret claims of an unexpired patent using the broadest reasonable construction in light of the specification of the patent. See Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48766 (Aug. 14, 2012); 37 CFR § 42.100(b).
Proposed Constructions Not Specifically Addressed by Patent Owner; PTAB Adopted Entirely

Corning (con’t)

• Petitioner’s proposed constructions:
  – 1. 0% Limitations indicate element optional and claims cover compositions entirely free of reactive diluents and additives.
  – 2. Modulus Retention Radio (After Cure) After Hydrolytic Aging as defined in the ’103 patent specification and measured under the hydrolytic aging conditions specified in the ’103 patent specification.
  – 3. Tensile Modulus as “the ratio of tensile stress to tensile strain per cross-sectional area.”
    – “the secondary coating has a ratio of tensile stress to tensile strain per cross-sectional area of at least 500 MPa as measured by the process described [in the] patent specification.”

• Patent Owner: DSM does not specifically address proposed interpretations.
  – “According to DSM, it is unnecessary, for purposes of this decision, to construe any claim terms. ...DSM, however, generally “objects to Corning’s proposed claim constructions to the extent that they do not correspond to the broadest reasonable interpretation as understood by a person of ordinary skill in the art and consistent with the specification and other intrinsic evidence of the ’103 Patent.”

• PTAB: “Corning’s proposed interpretations, summarized above, do not appear unreasonable at this stage of the proceeding. Because these definitions are not specifically challenged by DSM, we adopt them for purposes of this decision.”
Disagreement with PTAB Insufficient for Rehearing

EMC Corp. v. PersonalWeb Technologies, LLC, IPR2013-00085 (PTAB June 5, 2013)

- Denied request for rehearing of decision to institute IPR.
- PersonalWeb: inclusion of “alphanumeric label” in claim constructions is clear error, and claim constructions are inconsistent with those in IPR2013-00082.
- PTAB: PersonalWeb argued “alphanumeric” requires both a letter and a number, but “PersonalWeb fail[ed] to provide a definition or other credible evidence that supports its arguments. In fact, as ordinarily understood, the word ‘alphanumeric’ means “consisting of letters or digits, or both, and sometimes including control characters, space characters, and other special characters.”

  - claim constructions in both IPR2013-00082 and the instant proceeding are consistent.
  - Claim challenged in IPR2013-00082 recite additional limitations; Board declines to import the limitations from those claims being into the instant claims.
  - “mere disagreement with the Board’s analysis or conclusion is not a proper basis for rehearing. It is not an abuse of discretion to have made an analysis or conclusion with which a party disagrees.”
  - PersonalWeb’s claim construction arguments can be submitted via patent owner response, “but are not appropriate subject matter for a request on rehearing.”
PTAB Agreed with District Court’s Claim Construction


- Decision instituting IPR.
- SEL filed Preliminary Response.

- PTAB: “review of the claims of an expired patent is similar to that of a district court’s review” -> *Phillips* (“ordinary and customary meaning” as understood by a person of ordinary skill in the art in question at the time of the invention”).

- CMI: ordinary meaning should apply (no objection from SEL).
  - Submitted district court’s claim construction from related litigation for term “overetching.”
  - PTAB reviewed and held “that CMI has shown that that claim interpretation is consistent with the ordinary and customary meaning as understood by one of ordinary skill in the art.
    - Agree with the district court that “overetching can be performed either as a separate step, involving the application of additional etchant, or by extending the original etching such that the etchant undercuts the mask.”
Petition Denied Based Upon PTAB’s Acceptance of Patent Owner’s Proposed Claim Construction


• POPR
  – Proposed claim construction.
  – Reference does not anticipate because does not disclose every limitation.
  – Combination of references does not render invention obvious.
• PTAB: Petition denied.
  – “Based on our review of the Specification and related prior art, we agree with Patent Owner[‘s proposed claim construction].”
  – “We do not adopt Declarant’s proposed construction ... because Declarant’s testimony is at odds with the intrinsic evidence,”
  – Based on claim construction, no anticipation or obviousness.
    – “We agree with Patent Owner that Stephan’s disclosure is directed to formation of a dry, free-flowing powder, not a wet solid, of monoalkali metal cyanurate....A “wetcake,” as we interpret this claim term, does not encompass a free-flowing powder, and does not necessarily encompass material in the form of a hydrate.”
Petition Denied Based Upon PTAB’s Acceptance of Patent Owner’s Proposed Claim Construction


- PTAB concluded only one claim term required construction, “a first light string.”
  - Petitioner did not propose construction for that claim term (but proposed constructions for other terms).
  - Patent Owner did.
- PTAB: Petition denied.
  - Agreed with Patent Owner’s proposed construction.
    - Based on intrinsic and extrinsic evidence.
    - “light string,” means “a string of lights that can be positioned over a plurality of branches.”
    - “we note that each of the structures that Petitioner asserts to disclose a “light string” is not a string of lights that can be positioned over a plurality of branches, but rather a series of lights integrated into a branch. Accordingly, these structures are not “light strings” as we have construed the term. Therefore, Petitioner has not shown, on this record, that [the asserted references] describe “light strings” as required by independent claims 1 and 7.”
Claim Limitation As Construed Not Present

_Citation_: BioDelivery Sciences Int'l, Inc. v. MonoSol Rx, LLC, IPR2014-00794

- **PTAB: Petition denied.**
  - Agreed with Patent Owner’s claim constructions; **based on specification.**
    - “the claim language, read in view of the Specification, dictates that the polymer matrix during film casting must be a shear-thinning pseudoplastic fluid throughout the entire shear rate range of $10^{-3} - 10^5 \text{ sec}^{-1}$”

  - Petitioner did “not point to any disclosure [of]‘polymer matrix during film casting is a shear-thinning pseudoplastic fluid when exposed to shear rates of $10^{-3} - 10^5 \text{ sec}^{-1}$”

  - Petitioner relied on inherency arguments for both anticipation and obviousness assertions, but failed “to establish a reasonable likelihood that the polymer matrix formed according to prior art is a shear-thinning pseudoplastic fluid when exposed to shear rates above $10^3 \text{ sec}^{-1}$, specifically, in the range of $10^3-10^5 \text{ sec}^{-1}$.”
Claim Construction as Basis for Finding of Unpatentability in FWD


• PTAB: Final written decision holding all challenged claims unpatentable as anticipated.
  
  “For each of challenged claims ..., and relying on the claim interpretations discussed above ..., we analyze below the parties’ competing arguments and evidence with respect to the ground on which we instituted trial—unpatentability for anticipation by Walker.”

  Patent Owner’s argument that limitation missing from prior art “is unpersuasive because it relies fundamentally on an erroneous claim construction.”
Patent Owner Should Dispute in Preliminary Response

Petitioner provides a table of several claim terms along with their purported broadest reasonable interpretations in view of the specification. Pet. 18-19. Patent Owner does not directly address these proposed interpretations. See generally Prelim. Resp. With two exceptions, we agree that for purposes of this decision Petitioner’s proposed constructions provided in the table spanning pages 18-19 of the petition correspond to the plain and ordinary meaning in the context of the specification and we therefore adopt Petitioner’s construction for those terms.

- CBM2012-00005, Paper 17 (Jan 1, 2013)
portion being transmitted. The rule of broadest reasonable interpretation precludes importation into the claims of an “extraneous limitation” from the specification. In re Paulsen, 30 F.3d at 1480. A limitation is extraneous if there is no need for its inclusion in the claim for the claim to have a reasonable meaning. See id.; E.I. du Pont de Nemours & Co. v. Phillips Petroleum Co., 849 F.2d 1430, 1433 (Fed. Cir. 1988). In patent law, “the name of the game is the claim.” In re Hiniker Co., 150 F.3d at 1369. - IPR2013-00126, Paper 10 (June 20, 2013) (Institution)

47 C.F.R. § 42.65: Expert testimony; tests and data. (a) Expert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight. Testimony on United States patent law or patent examination practice will not be admitted.
PTAB Claim Construction Stats

- BRI, 93.80%
- Phillips, 4.50%
- Standard not indicated, 1.70%

Source: Finnegan research. June 1, 2015.
In 83% of the cases, PTAB looked to intrinsic evidence. But Patent Owners are not winning 83% of the time!

Source: Finnegan research. as of June 1, 2015.
Patent Profanity: What Is It?

Words of characterization

• Chief, Majority
  - Vital

• Critical, Essential, Necessary
  - Fundamental

• Solely, Only, Is
  - Important

• Main
  - Principal

• Significant

  ▶ Surprising
  ▶ Unexpected (?)

  ▶ All (?)

  ▶ Only (?)

  ▶ Each (?)

  ▶ “The invention is...”
  or “This invention...”
Would Patent Drafter Want To Consider Alternative Use Of “Patent Profanity”?

- PTAB and PTO ex parte: broadest reasonable claim construction and interpretation (BRI).
  - Profanity could put limits on BRI and could be advantageous to the patent owner for some claims.
  - See, e.g., *Conopco, Inc. v. Procter & Gamble Co.*, IPR2013-00510, where Petitioner argued “no evidence in the '155 patent or its file history of the criticality of the recited ranges in the compositions as claimed[.]”
Drafting Claims And Specification To Withstand Challenges In District Court Litigation And PTAB Proceedings

- Profanity for some embodiments
  - Narrow claim scope
  - Keep out of IPR/PGR

- No profanity for other embodiments
  - Broad (fully-supported) claim scope
  - Catch design-around
  - The real trick is if you can get claims broad enough to be infringed but narrow enough in IPR to be patentable!!
Drafting Claims To Withstand Challenges In District Court Litigation And PTAB Proceedings

- Consider including several claims with varying claim scope.
  - Increase likelihood that one or more claims will survive.
    - Strong for infringement purposes/strong for patentability may be at cross purposes.
  - Minimize necessity of amendment.
    - See *Garmin Int’l, Inc. v. Cuozzo Speed Technologies LLC*, IPR2012-00001
      - Proposed substitute claims combined multiple dependent claims.
      - PTAB denied Cuozzo’s motion to amend substituting claims the proposed claims impermissibly broadened claim scope - none of the original claims covered that arrangement.
Preamble


- Decision instituting IPR.
- Patent Owner filed Preliminary Response.
- Claims: “a digital work adapted to be distributed within a system for controlling the use of digital works” and “a digital work to be used in a system for use of the digital work”

- ContentGuard: preambles limiting

- PTAB: No.
  - Preamble is statement of intended use for an invention that is already structurally complete as defined in the body of each claim.
St. Jude Medical, Cardiology Division, Inc. v. The Board Of Regents Of The University Of Michigan, IPR2013-00041, Paper No. 12 (May 2, 2013)

- Decision instituting IPR.
- Patent Owner did not file Preliminary Response
- PTAB: BRI + “The words of the claim will be given their plain meaning unless the plain meaning is inconsistent with the specification.”
  - “C₁-C₃ aliphatic alcohol” must be construed to determine if covers glycerol, disclosed in the references.
  - Glycerol is a C₃ trihydric alcohol (C₃H₅(OH)₃).
  - The plain and ordinary meaning of “alcohol” includes trihydric alcohols (used dictionary).
  - Specification does not indicate departure from ordinary meaning and no evidence that Patent Owner disavowed full scope of “alcohol.”
Why Claim Construction is Important to EFD!!

*St. Jude* (con’t)

- Must determine EFD of challenged claims to determine whether reference is prior art.

- EFD of challenged claims is October 21, 1993 (actual filing date)
  - Claims not entitled to the filing date of any ancestor patents because disclosures do not provide adequate written description support for all the limitations, including “C₁-C₃ aliphatic alcohol” and “for a period of time between about 20 minutes and 96 hours.”
    - Disclosure of use of an isopropanol, a C₃ alcohol, does not adequately support the entire genus of the recited “C₁-C₃ aliphatic alcohol.”
    - Do not describe use of a methanol (a C₁ aliphatic alcohol), ethanol (a C₂ aliphatic alcohol), or propanol (another C₃ aliphatic alcohol), any other C₁-C₃ aliphatic alcohol, or structural features common to the members of the “C₁-C₃ aliphatic alcohol” genus.
    - Describes incubating tissue for 24 hours and from one to 24 hours -> insufficient detail.

- PTAB: “St. Jude provides a reasonable basis to conclude that ...claims are not entitled to the effective filing date of any of its ancestral applications.”
  - Claims only entitled to an effective filing date of actual filing date of October 21, 1993.
  - Reference, which issued on March 10, 1992, more than one year prior to October 21, 1993, is available as prior art under § 102(b).
PTAB Construing Product-by-Process


- Decision instituting IPR.

- Patent Owner filed Preliminary Response.

- Ex parte reexamination stayed pending outcome of IPR.
PTAB Construing Product-by-Process

PTAB:

• “soil conditioning materials” as “materials that beneficially modify soil to which they are applied, in some way other than direct provision of nitrogen, phosphorous, and/or potassium or other plant nutrients, including for example, municipal or other sewage sludge, paper mill sludge, fly ash, and dust.”

• Claimed “combination seed capsule” product-by-process claim.
  — Construed to require the claimed “combination seed capsule” to have a solid coating of a composition comprising soil conditioning materials by virtue of the limitation that the soil conditioning materials be “in a solid state at [the] time of coating” the seed.
  — “agglomeration operation” limitation of claim 7 implies that the claimed “combination seed capsule” has a coating of a composition comprising soil conditioning materials consisting of an agglomeration of a plurality of types of particles and/or materials.

• “Thus, a prior art product with those structural limitations, where relevant to the claim, renders unpatentable the challenged claim irrespective of how the prior art product was made.”
More Considerations for Strengthening Patents During Drafting and Prosecution: §112 in IPRs
More Considerations for Strengthening Patents During Drafting and Prosecution: §112 in IPRs

If Petitioner, attack priority claim of challenged claims.

If Patent Owner, attack priority claim of reference.
### Indefiniteness Standard

**Nautilus, Inc. v. Biosig Instruments, Inc.,** 134 S.Ct. 2120 (U.S., June 2, 2014)

- Pre-*Nautilus*, Federal Circuit test for meeting definiteness requirements was if a claim was “amenable to construction,” and the claim, as construed, was not “insolubly ambiguous.”

- **Issue:** Was the Federal Circuit’s “insolubly ambiguous”/”amenable to construction” test the proper standard for determining indefiniteness under 35 U.S.C. §112, ¶2?

- **Holding:** Federal Circuit’s test “does not satisfy the statute’s definiteness requirement.”
  - “a patent is invalid for indefiniteness if its claims, read in light of the specification delineating the patent, and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention.”
Nautilus on Remand

*Biosig Instruments, Inc. v. Nautilus, Inc.*, 783 F.3d 1374 (Fed. Cir. 2015)

- On remand, Federal Circuit again held claims to a heart rate monitor reciting a “spaced relationship” not indefinite.
  - Reversed district court decision.
  - “In this case, a skilled artisan would understand the inherent parameters of the invention as provided in the intrinsic evidence. The term “spaced relationship” does not run afoul of ‘the innovation-discouraging ‘zone of uncertainty’ against which [the Supreme Court] has warned,’ and to the contrary, informs a skilled artisan with reasonable certainty of the scope of the claim. ...We conclude the “spaced relationship” phrase ‘inform[s] those skilled in the art about the scope of the invention with reasonable certainty.’ The claims that include that phrase comply with Section 112 ¶ 2.”
Priority Claim Attack


• Petitioner challenged patent’s priority claim back to the first two provisional applications.

• Using an expert declaration, Petitioner broke priority chain by establishing that the claim limitations contained in challenged claim 1 of the patent did not have written description support all the way back to the earliest two priority applications.

• PTAB Final Written Decision: No priority date.
  — The provisionals did not disclose a representative number of species falling within the scope of the claim, let alone “‘precise[ly] defin[e]’ a species falling within the scope of the claimed genus.”
Priority Claim Attack

Petitions denied because petitioner did not establish entitlement to priority date of reference -> not prior art to challenged claims.

- *E.g., Globus Medical, Inc. v. Depuy Synthes Products, LLC, IPR2015-00099, Paper 15 (PTAB May 1, 2015)*
Interplay of USPTO and Courts on Claim Construction Issue
Different Results Remain Very Real Possibility

- *In re Baxter Int’l*, 678 F.3d 1357 (Fed. Cir. 2012)
- Board’s decision of invalidity affirmed despite earlier opposite finding in district court and affirmance by Federal Circuit.
- Considered Federal Circuit’s earlier affirmance of validity, but nevertheless upheld rejections.
  - PTO and courts “take different approaches in determining validity and on the same evidence could quite correctly come to different conclusions”
  - Different claim construction standards;
  - Different burdens of proof; and
  - Different records.

- “Because the two proceedings necessarily applied different burdens of proof and relied on different records,” PTO did not err in reaching different conclusion than district court./Fed. Cir.
And End Of Litigation May Not Be End Of Case (Fresenius II)

- *Fresenius USA, Inc. v. Baxter Int’l., Inc.*, (Fresenius II), 721 F.3d 1330 (Fed. Cir. 2013)
  - Pending infringement suit must be dismissed as moot after PTO finding of invalidity during reexamination; wipes out $24 M damage award.
    - USPTO’s cancellation of the claims divested Baxter of a cause of action for infringement.
  - Patentee argued that earlier final judgment by district court on damages operated as *res judicata*, precluding challenging district court’s underlying holding of validity (upheld in *Fresenius I*)
  - Majority disagreed, distinguishing between final judgments for the purposes of appeal and final judgments for the purposes of preclusion.
    - Since scope of relief remained to be determined, there was no final judgment binding on the parties or the court.
It Ain’t Over ‘Til Its Over, But Its Never Over!

Interthinx, Inc. v. CoreLogic Solutions, LLC, CBM2012-00007 (PTAB Jan. 30, 2014)

• CoreLogic asserted patent in ED Tex against Interthinx and others; patent expired during litigation.
• Interthinx filed CBM PGR on Sept. 19, 2012.
• PTAB instituted trial on Jan. 31, 2013.
• After jury trial, parties settled litigation in Sept. 2013. (patent still at issue in a later filed ED Tex case).
• PTAB granted motion to terminate Interthinx’s involvement in CBM PGR, but decided to proceed to final decision since proceeding was so far along.

• PTAB: validity judgments of the district court further did not bar PTAB; no exception for expired patents.
  – Canceled 4 claims as subject-matter-ineligible under 35 U.S.C. §101 and invalid as anticipated or obvious.
Its Never Over - ?


- Petition filed challenging patent claim that was held not invalid by Federal Circuit in May 2013.

  - “[W]hen interpreted under the broadest reasonable interpretation standard applicable in inter partes review proceedings, claim 4 would have been obvious for the same reasons as the composition claims of the ‘463 patent,’” quoting the dissent in the Federal Circuit decision.”
Recent PTAB/Litigation Conflict


  - District court’s modified injunction and civil contempt order against Lawson must be set aside now that the PTO has cancelled the patent claim on which it is based.

  - “This case is not distinguishable on the ground that the basis for the injunction has been removed as the result of the PTO proceeding rather than a court judgment. In *Fresenius USA, Inc. v. Baxter International, Inc.*, we held that ... the cancellation of a patent requires that non-final judgments be set aside because the “cancelled claims [a]re void ab initio,” ... This case does not require us to decide whether civil contempt sanctions would survive if the injunction had been final at the time the district court imposed civil contempt sanctions. The injunction here was not final even though claim 26 had been held infringed. We go no further than we did in *Fresenius* in deciding this case.”
## Status on Patent Law Reform: No Vote Before August Break

<table>
<thead>
<tr>
<th>H.R. 9 (Goodlatte) INNOVATION Act</th>
<th>S. 1137 (Grassley) PATENT Act</th>
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<tbody>
<tr>
<td><strong>9. Post Grant Review and Inter Parties Review</strong></td>
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<td>• Eliminates provision barring PGK petitioner from later asserting in civil action that claim is invalid on any ground petitioner “reasonably could have raised” during PGR.</td>
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<td>• Requires PTO to use district-court claim construction in IPR/PGR.</td>
<td>• Allows preliminary responses to be supported by affidavits or declarations of supporting evidence as Director may require by regulation.</td>
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<td>• Requires IPR/PGR petitioner to certify that it does not own and will not acquire financial instrument designed to hedge or offset decrease in market value of equity security of patent owner after filing petition and that it has not demanded payment from patent owner in exchange for commitment not to file petition unless petitioner charged with infringement.</td>
<td>• Clarifies that Director may choose not to institute proceeding if would not serve interests of justice, for example where grounds of unpatentability set forth in petition are same/substantially the same as those considered/decided in prior judicial proceeding or proceeding before PTO.</td>
</tr>
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<td>• Requires Director to consider due process rights of patent owners and petitioners when prescribing regulations.</td>
<td><strong>States that IPR may not be instituted on basis that PTO evidentiary standard differs from federal court standard to adjudicate claim(s) challenged in petition, and may not be instituted with respect to particular claim if petition filed more than 1 year after date petitioner served with complaint alleging infringement of claim.</strong></td>
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<td>• Allows preliminary responses to be supported by affidavits or declarations of supporting evidence.</td>
<td>• Requires party in IPR/PGR to be bound in subsequent PTO or judicial proceeding by representations regarding claim construction made during the IPR/PGR with respect to prosecution history of patent adopted by PTO.</td>
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<td>• Clarifies IPR joinder provision to allow joinder of filer of later filed petition concerning patent involved in pending IPR.</td>
<td><strong>Requires PTO Director to prescribe regulations to provide either party with right to have live testimony heard by panel, to require PTAB to use district claim construction in IPR/PGR; to allow patent holder amendments to propose substitute claims that narrow the scope of canceled claims to respond to grounds of unpatentability involved in trial.</strong></td>
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Source: www.ipo.org
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S. 632 (Coons)
STRONG Act

Claim construed as would be in district court litigation; and “if a court has previously
construed a claim of a patent or a claim term in a civil action to which the patent owner
was a party, the Office shall consider that claim construction.”

Presumption of validity for issued claims applies.

Standard for showing unpatentability of issued claims is clear and convincing evidence.
Thank you.

Michael A. Oblon
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