

FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING May 15, 2020**Huawei Technologies Co., LTD., v. Iancu, No. 2019-1493 (May 14, 2020) (nonprecedential); Patent No. 8,369,278****Key point(s):**

- Increasing efficiency is legally sufficient to determining motivation to combine prior art references if evidence establishes that efficiency is a fundamental design principle in the relevant field, and that the improved efficiency is realized in a concrete way.
- A petition relying on a combination of a first reference with either a second reference or a third reference to assert unpatentability (e.g., “argument-in-the-alternative style”) can be used by the Board as a combination of all three references to determine unpatentability without abuse of discretion.

Facts/Background: Huawei owns the ‘278 patent, relating to “methods and apparatuses for defining the meaning of certain radio control signals sent between two devices.” Samsung successfully sought *inter partes* review of the claims, which the PTAB determined were unpatentable for obviousness on three separate grounds. Samsung argued to the Board that Kim ‘470 disclosed a common field that conveys a transport block set size and transport channel identity (TBSS+TrCH ID) or RV. The parties agreed that TBSS+TrCH ID is equivalent to payload size. Moreover, Samsung argued that reference TS 24.008 disclosed a technique that uses distinct ranges of values of a single field to convey that the field value is one or another of different types of information. The Board found that the references in combination taught the claimed subject matter of ‘278, particularly that particular types of information disclosed by Kim ‘470 would be a common field that conveys payload size and RV using distinct ranges described by TS 24.008. Kim ‘379 and Kim ‘470 identified increased efficiency as a benefit to transmitting payload and RV information in a single field, thus providing motivation to combine the Kim references with TS 24.008. Furthermore, the Board agreed with Samsung’s expert witness who testified that the combination would be obvious to a skilled person in the art in order to increase transmission efficiency.

Holding: Affirmed. The Federal Circuit held that the Board did not err in its reading of the prior art. Instead, substantial evidence supported the Board’s finding that the “message type” field in TS 24.008 teaches the technique used in the obviousness combination. The Federal Circuit also held that the Board did not err in finding that a skilled person would have been motivated to modify and combine the prior art references with a reasonable expectation of success. The Federal Circuit also held that the Board did not abuse its discretion by departing from the grounds of unpatentability asserted in Samsung’s petition. An argument-in-the-alternative style used in the petition can be used by the Board as a combination of all three references to determine unpatentability.

Bushnell Hawthorne, LLC, v. Cisco Systems, INC., No. 2019-2191 (May 14, 2020) (nonprecedential); Patent No. 7,933,951

Key point(s):

- Defining a term in a specification may not provide sufficient clarity for the term if the specification also defines the term in alternative, inconsistent ways.
- When a claim term lacks explicit antecedent basis and the context of the claim and specification fails to provide added clarity, the claim is indefinite.

Facts/Background: Bushnell owns the ‘951 patent which relates to “identifying various types of communication traffic and controlling movement of that traffic within a communications network.” Bushnell sued Cisco for allegedly infringing the ‘951 patent. Cisco argued the claims were invalid as indefinite. The district court held that the term “said different IP Address” lacked antecedent basis and did not have a reasonably certain meaning; the term “a different IP address” did not have a reasonably certain meaning; and “the system further comprises maintaining a list,” improperly mixed classes of statutory subject matter such that it is unclear if the claim is infringed by building or using the system. With respect to antecedent basis, the district court held that the term “said different IP Address” could possibly refer to “one or more IP Addresses,” “one or more second IP Addresses,” or “one or more third IP Addresses.” The district court found that the specification failed to provide clarification and suffered from the same lack of antecedent problems by its inconsistent use of the term. With respect to the term “a different IP address,” the district court found the term to be indefinite because neither the claim nor the specification explained how or from what other IP address “a different IP address” differs and failed to provide clarity for the term. Bushnell appealed.

Holding: Affirmed. Bushnell argued the terms have a plain meaning, viz., an IP address to which the user has been redirected. The Federal Circuit held that the term “said different IP Address” lacks antecedent basis. The term lacks explicit antecedent basis as certain IP Addresses were recited in the claim, but never a “different” one. Moreover, three separate terms in the claims included “IP Addresses” with no additional information as to which of the terms provides basis for “said different IP Address.” The Federal Circuit also held that the mismatch between the various plural IP addresses and singular “said different IP Address,” further confused the claim. The specification failed to provide additional clarity needed to save the claim. Specifically, several instances in the specification described “different IP address” in a manner contrary to Bushnell’s contention and only a single instance in the specification potentially supported Bushnell’s position. Taken together, the lack of clarity with regard to the term “different IP address” was fatal.

Schwendimann v. Arkwright Advanced Coating, Inc., No. 2018-2416, 2019-1012 (May 13, 2020) (precedential) (2-1); Patent Nos. RE41,623; 7,749,581; 7,754,042; 7,766,475; 7,771,554; and 7,824,748

Key point(s):

- An assignee has standing to bring suit for infringement if an assignment is documented in a written instrument within the meaning of 35 USC § 261, and if the assignee has legal title to the patent which is determined by state law.
- An assignment for a patents legal title is interpreted in accordance with contract law principles of the state and the district court of the state has authority to reform contracts in accordance with state laws.
- Upon reforming a writing instrument after the fact to reflect the parties' intentions, the writing instrument is effective when made, not as of the date of the reformation. Thus, the assignee of the patent has standing to file suit against alleged infringers as of the effective date of the writing instrument providing such rights.

Facts/Background: Schwendimann was vice president at American Coating Technologies, owned by Nasser. Schwendimann and Nasser were co-inventors on the '983 and '845 patents, relating to image transferring sheets. Schwendimann subsequently filed an application for '910 patent, as a sole inventor. All three applications were assigned to ACT. ACT subsequently ceased operations and transferred its patent applications to satisfy a debt owed to Schwendimann for wages and sales commissions under a "2001 Security Agreement." A law firm representing Schwendiman did not properly file an assignment for patent '843, but instead filed an incorrect assignment which included a handwritten docket number for '843 (referred to as "Hand-altered-Copy"). Schwendimann sued Arkwright for patent infringement for infringement of her patents including patent '843. Arkwright moved to dismiss for lack of standing on the ground of the improperly filed assignment for the '845 patent. Schwendimann moved for summary judgment. The district court found that the Hand-altered-Copy constituted an instrument in writing and prompted discovery to determine the validity of that assignment. After discovery, the district court granted Schwendimann's renewed motion for summary judgment that she owned the '845 Patent.

Holding: Affirmed. The Federal Circuit held there was no standing issue to be decided because Schwendimann's Complaint contained allegations that supported an arguable case or controversy under the Patent Act, she is the owner by assignment of the '845 patent and appellants infringed the patent. The Federal Circuit held that the defective assignment was properly reformed by the district court and was effective as of the point of assignment.

Idorsia Pharmaceuticals, LTD. v. Iancu, No. 2019-2346 (May 11, 2020) (nonprecedential); Patent Nos. 8,518,912;

Key point(s):

- Written restriction requirements qualify as notice under 35 U.S.C. § 132 ending the accumulation of prosecution delay for the purposes of patent term adjustment because it informs the applicant of the broad statutory basis for the rejection of his claims, so that he may determine what issues are on which he can or should produce evidence.

Facts/Background: Idorsia’s predecessor in interest in the ‘912 patent, Actelion, filed US Patent Application No. 12/745,358 as a national stage under 35 USC 371. In response to a restriction requirement, Actelion notified the examiner by telephone that the examiner’s defined invention groups omitted subject matter from the claims. The examiner agreed and issued a second restriction requirement. Actelion again notified the examiner by telephone of omitted subject matter. The examiner issued a third restriction requirement which divided the claims to three distinct groups. Actelion filed a response electing one of the three groups. The application ultimately issued as the ‘912 patent and the PTO adjusted the patent term to account for delays arising from the PTO’s failure to act by certain deadlines. The PTO calculated the adjusted term to include 229 days of delay. Actelion requested reconsideration of the patent term adjustment and the PTO issued a final decision to include 261 days of delay, based on the second restriction requirement stopping the accrual of delay. Actelion sued the PTO, challenging the PTA determination. The district court remanded the case in light of *Pfizer, Inc. v. Lee*, 811 F.3d 466 (Fed. Cir. 2016). In *Pfizer*, the Federal Circuit held that section 132 “merely requires that an applicant ‘at least be informed of the broad statutory basis for the rejection of his claims, so that he may determine what the issues are on which he can or should produce evidence.’” *Id.* at 472. In light of *Pfizer*, the PTO issued a final determination of PTA including 226 days of delay, but stopping accrual after the first restriction requirement. Idorsia appealed the decision to the district court, asserting the first and second restriction requirements did not meet the notice requirement under section 132, which requires that the PTO to notify the applicant reasons for rejections, any objections or requirement made. In particular, Idorsia alleged that the restriction requirement omitted subject matter from the scope of the claims and therefore Actelion “lacked the necessary information to determine how to proceed.” The district court granted summary judgment in favor of the PTO holding that the first restriction requirement complied with the notice requirement of section 132.

Holding: Affirmed. The Federal Circuit affirmed the decision of the district court holding that the written restriction requirement qualifies as notice under section 132 and need not be correct to satisfy the notice requirement. Moreover, reissuing a restriction requirement did not automatically entitle Idorsia to a patent term adjustment. Instead, the Federal Circuit described the exchange between Actelion and the PTO as “part of the typical ‘back and forth’ process of patent prosecution.” *Pfizer*, 811 F.3d at 475–76. Thus, the notice requirement was satisfied because the PTO informed the applicant of the broad statutory basis for the rejection of his claims, so that he may determine what issues are on which he can or should produce evidence.

Cisco Systems, Inc., v. Uniloc 2017 LLC, No. 2019-2048 (May 13, 2020) (nonprecedential); Patent No. 6,980,522

Key point(s):

- Asserting that a claim is directed to an improvement is a mere conclusory statement, not a factual allegation required for precluding dismissal.

Facts/Background: Uniloc owns the ‘522 patent which is directed to a “radio communication system comprising a plurality of stations capable of forming an ad-hoc network.” Cisco sued three Uniloc entities seeking a declaration of noninfringement of the ‘522 patent. Uniloc 2017 (herein “Uniloc”) counterclaimed for infringement of claim 6 of the patent and Cisco answered denying infringement. Cisco moved for judgment on the pleadings, arguing that the claim at issue was directed to patent ineligible abstract idea under section 101. The district court found that the claim was directed to an abstract idea of “ranking stations based on antenna performance characteristics and selecting the station with the highest rank as master in a network.” Additionally, the district court found that the claim lacked an inventive concept and provided an implementation of an abstract idea to an existing, conventional technology. Thus, the district court granted Cisco’s motion and dismissed Uniloc’s counterclaim. Uniloc appealed.

Holding: Affirmed. The Federal Circuit used the Supreme Court’s two-step framework for determining whether the claims are directed to an abstract idea. Applying *Alice* step one, the Federal Circuit determined that the claims as a whole were directed to the abstract idea of selecting the highest ranked station. Uniloc argued that the claimed method was directed to an improvement in the computer or network functionality. The Federal Circuit disagreed, and instead held that the claims broadly purport to solve the problem of master stations having inefficient antennas by choosing the station with the best antenna, without specifying any particular metric or method for ranking. The Federal Circuit also held that the district court correctly recognized that Uniloc’s factual allegations were mere conclusory statements regarding eligibility which cannot preclude dismissal. Applying *Alice* step two, the Federal Circuit affirmed the district court’s determination that the claimed elements both individually and as an ordered combination, failed to transform the nature of the claim to a patent-eligible application. Uniloc admitted that the patent uses known computer hardware and wireless protocols, but alleged that the claimed method uses them in an improved way. The Federal Circuit held that the inventive concept was the abstract idea itself and that no other elements transformed the claim to a patent eligible application.

Vederi, LLC v. Google LLC, No. 2016-1919, -1979, 2017-1479, 2019-1211, -1573 (May 14, 2020) (nonprecedential) (3-0); Patent Nos. 7,805,025, 7,239,760, 7,577,316, 7,813,596

Key point(s):

- Examples in the specification inform claim scope, but do not necessarily define it.

Facts/Background: Vederi's '025, '760, '316, and '596 patents share a common specification and disclose using a moving image recording device and a GPS and/or inertial navigation system to provide a computer with image data with an associated location. The computer synthesizes that associated image data to create a composite image. Google filed four reexaminations, which went to two PTAB panels. Applying the "broadest reasonable interpretation" standard, both panels consistently construed (1) "composite image" and (2) "moving" in "image frames acquired by an image recording device moving along a trajectory." One panel construed a "web page for the retail establishment." The Board construed "composite image" as "a single image created by combining different image data or by uniting image data." The Board construed the "moving" limitation to cover image recording devices that acquire images (1) while moving; (2) both while moving and while stationary; and (3) only while stationary. The Board limited the "web page" construction to web pages belonging to, owned by, or operated by the retail establishment. Based on these constructions, the Board held all challenged claims of three patents were invalid, with mixed results on the '025 patent. This appeal followed.

Holding: Reversed and remanded. The Federal Circuit affirmed the construction of "composite image," rejecting Vederi's efforts to read an embodiment into the claim "when the claim language is broader than the embodiment." The appellate court disagreed that the "moving" limitation could encompass a device that captures images only when it is not moving. Noting the specification's examples did not include an embodiment supporting this construction, the Federal Circuit deemed the Board's construction not reasonable in light of the specification. All challenged claims included the term "moving." By contrast, the appellate court deemed the construction of "web page for the retail establishment" to be unduly narrow. Describing the web page as being for a retail establishment does not limit it to one owned or operated by the establishment. The specification described the term "web page" only once, placing a condition on displaying a hyperlink "if the establishment is associated with a particular Web page." The Federal Circuit opined that term "associated" does not connote ownership or direct control. Thus, the web page must be associated with a particular retail establishment, but need not be owned or controlled by that establishment. The Federal Circuit vacated the Board's invalidity findings and remanded the case for consideration under the proper constructions.

Lone Star Silicon Innovations LLC v. Iancu, No. 2019-1556, (May 14, 2020) (nonprecedential) (3-0); Patent No. No. 6,097,061

Key point(s):

- Using a term the same way in all disclosed embodiments is not by itself sufficient to redefine a term with an established ordinary meaning in the art

Facts/Background: The '061 patent is directed to a Metal Oxide Semiconductor (MOS) transistor having a trenched gate. Conventional MOS transistors include a semiconductor substrate having a source region, drain region, and a channel region between the source and drain regions, with a gate dielectric layer and a gate electrode layer disposed on the top surface of the semiconductor substrate directly above the channel region. The improvement is a semiconductor device fabricated to include a trenched polysilicon gate formed in a trench of a semiconductor substrate. Positioning the gate within a trench in the substrate provides benefits over conventional gate structures, including “better process control and improved manufacturability.” The Board instituted an IPR based on a petition Micron filed against claims of the '061 patent. Applying the *Phillips* standard to the expired '061 patent, the Board determined “a channel region formed in the semiconductor substrate” had a well-established ordinary meaning: “the region circumscribed by the gate, gate oxide, source, and drain in a transistor; that is, the place in the transistor where a channel forms during normal operation or use, regardless of whether the channel is doped differently than the substrate.” The Board relied heavily on a college textbook discussing the typical structure of MOS transistors. The Board rejected Lone Star’s proposed claim construction of “a channel region defined by the presence of dopants that are separate or additional relative to the semiconductor substrate of a first conductivity type.” Based on this construction, the Board found all challenged claims invalid. This appeal followed.

Holding: Affirmed. Lone Star argued the patent claims and specification “clearly require” the channel region to be implanted with its own dopant. The Federal Circuit agreed with the Board that the intrinsic evidence lacked the needed clarity to import a dopant implantation requirement into the claimed channel region, pointing to testimony of Lone Star’s own expert and additional treatises. While the specification disclosed examples of an MOS transistor in which the substrate is implanted with a dopant to form a channel region, each was described as “one embodiment” or a “preferred embodiment.” Thus, the Federal Circuit opined these examples were not sufficient to redefine the meaning of “channel region.” Using a term the same way in all disclosed embodiments is not by itself sufficient to redefine a term with an established ordinary meaning in the art. The Federal Circuit concluded that substantial evidence supported the Board’s finding that the disputed phrase had a well-established, ordinary meaning in the relevant art, a meaning that did not require separate doping. And, the Federal Circuit then held that substantial evidence supported the Board’s invalidity findings.

Lanard Toys Ltd v. Dolgencorp LLC, No. 2019-1781 (May 14, 2020) (precedential) (3-0); Design Patent D671,167

Key point(s):

- While the ordinary observer test is not an element-by-element comparison, it does not ignore the reality that designs often have both functional and ornamental aspects.
- Points of novelty can be considered while remaining focused on how an ordinary observer would view the overall design.

Facts/Background: Lanard owns the ‘D167 patent for a pencil-shaped chalk holder and sells properly marked chalk holders. Lanard also owns a copyright registration for a work entitled “Pencil/Chalk Holder.” After a third-party used Lanard’s chalk holder “as a reference” to make a competing product a retail distributor used to replace Lanard’s product, Lanard filed suit for copyright infringement; design patent infringement; trade dress infringement; and statutory and common law unfair competition. The district court granted summary judgment that (1) the replacement product did not infringe the D167 patent under the “ordinary observer” test, and as properly construed, (2) the copyright was invalid and alternatively not infringed, (3) the replacement product did not infringe Lanard’s trade dress, and (4) dismissing the unfair competition claims because the other claims failed. The district court began claim construction with the patent figures, but also identified the functional features of the design and the writing utensil as a whole, including its proportions, while acknowledging ornamental aspects of each functional element. In addition, the district court considered the cited prior art references and others of record directed to the shape and design of a pencil. Based on this, the court found “the overall appearance of Lanard’s design is distinct from this prior art only in the precise proportions of its various elements in relation to each other, the size and ornamentation of the ferrule, and the particular size and shape of the conical tapered end.” Turning to infringement, the court noted that “the design similarities stem from aspects of the design that are either functional or well-established in the prior art,” ruling that “the attention of the ordinary observer ‘will be drawn to those aspects of the claimed design that differ from the prior art.’” The copyright registration was invalid because it failed to incorporate features that are sufficiently “separable” from the utilitarian aspects of the pencil holder - “it is the chalk holder.” (Emphasis in original). The trademark/unfair competitions claims were dismissed because, according to the district court, Lanard could not show secondary meaning. This appeal followed.

Holding: Affirmed. The Federal Circuit rejected Lanard’s arguments that the court improperly used an element-by-element comparison and a point-of-novelty test, explaining the district court correctly considered the ornamental aspects of the design and the points of novelty while remaining focused on how an ordinary observer would view the overall design. The Federal Circuit agreed with the district court that Lanard’s ’458 copyright is for the chalk holder itself, and also concluded that Lanard’s arguments showed it was attempting to assert copyright protection over the useful article itself. Lanard’s remaining claims failed because, the appellate court explained, Lanard failed to create a triable fact issue that, when customers see the Lanard Chalk Pencil, their minds jump to the producer of the product rather than the product itself. Large sales numbers alone did not evidence secondary meaning.

Electronic Communication Technologies, LLC v. Shopperschoice.com. L.L.C., No. 2019-1587, (May 14, 2020) (precedential) (3-0); Patent No. 9,373,261

Key point(s):

- A claim's uniqueness alone is insufficient to confer patent eligibility

Facts/Background: Electronic Communication Technologies sued ShoppersChoice, alleging that ShoppersChoice infringed claim 11 of the '261 patent ("11. An automated notification system, comprising"). ShoppersChoice successfully moved for judgment on the pleadings that the claim is patent-ineligible under § 101 and, thus, invalid under *Alice/Mayo*. According to the district court, claim 11 recited conventional computer components and "computer program code" that: (1) enabled a first party to input authentication information; (2) stored the authentication information; (3) monitored the location of a mobile things; (4) initiated notification to the first party in advance of arrival of the mobile thing based in part on the location of the mobile thing; (5) provided the authentication information to the first party; and (6) enabled the party to select whether or not to communicate with a second party having access to particulars of the pickup or delivery. The district court found that claim 11 is directed to the abstract idea of providing advance notification of the pickup or delivery of a mobile thing. The court explained business practices designed to advise customers of the status of delivery of their goods have existed at least for several decades, if not longer. The district court further concluded that claim 11 did not include an inventive concept, reasoning that "[t]he claim recites generic computer components that can be configured to perform purely conventional computer functions." This appeal followed.

Holding: Affirmed. ECT argued the claim was not directed to an abstract idea. Rather, it was "unique" in reciting solutions to minimize hacker's impacts when mimicking order conversations and shipment notification emails. However, the Federal Circuit explained that uniqueness alone is insufficient to confer patent eligibility and the purported uniqueness—*i.e.*, how the claims purportedly increase security—was itself abstract. Claim 11 was directed to the abstract idea of "providing advance notification of the pickup or delivery of a mobile thing." According to the appellate court, two of the six identified functions—monitoring the location of a mobile thing and notifying a party in advance of arrival of that mobile thing—amount to nothing more than the fundamental business practice of providing advance notification of the pickup or delivery of a mobile thing, which has existed for at least several decades. While claim 11 also recited added measures to increase security, the appellate court labelled them abstract. ECT's arguments that the prosecution history, including a first-action allowance, established patent-eligibility, were unavailing. The Federal Circuit explained the prosecution details bore no relationship to the subject matter of claim 11 and did not negate the fact that claim 11 was directed to longstanding business practices. The Federal Circuit reiterated that claims, like claim 11, directed to longstanding commercial practices do not pass *Alice* step one. Turning to *Alice* step two, the Federal Circuit rejected ECT's comparative analysis of a shorter claim deemed patent-eligible in *Amdocs*. "[P]atent eligibility turns on the content of the claims, not merely on the number of words recited in the claims." ECT's assertion that its claim was enabled was dismissed as irrelevant, because an enabled claim can be patent ineligible, as was its conclusory assertion that the district court should have engaged in claim construction first.

Intellectual Ventures II LLC v. Aisin Seiko Co., No. 2019-1718 (May 15, 2020) (nonprecedential); Patent No. 7,928,348

Key point(s):

- In appropriate circumstances, the Board can make findings without expert testimony

Facts/Background: The '348 patent discloses fluid-cooled electromagnetic devices that contain parts that are substantially encapsulated in a monolithic body of a phase change polymer and include heat-exchange mechanisms. The '348 patent teaches that the fluid cooling pathways can be made by injecting molten polymer into a mold under high pressure. The polymer then cools and solidifies into a shape that has conformed to the shape of the mold. Additionally, the patent teaches the monolithic body is made from thermoplastic. Aisin filed two IPR petitions asserting obviousness based on a prior art reference ("Konishi") which discloses a "canned motor pump" with heat transfer pipes and stator core molded in place, forming a stator molded portion formed as a single unit with a stator can. Konishi disclosed synthetic and thermoplastic resins to seal the stator core. The Board held all challenged claims invalid as obvious over Konishi. The Board found that Konishi disclosed a monolithic body because the stator molded portion and stator can were formed as a single unit. The Board also found Konishi taught the use of injection molded thermoplastic to make the monolithic body. In so doing, the Board rejected IV's argument that a skilled artisan would not use thermoplastic in Konishi's motor due to the risk of melting near windings caused by high temperatures. The Board explained Konishi disclosed the possibility of using thermoplastics, something that would not be disclosed if Konishi did not account for the heat generated by windings. This appeal followed.

Holding: Affirmed. IV argued that the Board's findings were not supported by substantial evidence because the claims require "injection molded thermoplastic," and a POSITA would have been dissuaded from using thermoplastic material to form Konishi's monolithic body because of concerns regarding the high temperature environment of Konishi's stator can. IV contended Konishi made its monolithic body from specially engineered thermoset material, distinguishable from thermoplastic in that it can retain its mechanical strength upon reheating. IV agreed that Konishi teaches that thermoplastics may be used to form the stator molded portion; and the stator molded portion and stator can may be formed as a single unit. But IV insisted that it did not follow that the stator can may be made of thermoplastic. The Federal Circuit disagreed, ruling that the Board's contrary factual conclusion was supported by substantial evidence, after the Board weighed and expert testimony and Konishi's disclosure. The Federal Circuit also rejected IV's argument that the Board's findings should be rejected because they were not based on expert testimony. The Board had credited the testimony of Aisin's expert and discredited IV's expert testimony. Further, in appropriate circumstances, the Board could make findings without expert testimony. The Board's finding did not read into Konishi "that which was not there."

Cochlear Bone Anchored Solutions AB v. Oticon Medical AB, Nos. 2019-1105, -1106 (May 15, 2020) (precedential), (2-1); Patent No. 7,043,040

Key point(s):

- That a term in the preamble provides antecedent basis does not mean other preamble language, or the entire preamble, is limiting.
- The Board’s decision not to conduct a prior art analysis of claims using means-plus-function limitations which lack corresponding structure does not trigger § 315(e) estoppel against the Petitioner.

Facts/Background: Cochlear owns the ‘040 Patent, which describes and claims a bone-anchored hearing aid that transmits soundwaves transcranially from a patient’s deaf side to the patient’s non-deaf ear. Oticon successfully sought IPR review of all claims, although the Final Written Decision found only some of the claims invalid as obvious. The Board held that the preamble phrase “for rehabilitation of unilateral hearing loss” was not a substantive limitation on the apparatus claims. The Board rejected Cochlear’s argument that “specifically adapted to” requires that frequency characteristics account for the mechanics of the skull, applying ordinary meaning under the “broadest reasonable interpretation” standard. The Board then concluded claims 4-6 and 11-12 were unpatentable on the grounds presented by Oticon. However, the Board declined to conduct a prior-art analysis of claims 7-10. These claims had means-plus-function limitations without corresponding disclosed structure, so the Board concluded it could not compare the claim requirements with the prior art. This appeal followed.

Holding: Affirmed-in-part, reversed-in-part and remanded. Cochlear challenged the Board’s conclusion that the preamble phrase was not a substantive claim limitation. The Federal Circuit, treating this as a claim construction issue, agreed with the Board that “for rehabilitation of unilateral hearing loss” was not a limitation in the apparatus claims. Rather, it was merely a statement of intended use of the claimed hearing aid. It identifies no structure, and the use itself was not an inventive aspect of the claimed invention, as “rehabilitation of unilateral hearing loss” was a conventional use of prior art bone-anchored hearing aids. Although another term in the preamble provided antecedent basis, this did not mean that other preamble language, or the entire preamble, was limiting. The Federal Circuit agreed with the Board that “specifically adapted to” had an ordinary meaning and did not include the subjective intent of a particular hearing-aid designer. The Federal Circuit agreed that the Board did not err in not conducting a prior art analysis of claims 7-9, but did err as to claim 10. Each of claims 7-9 contained at least one required means-plus-function claim element for which the specification provided no corresponding structure. Thus, the appellate court explained, the Board’s necessary course of action was to conclude that unpatentability of claims 7–9 could not be shown, although such a conclusion would not trigger estoppel under 35 U.S.C. § 315(e) in other proceedings. However, while claim 10 had a means-plus-function limitation, it did so in the context of “and/or,” reciting a stand-alone alternative not containing a limitation subject to § 112(f). The Federal Circuit instructed that even if claim 10 was indefinite, that did not mean the claim was incapable of being compared to prior art to determine if one alternative was unpatentable.

Agarwal v. TopGolf Int'l, Inc., Nos. 2018-2270 (May 11, 2020) (non-precedential); Patent No. 5,370,389**Key Point(s):**

- The Board has substantial latitude in making determinations concerning what is taught by a prior art reference so long as the Board's position is supported by substantial evidence.

Facts/Background:

Agarwal is the owner of US Patent No. 5,370,389 which is directed to a method of playing a point scoring golfing game at a driving range. Agarwal sued TopGolf for infringement of the '389 Patent. TopGolf filed a petition for *inter partes* review, asserting claims 1 and 6 of the '389 patent were obvious in view of US Patent Nos. 5,439,224 and 5,163,677. The Board instituted the IPR and found claims 1 and 6 unpatentable as obvious by a preponderance of the evidence. The Board declined to construe the claims, noting the only dispute need not be resolved because the limitation concerning "significantly lower" was taught by the '224 patent (in agreement with TopGolf's position), even under Agarwal's proposed construction. With regard to a claim limitation concerning "indexing," the Board also found that a POSITA would have known to combine the '677 reference with the '224 reference to place scoring devices at each tee. Agarwal appealed the Board's Final Written Decision and challenged the constitutionality of *inter partes* review.

Holding:

Affirmed. In considering whether the Board committed legal error by relying on obviousness issues not raised by TopGolf in its petition, the Federal Circuit found the Board relied upon contentions raised by TopGolf and did not deviate from the petition grounds or raise its own obviousness theory. With regard to finding the "significantly lower" limitation was taught, the Federal Circuit held the Board's reliance on the teachings of the '224 patent, in combination with expert testimony, was supported by substantial evidence and although some contradictory evidence may exist in the record, that was insufficient to determine the finding were unsupported by substantial evidence. The Federal Circuit also acknowledged that the Board must do more than summarize and summarily reject arguments made by the parties. Here, however, the Federal Circuit concluded that the Board adequately considered evidence put forth by TopGolf concerning the "indexing" limitation and provided sufficient analysis when rendering the Final Written Decision. The Federal Circuit further reaffirmed previous holdings finding that IPR proceedings are constitutional.

In re Nomula, Nos. 2019-1832, 2019-1833 (May 12, 2020) (non-precedential); Application Nos. 13/908,992, 13/089,772**Key Point(s):**

- PTAB decisions affirming an Examiner’s rejection which are based upon substantial evidence are likely to be upheld upon appeal.

Facts/Background:

Nomula filed the ‘992 and ‘772 applications which claim systems and methods for recommending to a first social-network user gifts for a second user of the same social network based upon information about social networking or ecommerce activity of the latter (gift recipient). The ‘992 application is a continuation of the ‘772 application. The Examiner rejected the ‘992 and ‘772 applications as obvious over a combination of the Morgenstern and Kanigsberg references. Nomula appealed the Examiner’s rejections to the Board. The Board affirmed the Examiner’s obviousness rejections and stated that the combination of references would yield “no more than a predictable result to one skilled in the art.” The Board agreed with the Examiner that Morgenstern taught a system that allows a user to input the name of a recipient into a gift module, which, after verifying that the recipient is a member of an online social network, recommends gifts for the recipient based upon the recipient’s known affinity for certain assets. The Board also found that Kanigsberg taught using a social-network user’s social networking or ecommerce activity information to make recommendations. Nomula appealed the Board’s decision.

Holding:

Affirmed. The Federal Circuit held that the Board’s decision affirming the Examiner’s rejection was supported by substantial evidence. Specifically, the Federal Circuit agreed Morgenstern taught that a recipient’s aggregated information was used in gift recommendations and Kanigsberg explicitly disclosed making recommendations based on social networking and ecommerce activity information. The Federal Circuit noted that Nomula did not challenge the Board’s finding of a motivation to combine Morgenstern with Kanigsberg with a reasonable expectation of success and the Federal Circuit declined to opine on that aspect of the Board’s analysis.

In re Chapman, No. 2019-1895 (May 11, 2020) (non-precedential); Application No. 14/675,320**Key Point(s):**

- “Consisting essentially of” language in a preamble of a claim can, in certain instances, limit the scope of the claim to specified materials or steps and those that do not materially affect the basic and novel properties of the invention.

Facts/Background:

Chapman filed the ‘320 application, which relates to methods and systems for streaming live events using a fixed video camera or multiple fixed position cameras to capture images from a single perspective. The system allows the user to view the images or video and manipulate them, for example, by zooming in and out and panning the camera(s). In relevant part, claim 1 recites “a method for viewing an event which *consists essentially of* receiving a stream of images by a receiver comprising a display screen, wherein the stream of images is captured by” either a “single camera” with a “fixed perspective at a wide angle” or a “plurality of cameras,” which also provide a “single fixed perspective at a wide angle.” The Examiner rejected the claims as obvious over Choi in view of Aman and Franko. Further, the Examiner assigned no patentable weight to the “consisting essentially of” transition phrase because it was part of the preamble. Chapman appealed the Examiner’s rejection to the Board and the Board agreed with the Examiner’s fact finding regarding the references, explaining that a skilled artisan would have been motivated to combine the teachings of the references using known methods and yielding predictable results. However, the Board deviated from the Examiner’s *analysis* of the “consisting essentially of” preamble language and stated “consisting essentially of” language limits the scope of the claims to specified materials or steps and those that do not materially affect the basic and novel properties of the invention. Chapman argued that the basic and novel property of the invention is the use of a camera or cameras that provide images to a viewer from a single, fixed perspective only to replicate the experience of a viewer when he or she attends a live performance in person. The Board held Chapman’s identified property to be merely “a generalized intended benefit of the invention” and not sufficiently clear or definite in scope to limit the claims. Chapman appealed the Board’s decision affirming the Examiner’s rejection.

Holding:

Affirmed. Chapman argued, contrary to the Board’s opinion, that (1) the preambles are limiting and should be construed to limit the invention to streaming entire “events,” (2) the basic and novel property of the invention narrows the prior art that is relevant to the claims, (3) the Board relied of a different ground of rejection than the Examiner, and (4) the claims would not have been obvious under either the Board’s or the Examiner’s analysis. The Federal Circuit refused to consider Chapman’s arguments regarding construction of the term “event” and the Board’s reliance on a different ground of rejection because such issues were not timely raised, and thus waived. Chapman advanced a new formulation of the basic and novel properties of the invention but the Federal Circuit found the new formulation to simply be a statement of the general, intended benefit of the invention. The Federal Circuit also held the Board’s obviousness finding was supported by substantial evidence and that the Board’s fact finding was entitled to deference.

General Access Solutions, LTD., v. Sprint Spectrum L.P., Nos. 2019-1856, 2019-1858 (May 11, 2020) (non-precedential); Patent Nos. 7,173,916, 6,891,810

Key Point(s):

- For IPR patent owner responses (POR), arguments incorporated by reference from other documents which are not the POR will not generally be considered by the Board.

Facts/Background:

GAS owns the '916 and '810 patents, which describe fixed wireless access networks in which one or more base stations communicate with access devices at fixed locations. The claims of both patents are directed to radio frequency (RF) modem shelves for the base stations, specifically containing a modulation controller that determines various modulation configurations used by an RF modem for certain transmissions to the wireless access devices. In relevant part, the modulation controller must determine an "optimum modulation configuration" and a "physical beam forming technique(s)" is employed. Sprint filed IPR's against both patents and the PTAB found claims 1-16 of the '916 patent and claims 1-14 of the '810 patent unpatentable over Ahy. Before the Board, GAS did not argue against the Ahy reference based obviousness analysis and instead attempted to swear behind Ahy on the basis that the inventor conceived the inventions prior to the filing date of Ahy. The PTAB determined that GAS's briefing on the issue of prior conception violated 37 C.F.R. § 42.6(a)(3), which specifies that "arguments must not be incorporate by reference from one document into another." GAS's briefing directed the PTAB to the arguments and evidence set forth in an exhibit which was a declaration from the inventor and a claim chart mapping claims elements to evidence submitted by GAS in support of conception. GAS appealed the PTAB's invalidation of the patents as obvious.

Holding:

Affirmed. With regard to GAS's challenge to the Board's exclusion of arguments incorporated from documents other than GAS's briefing, the Federal Circuit agreed GAS violated 37 C.F.R. § 42.6(a)(3) and the Board did not abuse its discretion enforcing the rules. As such, GAS's brief failed to establish prior conception of every claim limitation. GAS alleged that one paragraph of its patent owner response provided evidence of prior conception, but the Federal Circuit found that only a general allegation of prior conception existed which was insufficient to support a finding of prior conception. GAS alleged that the Board's construction of "beam forming technique" was too broad. However, the Federal Circuit found no error with the Board's rejection of GAS's narrow construction, because the Board correctly construed the term under the broadest reasonable interpretation standard. Further, GAS offered no intrinsic evidence to support its narrow constructions, and the Board's weighing of expert testimony was supported by substantial evidence.

Sprint Spectrum L.P., v. General Access Solutions, LTD., No. 2019-1855 (May 13, 2020)
(non-precedential); Patent No. 7,230,931

Key Point(s):

- Construction of claim terms which is narrower than the plain claim language and incompatible with dependent claims is improper.

Facts/Background:

GAS owns the '931 patent, which is directed to a wireless data communication system that selectively and dynamically directs bandwidth to specific subscribers within a service area using time division duplexing frames. Sprint filed an IPR challenging the patentability of claims 1-29 of the '931 patent. After the Board instituted the IPR, GAS conceded the unpatentability of independent claims 1, 10, and 19. Claims 2, 11, and 20 recited a limitation concerning "scanning beam information" which the Board construed under the broadest reasonable interpretation standard. The Board accepted GAS surrender of claims 1, 10, and 19 and declined to hold any of the other challenged claims unpatentable in its final written decision. Sprint appealed.

Holding:

Affirmed-in-part, vacated-in-part, and remanded. With regard to the construction of "scanning beam information," the Federal Circuit found the Board's application of the BRI standard was improper and not the broadest reasonable interpretation in view of the context of the entire '931 patent. The Board's construction was narrower than the plain claim language and the Federal Circuit noted that such a narrow construction was incompatible with various dependent claims. The Federal Circuit also noted the Board identified no manifestation of clear intent to restrict the scope of the claims to a single embodiment. However, the Board's reliance on a single embodiment precluded correct application of the broadest reasonable interpretation standard to construing claim terms. The Federal Circuit vacated the Board's patentability determinations as to claims 2, 11, and 20 and remanded for analysis with the proper construction. Turning to the Board's refusal to consider certain of Sprint's arguments as raising new issues beyond the scope of a proper reply, the Federal Circuit held the issue moot because the Board separately determined that Sprint failed to sufficiently establish a reason to combine prior art references. The Board's decision regarding Sprint's reason to combine was supported by substantial evidence. The Federal Circuit also found the Board's understanding of the prior art reference was reasonable and supported by substantial evidence.

In re Publicover, No. 2019-1883 (May 15, 2020) (non-precedential); Application No. 15/131,273

Key Point(s):

- Attorney argument concerning the capabilities of a skilled artisan with regard to sparse disclosure in prior art references, without corresponding sufficient detail disclosed in the instant patent/application, are unpersuasive.

Facts/Background:

Publicover owns the '273 application, which generally relates to methods of tracking eye movements in a graphical user interface environment such as wearable virtual or augmented reality display devices, using those movement to determine the user's intent, and performing an action based on that intent. The eye-tracking technology enables the user to interact with and control the device with his or her eye movements, rather than using traditional tools such as a computer mouse, joystick, or touch-sensitive displays. A stated goal of the purposed invention is to accurately discern user intent by distinguishing the user's *involuntary* movements from *voluntary* movements intended to interact with and control the device. The Examiner rejected claims 43 and 46-51 of the '273 application as obvious over Venable and Kiderman and claims 44-45 as obvious over the combination of Venable, Kiderman, and Reschke. Publicover appealed the Examiner's rejection to the Board and the Board affirmed the Examiner's rejections. Publicover appealed the Board's decision.

Holding:

Affirmed. Publicover's appeal focused solely on claim 43, which recites, in relevant part, "*identifying*, based at least in part on the head velocity and the eye velocity occurring concurrently, *a vestibulo-ocular movement* of the one or both of the user's eyes" (emphasis added). Publicover argued the Board erred in finding the prior art taught the claim limitation of "identifying... a vestibulo-ocular movement." The Federal Circuit concluded the Board and the Examiner reasonably found that the Venable reference taught concurrently tracking eye movement and head movement. With regard to the Kiderman reference, the Federal Circuit found the Board's interpretation of the reference was supported by substantial evidence. Publicover also presented additional arguments that were not previously presented to the Board concerning "identifying the head velocity and eye velocity occur *concurrently*" during "a vestibulo-ocular movement" (emphasis added). The Federal Circuit held that because such arguments were not raised before the Board, they were waived. Further, the Federal Circuit dismissed Publicover's argument that Venable and Kiderman's disclosures were too sparse to adequately explain to a skilled artisan how to modify Venable's system to identify vestibulo-ocular movement. Rather, the Federal Circuit affirmed the Board and the Examiner's finding that Publicover's specification was just as sparse on how a system would identify this type of eye movement and held that the attorney argument as to the capabilities of a skilled artisan was unpersuasive.