

Inter Partes Review And Indefinite Claims

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On March 3, 2015, the Patent Trial and Appeal Board at the U.S. Patent and Trademark Office issued a decision denying institution of inter partes review in IPR2014-01378.[1] The decision is interesting in part because relatively few IPR petitions have been denied. The decision is interesting for another reason, as well. It is a PTAB adjudication of indefiniteness under 35 U.S.C. § 112.

IPRs are not supposed to address indefiniteness. By statute, “[a] petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.”[2] By rule, however, a petitioner requesting IPR must propose how the challenged claim(s) should be construed.[3] PTAB panels routinely address claim construction before considering any alleged basis for invalidity under 35 U.S.C. § 102 or 103.[4] Three PTAB panels, with no overlapping administrative patent judges between the panels, have now denied or terminated IPR proceedings on the ground that the claims could not be construed because they were indefinite.



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Before reviewing IPR2014-01378, consider the order terminating proceedings in IPR2013-00036.[5] After a hearing before the PTAB, the parties submitted a joint motion to terminate on the ground that they had resolved their disputes related to the patent.[6] The joint motion was granted as to petitioners Blackberry Corporation and Blackberry Limited, and denied as to patent owner MobileMedia Ideas LLC.[7] Then, seven weeks after declining to terminate the proceeding with respect to the patent owner, the PTAB terminated the proceeding.[8] The PTAB reasoned that the claims included means-plus-function language to be interpreted under 35 U.S.C. §112, Sixth Paragraph, but the specification provided no specific structure for performing the function and, therefore, the means-plus-function elements could not be construed.[9] The PTAB concluded that “[w]ithout ascertaining the proper claim scope, we cannot conduct a necessary factual inquiry for determining obviousness — ascertaining differences between the claimed subject matter and the prior art.”[10] By statute, the PTAB could not cancel the claims it found indefinite, but it used that determination as a basis for terminating the IPR.

The decision in IPR2013-00036 was interesting as an anomaly, and more interesting after it was cited in the decision denying institution of IPR in IPR2014-01170.[11] In IPR 2014-01170, some claims expressly

presented means-plus-function limitations, and one claim recited “logic for,” which the petitioner and PTAB asserted was also means-plus-function language.[12] The petitioner cited “possible structure” for the recited functions, but the PTAB observed that “neither Petitioners nor Patent Owner points to any algorithm for performing the functions contained in the limitations of [the] claims [reciting means-plus-function elements].”[13] The PTAB thus concluded that “Petitioners fail to demonstrate a reasonable likelihood of prevailing in its challenge to [the] claims [reciting means-plus-function elements] and the Petition as to those claims is denied.”[14] IPR 2013-00036 was apparently cited for the proposition that the IPR, if instituted, would ultimately terminate without decision because of the indefiniteness problem, in which circumstance the petitioner would not prevail in its challenge.

Now comes a third example, in the decision denying institution of inter partes review in IPR2014-01378. In this instance, “[u]nable to identify structure in the Specification corresponding to the recited functions, [Petitioner] urges us to construe the ‘means for’ limitations as ‘any suitable structure’.”[15] It is unclear whether the petitioner took this position seeking a broad interpretation of the means-plus-function limitations to facilitate invalidation of the claims using prior art, or if the petitioner was coyly soliciting a review of the claims under 35 U.S.C. § 112. Whatever the petitioner’s intent, the result was that the board reviewed the specification for itself and decided the claims were indefinite.[16] Without a definite claim construction, the board said, “[a]ny comparison with the prior art asserted in the Petition would be speculative and futile.”[17] Without a claim construction, the board found itself “unable to determine whether there is a reasonable likelihood that [the petitioner] would prevail” in its prior art challenge, and the petition for inter partes review was denied.[18]

These findings under 35 U.S.C. § 112 are not dicta, because they are central to the substantive disposition of the proceedings. Neither should they be binding on a district court. However, the rules for construction of means-plus-function elements are uniform as between the USPTO and a United States district court.[19] The recent U.S. Supreme Court decision in *Nautilus Inc. v. Biosig Instruments Inc.*, seems to further narrow the opportunity for patent owners to argue that a PTAB assessment of indefiniteness is not probative, by narrowing or eliminating the difference in the standards for definiteness at the USPTO and in the courts.[20] As such, findings of indefiniteness from the PTAB are likely to be highly persuasive authority in later litigation.

This suggests interesting opportunities and dilemmas for prospective IPR petitioners who wish to challenge claims that might also be invalid for indefiniteness under 35 U.S.C. § 112. Assuming that post-grant review under 35 U.S.C. § 321 is unavailable, a prospective petitioner should carefully consider how a PTAB finding of indefiniteness might influence the course of a dispute. If other panels follow these examples, a petition for IPR might be a way to invoke a rapid administrative review for indefiniteness. A decision on a petition for IPR is generally received within 6 months of filing the petition, and the petition phase does not provide for discovery or even for new testimony from the patent owner.[21] IPR could therefore provide a relatively quick and inexpensive way to obtain a reasoned opinion on validity under 35 U.S.C. § 112. If there is co-pending or later-filed litigation, it stands to reason that the PTAB decision on indefiniteness will be influential in court. Co-pending litigation is likely to be stayed until the PTAB decision is rendered.[22]

Drafting such a petition will require finesse; the PTAB will undoubtedly decline transparent attempts to solicit an advisory opinion on indefiniteness. A petition filed with this strategic intent should make a good-faith effort to identify what disclosure can be brought to bear in the construction of the claims, and must include credible invalidity allegations under 35 U.S.C. § 102 and/or 103. Otherwise, the PTAB could decline the petition on other grounds. The PTAB seems most likely to opine on indefiniteness where the disclosure is grossly inadequate to “inform, with reasonable certainty, those skilled in the art

about the scope of the invention.”[23] A prospective petitioner should also weigh how statements in support of a claim construction might limit later arguments under 35 U.S.C. § 112 if the PTAB does not decide that the claims are indefinite.

The downside to challenging a patent claim that might be invalid under § 112 is that the PTAB cannot — in an IPR — cancel claims that are indefinite, but a finding of indefiniteness may preclude the PTAB from considering cancellation of the claims based on anticipation or obviousness. As such, indefinite claims may survive an IPR even if the petitioner has identified strong bases for invalidity under §§ 102 and 103. The return on the petitioner’s investment in the IPR may be diminished if the patent owner lacks the sophistication to appreciate or willingness to acknowledge that “winning” denial of an IPR petition on this basis will not typically increase confidence in the validity of the patent.

For patent owners, this is one more trap for the unwary. Claims challenged in a petition for IPR should be assessed for indefiniteness. This is true even if the petition does not address indefiniteness, because the petition should not address indefiniteness. If there is a concern about whether challenged claims will withstand scrutiny under 35 U.S.C. § 112, a patent owner might dedicate precious space in a preliminary response to arguing claim construction. Ironically, the purpose of that argument would be to avoid the denial of the IPR petition on the ground that the differences between the claims and the prior art cannot be ascertained because the claims are indefinite. If a dispute is foreseeable, a reissue application may be desirable to clarify the claims before they are asserted or challenged.

The adoption of indefiniteness as a ground for denying or terminating an IPR by three unique panels of the PTAB makes this seem like a more plausible outcome in future trials. Although an IPR is limited by statute to consideration of issues arising under 35 U.S.C. § 102 and 103, parties to an IPR should nonetheless consider the possible effect of indefiniteness concerns.

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[1] Decision Denying Institution of Inter Partes Review, Case IPR2014-01378, Patent 8,678,321 B2, Paper 6 (Mar. 3, 2015).

[2] 35 U.S.C. § 311(b) (2012).

[3] 37 C.F.R. §42.104(b)(3).

[4] See, e.g., Order re: Termination of Proceeding, Case IPR2013-00036, Patent 6,871,048, Paper 65, at page 7 (Mar. 7, 2014) (“A determination of anticipation and obviousness over prior art begins with claim construction.”) (citing *In re Hiniker Co.*, 150 F.3d 1362, 1369 (Fed. Cir. 1998)).

[5] See generally, *Id.*

[6] Joint Motion to Terminate, Case IPR2013-00036, Patent 6,871,048, Paper 60 (Dec. 16, 2013).

[7] Decision re: Termination With Respect to Petitioners, Case IPR2013-00036, Patent 6,871,048, Paper 64, at page 2 (Jan. 21, 2014).

[8] Order re: Termination of Proceeding, Case IPR2013-00036, Patent 6,871,048, Paper 65 (Mar. 7, 2014).

[9] See, e.g., *Id.* at pages 12-15.

[10] *Id.* at page 20. Although the decision addressed allegations of obviousness, the same rationale would apply to allegations of anticipation. If you can't compare the claims to the prior art without speculating about the meaning of the claims, you are no better able to assess anticipation than obviousness.

[11] Decision Denying Institution of Inter Partes Review, Case IPR2014-01170, Patent 7,385,994 B2, Paper 9 (Feb. 17, 2015).

[12] *Id.* at pages 6-7.

[13] *Id.* at page 7.

[14] *Id.* at page 8.

[15] Decision Denying Institution of Inter Partes Review, Case IPR2014-01378, Patent 8,678,321 B2, Paper 6, page 6 (Mar. 3, 2015).

[16] *Id.* at pages 6-8.

[17] *Id.* at page 9.

[18] *Id.*

[19] Order re: Termination of Proceeding, Case IPR2013-00036, Patent 6,871,048, Paper 65, at page 9 (Mar. 7, 2014) (citing *In re Donaldson Co.*, 16 F.2d 1189, 1193 (Fed. Cir. 1994) (en banc)).

[20] *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120 (2014). See especially footnote 10, explaining that the “presumption of validity [that attaches to granted patents] does not alter the degree of clarity that § 112, ¶2 demands from patent applicants; to the contrary, it [the presumption of validity] incorporates that definiteness requirement by reference.”

[21] See <http://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials> (providing a visual “Trial Proceeding Timeline”), and 37 C.F.R. § 42.107 (describing limitations on the patent owner’s preliminary response to a petition for IPR).

[22] See, e.g., Kent, et al., “Stays of Litigation Pending IPR Are Likely To Increase”, *Law360*, June 26, 2014.

[23] *Nautilus*, 134 S. Ct. at 2124.