

# FULL DISCLOSURE

## Patent Prosecution Update

September 2014

### Defining Definiteness: *Nautilus* and Further Exercise

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## Defining Definiteness: *Nautilus* and Further Exercise

by Elliot C. Cook

For more than a decade, the Federal Circuit has construed 35 U.S.C. § 112, ¶ 2, to require that claims be “amenable to construction” and not “insolubly ambiguous.” See *Exxon Research & Eng’g Co. v. United States*, 265 F.3d 1371, 1375 (Fed. Cir. 2001). In June 2014, however, the Supreme Court declared that these standards are apt to “breed lower court confusion,” and thus a refinement of this standard was warranted. *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120, 2130 (2014). According to the Court, “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.” *Id.* at 2124. Since the *Nautilus* decision, the Federal Circuit has had further opportunities to address the definiteness requirement of pre-AIA 35 U.S.C. § 112, ¶ 2 (now 35 U.S.C. § 112(b)). Each decision has important implications for patent practitioners.

In *Nautilus*, the Supreme Court considered whether claims in a patent for heart-rate monitoring during exercise, which recited a live electrode and a common electrode “mounted . . . in spaced relationship with each other,” satisfied the definiteness requirement of 35 U.S.C. § 112, ¶ 2. 134 S. Ct. at 2126 (citation omitted). The district court construed this term to mean that “there is a defined relationship between the live electrode and the common electrode on one side of the cylindrical bar and the same or a different defined relationship between the live electrode and the common electrode on the other side of the cylindrical bar,” but concluded that this construction rendered the claim insolubly ambiguous. *Id.* at 2127 (citation omitted). The district court thus granted summary judgment of invalidity on grounds of indefiniteness. *Id.*

The Federal Circuit reversed the grant of summary judgment and remanded, finding that a “skilled artisan” would have been able to understand the “metes and bounds” of the claim language at issue. *Id.* (citation omitted). According to the Federal Circuit, the intrinsic evidence, including the claims’ functional provisions, provided guidance to the skilled artisan about the meaning of the recited “spaced relationship.” *Id.* The Federal Circuit’s decision was based on its prior precedent, which found claims indefinite when they were not “amenable to construction” or were “insolubly ambiguous.” *Id.* at 2130.

In a unanimous opinion written by Justice Ginsburg, the Supreme Court vacated the Federal Circuit’s judgment and remanded the case with instructions for the Federal Circuit to reassess the definiteness of the claims. *Id.* at 2131. According to the Court, rather than ask whether claims are “amenable to construction” or “insolubly ambiguous,” courts should inquire whether “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.” *Id.* at 2124. The Court stopped short of deciding the definiteness of the claims at issue, however, given that “the Federal Circuit invoked a standard more amorphous than the statutory definiteness requirement allows.” *Id.* at 2131. Instead, the Court remanded the case to the Federal Circuit with instructions to reconsider the definiteness of the claims under the standard articulated by the Court. *Id.*

Shortly after the Supreme Court’s *Nautilus* decision, the Federal Circuit considered the issue of definiteness in two other cases: *Augme Techs., Inc. v. Yahoo! Inc.*, 755 F.3d 1326 (Fed. Cir. 2014), and *Triton Tech of Tex., LLC v. Nintendo of Am., Inc.*, 753 F.3d 1375 (Fed. Cir. 2014). Both of these cases

addressed, among other things, the branch of definiteness jurisprudence concerning means-plus-function claims. Means-plus-function claims are governed by pre-AIA 35 U.S.C. § 112, ¶ 6 (and post-AIA 35 U.S.C. § 112(f)), and involve claim recitations where a “means” for performing a function is recited rather than the “structure, material, or acts in support thereof.”

In the *Augme Technologies* case, one of the patents at issue recited the phrase “means for assembling, at said server system, said second computer readable code module,” which the district court found indefinite because no corresponding algorithm was disclosed in the patent’s specification. 755 F.3d at 1337. On appeal, the Federal Circuit affirmed, relying on its prior decision in *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1367 (Fed. Cir. 2008), not *Nautilus*, for the proposition that “the specification must disclose an algorithm for performing the claimed-function.” *Augme Techs.*, 755 F.3d at 1337. According to the Federal Circuit, portions of the specification that “merely restate[] the recited function” fail to evidence an algorithm, as required by *Net MoneyIN*. *Id.* In other words, a “black box,” without more, will not provide the required algorithm. *Id.* at 1338.

In *Triton Tech of Texas*, each asserted claim of the patent at issue recited an “integrator means.” As in *Augme Technologies*, the district court found that this limitation rendered the claims indefinite because the patent’s specification did not include adequate disclosure of an algorithm. 753 F.3d at 1377-78. The district court concluded that the corresponding structure disclosed in the specification was merely a “conventional microprocessor having a suitably programmed read-only memory,” which fell short of the requisite algorithm. *Id.* (citation omitted). On appeal, the Federal Circuit affirmed, although again not relying on the Supreme Court’s *Nautilus* decision. According to the Federal Circuit, “because the specification does not disclose an algorithm for performing the claimed integrating function of the ‘integrator means,’” the claims at issue are indefinite. *Id.* at 1378. While an “algorithm can be expressed in many forms,” merely using the term “numerical integration” in the specification is insufficient. *Id.* at 1378-79. According to the court, “[d]isclosing the broad class of ‘numerical integration’ does not limit the scope of the claim to the ‘corresponding structure, material, or acts’ that perform the function, as required by section 112.” *Id.* at 1379.

For practitioners, *Nautilus*, *Augme Technologies*, and *Triton Tech of Texas* each provide further guidance for drafting patent claims with an eye toward withstanding definiteness challenges during prosecution, litigation, and post-grant validity contests. For one thing, *Nautilus* confirms that, “in assessing definiteness, claims are to be read in light of the patent’s specification and prosecution history.” 134 S. Ct. at 2128. Thus, in addition to ensuring that the claim language itself is clear and understandable to a person of ordinary skill in the art, practitioners should verify that the written description and drawings of a specification also provide unambiguous support for claim limitations. Likewise, care should be taken not to inject ambiguity into claims by arguments made during patent prosecution. Further, as *Augme Technologies* and *Triton Tech of Texas* illustrate, computer-implemented means-plus-function claim terms require disclosure of an algorithm in the specification—a requirement that remains after *Nautilus*. As these cases reiterate, the mere disclosure of a generic computer processor or a “black box” that is said to be capable of implementing the recited function in a means-plus-function claim is inadequate. Thus, practitioners should continue to be mindful that, in deciding whether to introduce means-plus-function claim language in computer-implemented recitations, disclosure of a corresponding algorithm is a necessity.

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## How Far Is Too Far? Unreasonable Claim Constructions Can Lead to Sanctions

by Clara N. Jiménez

Once a patent-infringement lawsuit is filed, much time and effort is devoted by the parties and the court to arrive at the appropriate interpretation of the claims. But how important is it to think about claim-construction arguments before filing suit? In *Source Vagabond Systems Ltd. v. Hydrapak, Inc.*, the Federal Circuit recently reiterated that it is very important for counsel—and the patent owner—to ensure that all infringement arguments raised are based on claim-construction positions that are reasonable and legally sound. 753 F.3d 1291, 1301 (Fed. Cir. 2014). Failure to do so, which can also amount to a failure to perform a reasonable prefiling investigation, can lead to a violation of Rule 11 that may result in sanctions, including expenses and attorney’s fees.

Because it is not uncommon for prosecution or counseling attorneys to engage in the early development of potential infringement positions, knowing the basic framework of Rule 11 is helpful. Rule 11 was drafted to curtail meritless claims that “burden[] courts and individuals alike with needless expense and delay.” *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 398 (1990). Generally, Rule 11 requires an attorney to make an objectively reasonable inquiry into the facts and law prior to filing, and to refrain from pursuing an action that is not objectively reasonable based on the facts. Failure to meet these requirements can trigger sanctions against the offending parties and their attorneys. More particularly, Rule 11(b)(2) mandates that, in any filing, the attorney certifies that the attorney made a reasonable inquiry that “the claims, defenses, and other legal contentions are warranted by existing law.” *Source Vagabond*, 753 F.3d at 1298 (quoting Fed. R. Civ. P. 11(b)(2)). In addition, Rule 11(b)(3) also requires attorneys to certify that they have made a reasonable inquiry into whether their “factual contentions have evidentiary support.” *Id.* (quoting Fed. R. Civ. P. 11(b)(3)). The Federal Circuit has held that in the context of patent-infringement cases, Rule 11 requires an attorney, among other things, to interpret the patent claims at issue *before* filing a patent-infringement complaint. *Antonius v. Spalding & Evenflo Cos.*, 275 F.3d 1066, 1072 (Fed. Cir. 2002). Because claim construction is a matter of law, an attorney’s proposed claim construction is subject to the requirement that all legal arguments be nonfrivolous. Thus, while the attorney may consult with the client as the claim-construction positions are developed, Rule 11 requires the attorney to perform an independent claim analysis. Moreover, because claim construction is a matter of law, an attorney’s proposed claim construction is subject to the requirement that all legal arguments be nonfrivolous.

In *Source Vagabond*, the Federal Circuit affirmed Rule 11 sanctions for an inadequate prefiling investigation where the patent owner relied on a claim construction that was objectively unreasonable as it violated several basic claim-construction tenets. 753 F.3d at 1301. The patent at issue, U.S. Patent No. 7,648,276 (“the ‘276 patent”), is directed to flexible water reservoirs, such as for storage in a backpack. According to the ‘276 patent, a hermetic seal is formed by folding the top of the flexible reservoir over a rod and positioning a long sealer clip sideways over the folded reservoir and rod. The sealer clip has a slot big enough for the folded reservoir but not the rod. The specific claim limitation at the center of the dispute requires the slot to be “narrower than the diameter of the rod” so that the sealer clip is only to be “slidingly mounted sideways over the rod.” The full claim is reproduced below:

1. A sealable flexible liquid container system comprising:



a flexible liquid container having a cavity for receiving liquids, said cavity formed of two films having the majority of their perimeter fused, and a portion of the perimeter unfused so as to present a lateral opening for filling the container with liquids, and a liquid dispensing outlet;

a rod having a first end and a second end, fixedly attached to the container laterally across the lateral opening of the flexible container so that a portion of the container adjacent the lateral opening can be folded over the rod and substantially overlap an adjacent portion of the container; and

a sealer comprising an elongated rigid member having two opposite sides along which a hollow cavity is extended with a longitudinal slot wherein said slot is adapted to accommodate said two films, wherein the sealer is provided with an opening on at least one of the opposite sides with a broadening for inserting an end of the rod into the cavity when the portion of the container is folded over the rod into the hollow passage, *the slot being narrower than the diameter of the rod, so that the sealer is only to be slidably mounted sideways over the rod.*

'276 patent, 10:20-42 (emphasis added). The accused Hydrapak product includes a “sealing member, called a ‘slider,’ with an opening or gap along its long axis.” 753 F.3d at 1296. The slider attaches to elements, called “catches,” located on plastic lips that “run along each side of the water reservoir’s mouth.” *Id.* The catches guide the slider along the container’s plastic lips, thereby locking the slider in place, preventing detachment. *Id.* In other words, the slot of the accused Hydrapak sealer clip was wider than the rod’s diameter. Thus, Source’s infringement theory depended entirely on its ability to construe the limitation as “*narrower than the diameter of the rod together with the container folded over it.*” *Id.* at 1296-97 (citation omitted). In response to Source’s complaint, Hydrapak moved for sanctions, and eventually both parties filed cross-motions for summary judgment with respect to infringement.

The district court granted Hydrapak’s motions for summary judgment and Rule 11 sanctions. In its motion, Source argued that the limitation, “the slot being narrower than the diameter of the rod, so that the sealer is only to be slidably mounted sideways over the rod,” should be construed to mean “*the slot is narrower than the diameter of the rod together with the container folded over it, so that the sealer is only to be slidably mounted sideways over the rod and the container.*” *Id.* (citation omitted). The district court remarked that there was “nothing complicated or technical” about the claim limitation, and that “none of the words of this limitation ‘require[d] . . . interpretation beyond its plain and ordinary meaning.’” *Id.* at 1297 (citation omitted). According to the district court, not only did Source’s proposed claim interpretation “violate[] all the relevant canons of claim construction,” but even under Source’s own construction, Hydrapak did not infringe. *Id.* (citation omitted) In particular, the district court determined that in Hydrapak’s products, the slot is larger than the diameter of the rod, even under Source’s proposed construction. Thus, the court concluded that Source’s infringement assertion, regardless of the claim construction adopted, lacked evidentiary support because “the difference is apparent to the naked eye, and the tape measure leaves no room for doubt.” *Id.* (citation omitted).

On appeal, the Federal Circuit affirmed the district court’s ruling. The court reiterated that any claim-construction analysis must begin and remain centered on the claim language itself, “for that is the language the patentee has chosen to particularly point[] out and distinctly claim[] the subject matter which the patentee regards as his invention.” *Id.* at 1299 (alterations in original) (citing *Innova/Pure Water, Inc. v. Safari Water Filtration Sys., Inc.*, 381 F.3d 1111, 1116 (Fed. Cir. 2004)). After analyzing Source’s position, the court found that “[i]nstead of looking to the words [of the claim] themselves, Source added language without support from the specification or prosecution history, altering otherwise unambiguous claim language, a practice this court has repeatedly rejected.” *Id.* While Source argued that the claim language is ambiguous, the court found that Source failed to make that contention to the district court and, when making the argument to the Federal Circuit, it did not explain what terms were ambiguous or how. *Id.* at 1300.

Moreover, the Federal Circuit affirmed the district court’s conclusion that Source’s proposed construction

contradicted the specification. *Id.* With regards to the prosecution history, the court noted that in response to an invalidity rejection, Source had amended claim 1 to require a “slot being narrower than the diameter of the rod.” *Id.* at 1300-01 (citation omitted). Thus, the Federal Circuit concluded that the prosecution history further demonstrated the unreasonableness of Source’s claim construction, and that the claims do not cover products with a slot wider than the diameter of the rod.

Finally, the court rejected Source’s argument that it is proper to rely on the *purpose of the invention* in construing the claims. The court reiterated that the purpose of the limitation in the claimed invention—not the purpose of the invention itself—is relevant to the claim-construction analysis. See *id.* (citing *Cohesive Techs. Inc. v. Waters Corp.*, 543 F.3d 1351, 1368 (Fed. Cir. 2008)).

Because Source’s claim construction was clearly inadequate, and, indeed, the literal infringement claim “lacked evidentiary support no matter how the claim was construed,” the Federal Circuit found that the district court did not abuse its discretion in imposing Rule 11 sanctions and affirmed. The court highlighted that Source’s opposition to the Rule 11 sanctions “lacked any analysis or product measurement and calculation” to support a finding that Source’s attorneys performed a sufficient analysis to support a reasonable belief of literal infringement, even under Source’s construction. *Id.* at 1301-02. The court concluded that Source was “obligated to come forward with a showing of exactly why, prior to filing suit, they believed their claim . . . was reasonable.” *Id.* at 1302. Source did not comply with this requirement. Thus, finding that Source violated Rule 11 was appropriate.

A party facing sanctions deals not only with the risk of losing the case and paying monetary damages, but even more importantly with the risk of losing credibility and reputation. Thus, a patentee and its attorneys must always be careful to meet or exceed the threshold set forth by Rule 11. *Source Vagabond* illustrates the importance of conducting a solid prelitigation analysis rooted in thoughtful claim-construction positions that are grounded on the specification and prosecution history of the patent. Claim-construction positions overly focused on capturing the infringing product may sometimes miss the mark. As the Federal Circuit has noted, “[r]easonable minds can differ as to claim construction positions and losing constructions can nevertheless be nonfrivolous. But there is a threshold below which a claim construction is ‘so unreasonable that no reasonable litigant could believe it would succeed,’ and thus warrants Rule 11 sanctions.” *Raylon, LLC v. Complus Data Innovations, Inc.*, 700 F.3d 1361, 1368 (Fed. Cir. 2012) (quoting *iLor, LLC v. Google, Inc.*, 631 F.3d 1372, 1378 (Fed. Cir. 2011)). As always, a well-drafted patent, with claims drafted with an eye towards enforcement, can be the strongest starting point for a successful defense of the patentee’s rights.

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## Design Patents

### *Protecting Your “Look and Feel” When Your Store Is Made of Bytes, Not Bricks: Using Design Patents for Graphical User Interfaces*

by Elizabeth D. Ferrill

Imagine that you were magically dropped into your favorite store with your eyes closed. When you open your eyes, you see the color of the walls and the design of the carpet, the material of the countertops, the soft lighting, and the racks of merchandise arranged just so. Even without reading a single sign, you would surely know where you are. This is because even without the store’s name, you identify the store by its “look and feel.”

Traditionally, smart retailers also mimic this “look and feel” in their catalogs, advertising, and even the hold music on their toll-free numbers. Today’s retailers transform those physical characteristics into their websites and mobile apps, trying to maintain consistency for all of their customer touch points. And for those retailers with no brick-and-mortar stores, the appearance of the websites and mobile apps is even more important, not only for a consistent consumer experience, but also to differentiate their online presence from their competitors’. While companies have long protected the physical elements of their stores with design patents, copyrights, and trade dress, now more than ever, they are turning to design patents to protect the online elements as well. In this context, “online elements” broadly refers to GUIs (“graphical user interfaces”), the human-computer interface that allows users to interact with electronic devices through graphical elements and visual indicators.

U.S. patent law allows the protection of the visual appearance of the GUIs as a “surface ornamentation” on the screen of a monitor or smartphone. It is possible to protect both static images (e.g., nonmoving, usually a single figure) and an animated series of images (e.g., at least two figures with elements that appear to “move” when viewed like a cartoon flipbook). Notably, the U.S. Patent and Trademark Office’s (USPTO) guidelines specifically state that the “process” by which one figure transforms into the other and the “period” between the transitions are *not* part of the claimed design. Thus, whether the images transition in seconds or hours, the resulting design patent would look the same.

The history of design patents and GUIs is relative short. In 1992, in *Ex parte Strijland*, 26 U.S.P.Q.2d 1259 (B.P.A.I. 1992), the USPTO’s Board of Patent Appeals and Interferences (BPAI) first announced that GUIs could be protected with design patents.

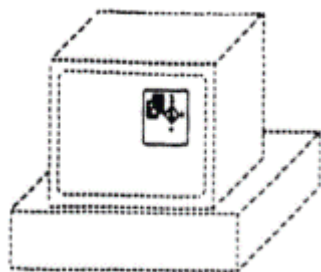
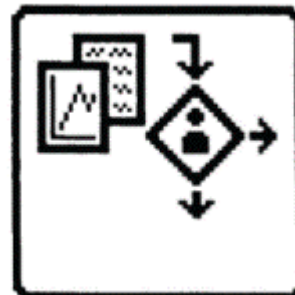
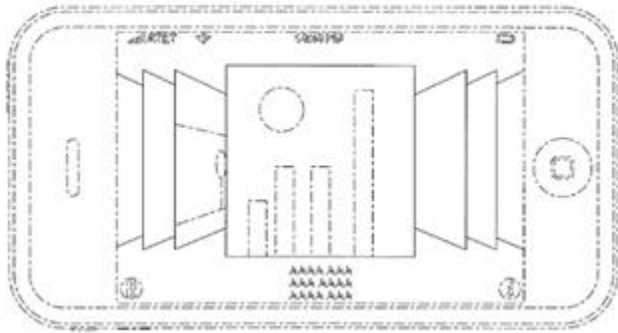


Figure from *Strijland* Application



Enlarged View of Figure from *Strijland*

Although the BPAI actually rejected the pending application in *Strijland*, shown above, for issues that the applicant could not rectify, the case outlined for the first time how an applicant could protect a GUI with a design patent. In 1996, the USPTO formalized these requirements in its guidelines. Then, in 2005, the USPTO added guidelines for protecting animated designs. Below are some more recent examples of design patents claiming icons and GUIs:



Design Patent for a  
User Interface Assigned to Apple Inc.



Design Patent for an Icon Assigned to  
Google Inc.



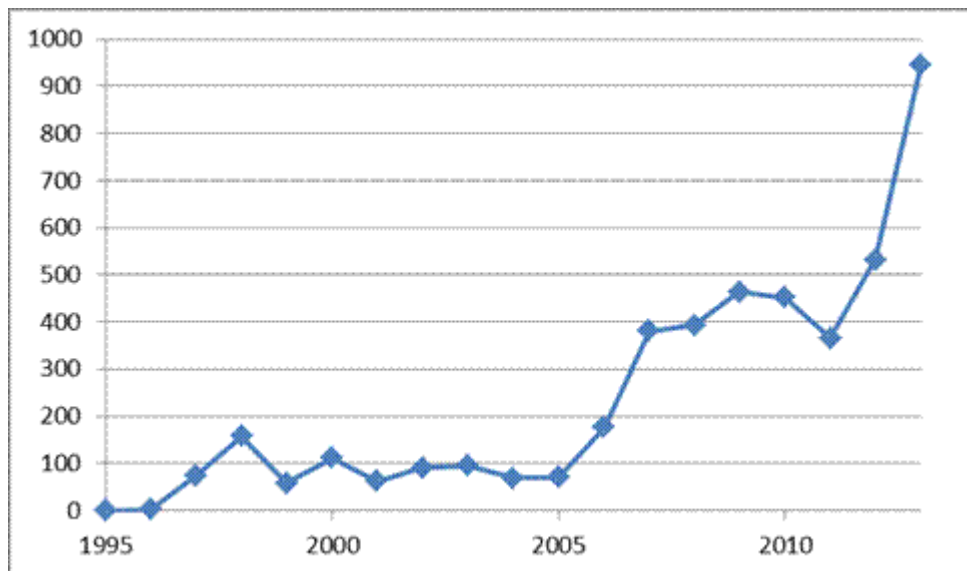
Selected Figures from an Animated Icon Design Patent Assigned to Nike Inc.

Companies turn to design patents to protect their GUIs primarily for two reasons. First, they want to keep direct competitors from outright copying of their characteristic icons and familiar interactive elements. But also, companies look to these patents to help with differentiation of source identification. In this sense, these design patents can coexist with certain trademark rights to reduce consumer confusion. When every customer is coming to your “store” (as well as your competitor’s) through the same smartphone screen, the last thing you want is having a customer “feel” like they are using your site when they are at your competitor’s. But even a single mobile app may have dozens, if not hundreds, of screen layouts and icons. And while a company could try to protect every one, few have the budget to do so. So the most important thing is to select those icons and user interfaces that are used repeatedly throughout your site or application. By distilling down the consumer experience to a handful of “iconic” icons and interactions, you can best protect your online presence, even with a limited budget.

So how easy is it to get a design patent on a GUI? To be blunt, the USPTO guidelines for GUI applications are picky. They require specific phrasing for the title and the figure descriptions. While these types of problems can often be fixed, the USPTO examiners take a dim view of amending the figures in GUI applications. Typically, amending the figures of a three-dimensional object is often based on reference to other views. But, with GUI applications, there is only a single perspective (e.g., the “front” view), so there are no other views to rely on. In addition, while converting claimed portions of the design (in solid lines) to unclaimed (in dashed lines) and vice versa is permitted under some circumstances for designs for three-dimensional objects, the USPTO has generally held that making such changes in GUI applications is not permitted. In the USPTO’s view, any such changes could not be supported in the original disclosure of the GUI, and invariably must be the introduction of new matter that was not supported by the originally filed application. Unfortunately, all of this adds up to a GUI application that is often a one-shot attempt, fraught with traps for the unwary. And given the relatively short lifespan of most GUIs, and the nearly four-year waiting period for review of appeals to the BPAI, it seems unlikely that any of these traps will be resolved soon.

Despite these issues, the number of design patents claiming GUIs has exploded with the growing popularity of smartphones and tablets. The USPTO reported in March 2014 that the applications

claiming GUIs are the most rapidly growing area of design-patent filings within the USPTO as well as worldwide.



### Design Patents Issued for GUI Designs from 1995 Through 2013

Going forward, the future continues to look bright for these applications as well. The use of GUIs promises to rise as home appliances, office equipment, and cars become increasingly interactive devices. Smart companies will consider protecting these online assets the same way they do their real-world ones.

*Special thanks to Robert MacKichan and Ryan Thelen for their help in compiling data and research for this article.*

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## Rule Review

### *PTAB May Be Obligated to Consider New Rejection to Avoid Inconsistent Results*

by Adam M. Breier, Ph.D.

When reviewing an examiner's decision, the Patent Trial and Appeal Board (PTAB or Board) may issue a new ground of rejection. 37 C.F.R. § 41.77(b). The Federal Circuit held that there can be an "obligation" to do so when examination leads to inconsistent results and "a proper challenge to that inconsistency is made on appeal." *Q.I. Press Controls, B.V. v. Lee*, 111 U.S.P.Q.2d 1272, 1280 (Fed. Cir. 2014).

*Q.I. Press* was an appeal from an inter partes reexamination of U.S. Patent No. 6,867,423 ("the '423 patent"), owned by Quad/Tech, Inc. The '423 patent concerns a visual inspection system for printing presses. The petitioner, Q.I. Press Controls, B.V., appealed the Board's decision that, among other things, claims 1-17 and 19-60 would not have been obvious. Quad/Tech cross-appealed the Board's decision that claims 61-72 would have been obvious.

Claim 1 was representative of claims 1-60 and recited a visual inspection system for printing presses comprising, among other things, an image recording device, a processing unit, and an illumination system including a plurality of LEDs. Claim 61 was representative of claims 61-72 and, like claim 1, also recited a visual inspection system including an image recording device, a processing unit, and an illumination system comprising a plurality of LEDs. According to the court, the only meaningful differences between the claims were "(i) the image recording device of claim 61 acquires an image 'from a substrate on a printing press,' whereas the image recording device of claim 1 records 'images printed on the substrate'; (ii) the illumination system of claim 61 surrounds the optical image recording device and is adapted to illuminate the printing press substrate, whereas the illumination system of claim 1 is in a circular configuration; and (iii) the processing unit of claim 61 is configured to process the recorded image, whereas the processing unit of claim 1 is configured to generate an output." *Id.* at 1279 (citation omitted). The court characterized these differences as minor. *Id.*

The Board had reversed an obviousness rejection of claims 1-17 and 19-60 on the basis that neither of the two asserted references had suggested using a visual inspection system with LED lighting in communication with a printing press. Meanwhile, the Board affirmed an obviousness rejection of claims 61-72 over a different combination of references, including a primary reference disclosing a visual inspection system in optical communication with the substrate of a printing press.

The court observed that, "[g]iven the minor differences in the claims themselves and similarities in the cited prior art, it seems apparent that the combination of [the two references applied against claim 61] discloses many of the elements of claims 1-60." *Id.* The court further explained that the Board had "an obligation is owed to the public not to permit inconsistent results," given the references before it and a proper challenge to the inconsistency. *Id.* at 1280. Thus, the "Board should have observed the similarities between the claims, noted those similarities between the claims and the references before the Board on appeal, analyzed whether the combination of the two asserted references would have rendered claims 1-60 obvious, and if so, issued a new ground of rejection." *Id.* The court vacated and remanded the Board's decision to the extent that it held that claims 1-60 would not have been obvious.

The Leahy-Smith America Invents Act, Pub. L. 112-29, 125 Stat. 284, enacted in 2011, replaced inter

partes reexaminations with inter partes reviews, in which the Board has original jurisdiction and controls which grounds of alleged unpatentability are adjudicated. Most appeals heard by the Board going forward will be from ex parte reexamination or prosecution. Thus, it will be a rare case where the Board will have an “obligation” to consider a new ground of rejection on appeal because a petitioner challenged an arguably inconsistent result. Following this Federal Circuit decision, the Board may become more eager to apply new grounds of rejection sua sponte in an effort to avoid finding “nearly identical claims . . . both valid and invalid due to similar combinations of prior art,” and issuing an “opinion that [is] seemingly inconsistent.” *Id.* at 1280. Given the Board’s current multiyear backlog for ex parte appeals, even a new ground of rejection that is ultimately overcome can still be quite undesirable.

The type of new ground of rejection contemplated in *Q.I. Press* can arise only when the examiner has applied different art to two or more groups of claims on appeal, and is unlikely unless the claims have only minor differences. In some cases arising out of ex parte prosecution, it may be worth considering isolating such groups of claims, e.g., by moving one of the groups into a continuation application. Filing a continuation application has other benefits, e.g., extending the opportunity to seek broader claims further into the future and potentially avoiding the need for reissue, should any errors be later discovered. In making such a decision, applicants should consider other factors such as the impact on patent-term adjustment and whether a terminal disclaimer may be required.

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## EPO Practice

### *Getting the Best out of the EPO During the International Phase of a PCT Application for U.S. Applicants*

by Martin D. Hyden

Many U.S. applicants using the Patent Cooperation Treaty (PCT) system designate the European Patent Office (EPO) as the International Searching Authority (ISA) to conduct the international search under Chapter I of the PCT procedure. This decision carries with it certain consequences during the international phase, and during the national and regional phases thereafter. Nevertheless, used properly, selecting the EPO as the ISA, and optionally the International Preliminary Examination Authority (IPEA), can give U.S. applicants significant benefits.

The EPO is one of the six patent offices available to U.S. applicants as an ISA. The benefits to U.S. applicants in selecting the EPO as the ISA include:

1. a complimentary search, to that obtained via the U.S. Patent and Trademark Office (USPTO), that often considers non-U.S. prior art in more detail;
2. a search opinion that reflects the approach to patentability taken by the EPO and more in line with many patent offices outside the United States;
3. an EPO search on all claims, without the need to pay extra fees for claims in excess of fifteen;
4. an exemption from payment of the EPO search fee during the regional phase; and
5. potentially faster prosecution during the EPO regional phase.

Both (1) and (2) above are provided without limit on the number of claims and without the significant fees payable for more than fifteen claims in an application filed at the EPO. In addition, electing the EPO as the IPEA also leads to a reduction of 50% in the EPO examination fee due during the regional phase.

These benefits mean that a U.S. applicant can proceed to the national phase of a PCT application with a more informed view on the likelihood of success in the EPO and other countries with similar laws, which in turn may help expedite prosecution. However, U.S. applicants should keep in mind the potentially less desirable consequences that come with these benefits, as discussed below.

### **The EPO approach to unity of invention**

The EPO examiners take a strict approach to unity of invention and limit searching to only those claims that together have the same special technical feature underlying the invention. This manifests itself in two ways:

1. the assessment of multiple independent claims in the same category, but defining different features as being claims to different inventions (*a priori* lack of unity); and
2. the case in which a broader, linking claim is found to lack novelty and there are several dependent claims, each covering different technical features (*a posteriori* lack of unity).

Both of these approaches can have a particular impact where a U.S.-style claim set involves multiple independent claims, or single claim dependencies for equivalent features. In both cases, the applicant will be invited to pay further search fees. Failure to do so will result in (1) no search being performed on



the second and subsequent inventions, (2) a requirement to delete the unsearched claims during the EPO regional phase, and (3) an inability to amend any of the unsearched claims that are not unitary with the searched claims.

### **The EPO's refusal to search certain subject matter**

Methods of doing business and methods of medical treatment are not patentable in the EPO. EPO examiners are therefore allowed to refuse to search claims directed to these subjects, if no obvious technical subject matter can be seen. Furthermore, even if a search is performed, the excluded subject matter is not considered limiting, leading to claims being given a very broad interpretation, which can lead to the search being less useful for understanding the potential scope of protection.

### **The requirement to respond to the PCT search opinion early in EPO prosecution**

If the claims presented in the EPO regional phase are the same as those presented at the PCT search phase, the EPO will treat the PCT search opinion as an EPO search opinion. Namely, the EPO will require the applicant to respond to the matters raised when indicating the intent to proceed with the application. The invitation to respond will closely follow entry into the EPO regional phase and require a response within six months.

### **Actions to improve the outcome**

Applicants can take a number of actions that can mitigate against these less desirable consequences and still obtain the benefits of an EPO international search. These include:

Filing an EPO-style claim set when filing the PCT application, with multiple dependencies and alternatives in claims, and limiting the number of independent claims. Where multiple independent claims are necessary to define the invention, these need to be arranged such that the first independent claim provides a basis for the most relevant and broadest search. This will tend to reduce the likelihood or impact of lack-of-unity issues, ensuring that the search covers all possible combinations of subject matter that may be required during prosecution to amend the claim scope for allowability.

Pay multiple search fees where lack of unity is alleged. Even if it is not possible to include all the claimed inventions in one national or regional phase application, any divisional applications can be based on an informed decision regarding patentability. In the EPO, the search fee for the divisional application may be reduced or exempted based on the further PCT search.

Ensure that claims to methods of treatment, business methods, and the like appear after normal composition, apparatus, system, or method-of-manufacture claims. This strategy improves the chances that the search and opinion will focus on the core of the invention rather than being widely drawn and providing little guidance.

In addition, it can be useful to use the possibility of international preliminary examination (IPE) under PCT Chapter II to address some of these issues, even if a positive outcome may be unlikely. Even though the EPO may decline to examine second or subsequent inventions during the regional phase, when acting as the IPEA, the EPO will examine all inventions for which international search fees and examination fees have been paid. This can provide an applicant with better information for deciding which invention should be pursued in the EPO and other patent offices, and whether or not to file a divisional application. A positive outcome during IPE will lead to the EPO phase application proceeding directly to grant. It is also useful to remember that filing the demand for IPE does not oblige the applicant to proceed at the national phase with the claims on file at the end of IPE—they can still proceed with original claims. This can be particularly useful if there are two possible lines of amendment or argument to address matters raised in the search. Amending or arguing one of these during IPE then leaves the possibility of redirecting prosecution on entry into the EPO regional phase to another without the risk of refusal of the examiner to exercise discretion and allow the new line to be presented.

In all of these cases, it is useful to note that the PCT application as-filed is considered to be the EPO application, and any amendments during the EPO phase will be judged against the original PCT application. Thus, it is advisable to review the application before PCT filing to ensure that its content

provides suitable support for likely amendments under EPO rules, as postfiling amendment possibilities are more limited. Also, as IPE before the EPO is essentially similar to normal prosecution at the EPO, the use of a European patent attorney can be useful to avoid common issues due to differences in U.S. and EPO procedure.

With appropriate preparation and conduct, the EPO can provide a great benefit for U.S. applicants seeking international patent protection via the PCT, without bringing unintended consequences due to differences in procedure.

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## At the Federal Circuit

### *ScriptPro's Claims Not a Prescription for Invalidity*

by J. Derek McCorquindale

The recent Federal Circuit case, *ScriptPro, LLC v. Innovation Assocs., Inc.*, No. 2013-1561 (Fed. Cir. Aug. 6, 2014), reversed the trial court's summary judgment invalidity determination under 35 U.S.C. § 112, ¶ 1 (now 35 U.S.C. § 112(a)). For a claim to be valid, the patent's specification must describe the subject matter defined in the claims. See *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc). Typically, § 112, ¶ 1, is used to invalidate claims where an added claim element does not have adequate support in the written description to show possession as of the filing date. In somewhat the other direction, the district court in *ScriptPro* rested its invalidity holding on a single conclusion: "that the specification describes a machine containing 'sensors,' whereas the claims at issue claim a machine that need not have 'sensors.'" *ScriptPro*, slip op. at 2 (citing *ScriptPro LLC v. Innovation Assocs., Inc.*, No. 06-2468, 2012 WL 2402778 (D. Kan. June 26, 2012)). The Federal Circuit determined that claims lacking a fully described element from the specification do not, as a matter of law, require a holding of invalidity.

U.S. Patent No. 6,910,601 ("the '601 patent") relates to a machine for sorting pills, and automatically filling and labeling the bottles for individual patients. The invention was touted as enhancing the accuracy and efficiency of pharmacies generally, and, as a primary goal, allowing them to collate and store multiple containers for a patient within the same area. *Id.* at 2-3 (citing '601 patent, 6:21-32, 6:37-38). Claim 1 reads:

1. A collating unit for automatically storing prescription containers dispensed by an automatic dispensing system, the collating unit comprising:

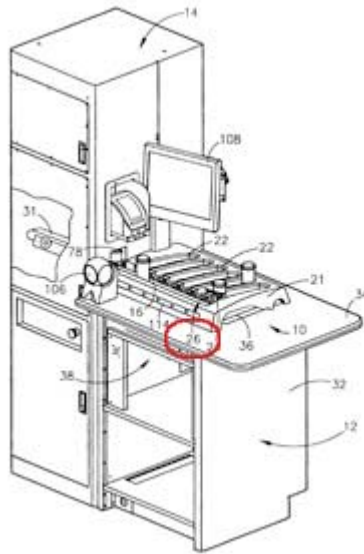
a storage unit for storing the containers delivered by an infeed conveyor;

a plurality of holding areas formed within the storage unit for holding the containers;

a plurality of guide arms mounted within the storage unit and operable to maneuver the containers from the infeed conveyor into the plurality of holding areas; and

a control system for controlling operation of the infeed conveyor and the plurality of guide arms.

'601 patent, 15:57-16:2. Absent from the above claim, or any *asserted* claim in the '601 patent, is a "sensors" element. See *ScriptPro*, slip op. at 4. Yet, according to the specification, "[t]he collating unit of the present invention broadly includes" several components, including "a plurality of sensors, and a control system." '601 patent, 4:26-29 (emphasis added); see also *id.* at Abstract, 5:52-54 ("[T]he sensor positioned at the open end of the holding area determines if the holding area is full."). The examples of the collating units, moreover, all included such sensors. The machine is depicted in Figure 1, below, with sensors at 26:



ScriptPro sued Innovation Associates for patent infringement. The district court construed claim terms and entertained cross-motions for summary judgment. The district court found that the specification indisputably limited the invention to machines employing sensors that determine whether holding areas are full, such that “no reasonable jury could find that the inventors were in possession of a collating unit that operated without sensors.” *ScriptPro*, 2012 WL 2402778, at \*7. Importantly, the district court rejected as “entirely conclusory” the expert testimony opining that, based on the written description, the sensors were not required to practice the claimed invention. *Id.* The trial court granted summary judgment of invalidity, holding as a matter of law that the patent’s specification does not describe the subject matter of the asserted claims, which do not require sensors. *See ScriptPro*, slip op. at 6.

In a unanimous Federal Circuit opinion, the authoring Judge Taranto identified the narrow issue on review: “whether the absence of sensors from the claims at issue means that those claims are unsupported by the written description as a matter of law.” *Id.* at 7. The court taugth with respect to this sole issue that

[i]t is common, and often permissible, for particular claims to pick out a subset of the full range of described features, omitting others. A specification can adequately communicate to a skilled artisan that the patentee invented not just the combination of all identified features but combinations of only some of those features (subcombinations)—which may achieve stated purposes even without omitted features.

*Id.* at 7-8 (citations omitted). According to the Federal Circuit, on the facts of the case, the specification’s description of embodiments as having sensors for providing information about slot allocations “does not necessarily mean that the only described invention is a collating unit with such sensors.” *Id.* at 7 (emphasis added).

The court articulated numerous reasons for its determination. First, the specification was found to have “no sufficiently clear language” limiting the invention to only a collating unit with sensors. *Id.* at 8. Even the specification’s declaration that the present invention “broadly comprises” sensors as part of the collating unit was not enough to support the summary judgment conclusion. *Id.* (“Like ‘generally,’ the qualifier ‘broadly’ suggests that exceptions are allowed to the assertion of what occurs most (perhaps even almost all) of the time.”). Second, according to the court, “the specification, in describing preferred embodiments, elsewhere positively suggests that slot sensors are an optional, though desirable feature of the contemplated collating unit.” *Id.* at 9. Third, a lack of sensors was not deemed incommensurate with the central purpose of the invention, i.e., correlating a specific holding area to a specific patient. *Id.* at 8. Fourth, ScriptPro’s expert report suggested that a collating unit could operate without sensors, keeping track instead with computer memory what storage locations are available. *Id.* at 11. Fifth, the court noted that, as filed, the original claims also lacked sensors, which *could* serve to indicate that they have always been “merely optional.” *Id.* at 11-12 (“When a specification is ambiguous about which of

several features are stand-alone inventions, the original claims can help resolve the ambiguity . . .”).

Accordingly, the court held that the '601 patent's specification did not preclude, as a matter of law, ScriptPro from establishing that the written description conveys to one of skill that the inventors were in possession of the sensorless inventions of claims 1, 2, 4, and 8. The court reversed the summary judgment determination.

It is well understood that claims should be limited to the supporting disclosure. But this case reaffirms that applicants can choose to claim only a subset of the full array of described features, leaving others unclaimed. In other words, while there may be an adequate description for an entire combination of elements, claiming mere subcombinations of the identified features does not necessarily render a claim invalid under § 112 as a matter of law. It is advisable, notwithstanding, for practitioners to clearly and adequately describe not just the combination of all elements, but also embodiments that may have only some elements deemed optional.

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