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Last Month at the Federal Circuit

June 2014



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[Appealed from Board]

Abbreviations

ALJ	Administrative Law Judge
ANDA	Abbreviated New Drug Application
APA	Administrative Procedures Act
APJ	Administrative Patent Judge
Board	Patent Trial and Appeal Board (formerly the Board of Patent Appeals and Interferences)
Commissioner	Commissioner of Patents and Trademarks
CIP	Continuation-in-Part
DJ	Declaratory Judgment
DOE	Doctrine of Equivalents
FDA	Food and Drug Administration
IDS	Information Disclosure Statement
ITC	International Trade Commission
JMOL	Judgment as a Matter of Law
MPEP	Manual of Patent Examining Procedure
NDA	New Drug Application
PCT	Patent Cooperation Treaty
PTO	United States Patent and Trademark Office
SJ	Summary Judgment
TTAB	Trademark Trial and Appeal Board

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During Claim Construction, Reading Limitations from a Preferred Embodiment and Importing Limitations Conflicting with a Preferred Embodiment Are Improper

Ming W. Choy

Judges: Rader, Moore (author), Reyna (concurring-in-part and dissenting-in-part)
[Appealed from N.D. Ohio, Judge Gwin]

In *GE Lighting Solutions, LLC v. AgiLight, Inc.*, No. 13-1267 (Fed. Cir. May 1, 2014), the Federal Circuit affirmed-in-part and reversed-in-part the district court's claim construction and associated SJ of noninfringement.

GE Lighting Solutions, LLC ("GE") sued AgiLight, Inc. ("AgiLight") for infringement of U.S. Patent Nos. 7,160,140 ("the '140 patent"); 7,520,771 ("the '771 patent"); 7,832,896 ("the '896 patent"); and 7,633,055 ("the '055 patent"). The '140 and '771 patents are directed to light-emitting diode ("LED") string lights that include an LED, an insulated electrical conductor (e.g., a wire), and an insulation displacement connector ("IDC connector"). The '896 patent is directed to an optical element that houses an LED and interacts with the light emitted therefrom to increase its viewing angle. The '055 patent is directed to an overmolding process that applies a protective sealant over the printed circuit board ("PCB") to which an LED is attached.

The district court construed three claim terms. For the '140 and '771 patents, the district court construed the term "IDC connector" in the claims as requiring certain specialized features, despite recognizing that "IDC connector" is commonly used in electrical engineering to connote a range of devices. The district court relied on a disclosed embodiment and limitations of several dependent claims in making this determination. For the '896 patent, the district court construed the claim term, "[an] optical element having a substantially ellipsoidal inner profile and generally spherical outer profile," as requiring the entire inner profile of the optical element to be substantially ellipsoidal, with an outer three-dimensional surface where the points on the surface are generally equidistant from a center point. For the '055 patent, the district court construed the claim term "annular gasket" to be "a three-dimensional deformable material used to make a pressure-tight joint between stationary parts, with an *opening* in its center capable of sealing off its center area when bonded statically between stationary parts on its top and bottom. Slip op. at 14 (citation omitted). Based on the construction of these claim terms, the district court granted AgiLight's motion for SJ of noninfringement for all four patents. GE appealed.

"[T]he specification and prosecution history only compel departure from the plain meaning in two instances: lexicography and disavowal." Slip op. at 5 (citing *Thorner v. Sony Computer Entm't Am. LLC*, 669 F.3d 1362, 1365 (Fed. Cir. 2012)).

On appeal, the Federal Circuit reversed the district court's construction of "IDC connector" in the '140 and '771 patents and "substantially ellipsoidal inner profile" in the '896 patent, and reversed the district court's SJ of noninfringement with regard to those patents. The Court affirmed the district court's construction of "annular gasket" in the '055 patent and affirmed SJ of noninfringement of that patent.

The Court reasoned that while claim terms must be construed in light of the patent's specification and prosecution history, they "only compel departure from the plain meaning in two instances: lexicography and disavowal." *Id.* at 5 (citing *Thorner v. Sony Computer Entm't Am. LLC*, 669 F.3d 1362, 1365 (Fed. Cir. 2012)). The Court noted that to act as its own lexicographer, a patentee must "'clearly set forth a definition of the disputed claim term,' and 'clearly express an intent to define the term.'" *Id.* at 5-6 (quoting *Thorner*, 669 F.3d at 1365). The Court also noted that disavowal requires "the specification [or prosecution history] make[] clear that the invention does not include a particular feature." *Id.* at 6 (alterations in original) (quoting *SciMed Life Sys. Inc. v. Advanced Cardiovascular Sys., Inc.*, 242 F.3d 1337, 1341 (Fed. Cir. 2001)). The Court further stated that the doctrine of claim differentiation creates a presumption that the limitations of dependent claims are not included in the independent claims, although such presumption can be overcome by a contrary construction required by the specification or prosecution history, such as via a disclaimer.

Regarding the term "IDC connector" in the '140 and '771 patents, the Court found that it had a plain meaning of "a connector that displaces insulation surrounding an insulated conductor to make electrical contact with the conductor." *Id.* at 5 (citations omitted). The Court concluded that the '140 and '171 patents' specifications and their prosecution histories did not define "IDC connector" or include any indication that the inventors intended to act as their own lexicographers, even though only a single embodiment of an IDC connector was depicted. The Court also concluded that there was no disavowal, as the specifications did not describe the depicted IDC connector as the present invention, as essential, or as important; nor did the specifications disparage other IDC connectors. The Court further held that the district court erred by incorporating the dependent claim limitations of the '140 patent into the construction of "IDC connector," as nothing in the specification or the prosecution history of the '140 patent rebutted the presumption of claim differentiation.

The Court then considered the district court's construction of "substantially ellipsoidal inner profile" in the '896 patent. The Court noted that a construction that required the entire inner profile to be substantially ellipsoidal would exclude the only disclosed embodiment of the '896 patent. The Court noted that such a construction is typically incorrect unless the patentee expressed intent to limit the claim terms to exclude disclosed embodiments. The Court found no such intent in either the specification or the prosecution history of the '896 patent, and thus held that the "substantially ellipsoidal inner profile" only required a portion of the inner profile to be substantially ellipsoidal. Based on this construction, the Court held that there was a genuine factual dispute as to whether AgiLight's accused product infringed the '896 patent, as evident from cross-sectional images of the AgiLight device. The Court also held that there was a genuine factual dispute as to whether the accused product included the claimed "generally spherical outer profile," also evident from the cross-sectional images.

Lastly, the Court considered the district court's construction of "annular gasket" in the '055 patent. The Court agreed with the district court's conclusion that the accused product, which has a concave inner surface, did not have an opening in the context of an annular gasket. The Court held that such a construction is consistent with the plain and ordinary meaning of "gasket" and with the annular gaskets disclosed in the '055 patent. The Court thus reversed the district court's claim construction and SJ of noninfringement with regard to the '140, '771, and '896 patents, and affirmed the district court's claim construction and SJ of noninfringement with regard to the '055 patent.

Judge Reyna wrote separately, concurring with the majority's opinion regarding the construction of "IDC connector" in the '140 and '771 patents and "annular gasket" in the '055 patent, and thus concurring with the majority's resolution of the issues regarding those patents. Judge Reyna disagreed, however, with the majority's interpretation of the terms "substantially ellipsoidal inner profile" and "generally spherical outer profile" in the '896 patent, and therefore dissented from the majority's outcome concerning that patent.

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PTO May Reject Claims as Indefinite If Not as Reasonably Precise as the Circumstances Permit

Karthik Kumar

Judges: O'Malley, Plager (concurring), Taranto (per curiam)
[Appealed from Board]

In *In re Packard*, No. 13-1204 (Fed. Cir. May 6, 2014), the Federal Circuit affirmed the Board's rejection of all pending claims of Thomas G. Packard's ("Packard") U.S. Patent Application No. 12/004,324 ("the '324 application") as indefinite, holding that the PTO may reject preissuance claims as indefinite if not "as reasonably precise as the circumstances permit[]." Slip op. at 12.

The '324 application covers a coin change holder. The examiner rejected the claims as indefinite, explaining that several claim limitations lacked an antecedent basis or were otherwise unclear, but Packard failed to adequately respond. The Board affirmed the rejection under the review standard set forth in MPEP § 2173.05(e) that "[a] claim is indefinite when it contains words or phrases whose meaning is unclear." *Id.* at 5 (alteration in original) (citation omitted).

On appeal, the Federal Circuit rejected Packard's challenge to the indefiniteness standard applied by the Board and his argument that a determination of indefiniteness was governed by the Court's then-applicable (now overruled by *Nautilus, Inc. v. Biosig Instruments, Inc.*, No. 13-369 (U.S. June 2, 2014)) "insolubly ambiguous" standard. The Court, addressing the question as one of first impressions, held that the PTO, after initially issuing a well-grounded indefiniteness rejection, may properly reject a claim based on language that is "ambiguous, vague, incoherent, opaque, or otherwise unclear in describing and defining the claimed invention" when the applicant fails to provide a satisfactory response. Slip op. at 7.

"At the same time, this requirement is not a demand for unreasonable precision. The requirement, applied to the real world of modern technology, does not contemplate in every case a verbal precision of the kind found in mathematics. Nor could it do so in a patent system that actually works, in practice, to provide effective protection for modern-day inventions." Slip op. at 10.

The Court derived its holding from a combination of the PTO's examination function under 35 U.S.C. § 131 *et seq.* and the substantive standard of 35 U.S.C. § 112(b). First, the Court recognized that Congress tasked the PTO with ensuring that issued patents comply with the statutory requirements, and provided for examination to be an interactive process between the examiner and applicants, relying on the latter's distinctive incentives and abilities to help the PTO ensure compliance with statutory

standards. Thus, the Court reasoned, it made good sense, for claim definiteness and clarity, for the PTO initially to reject claims based on a well-founded prima facie case of lack of clarity and to confirm that rejection under § 112(b) if the applicant does not adequately respond. The Court also noted that it could reach this conclusion and decide the case without regard to the proper indefiniteness standard for issued patents, a matter (at the time) under review by the Supreme Court in *Nautilus*.

The Federal Circuit next addressed § 112(b)'s requirements for "particular[ity]" and "distinct[ness]." *Id.* at 10 (alterations in original). The Court reasoned that since claims serve to notify the public of what the patent protects, "claims are required to be cast in clear—as opposed to ambiguous, vague, indefinite—terms." *Id.* Yet, the Court recognized that for the patent system to work in practice, the level of clarity required necessarily invokes some standard of reasonable precision of language in the context of the circumstances. Thus, the Court concluded, the PTO is obliged to test whether the claims utilize language as reasonably precise as the subject matter permits to apprise one skilled in the art of the utilization and scope of the invention, and "to demand [a] persuasive response[] on pain of rejection." *Id.* at 10-11.

Applied to the present case, the Court concluded that the examiner, having ample grounds, set forth a variety of ways in which the claims were imprecise, confusing, or not understandable, to which Packard did not adequately respond. Because Packard had an opportunity to bring clarity to his claim language, the Court affirmed.

Judge Plager joined the per curiam opinion, but wrote a separate concurring opinion to address directly the grounds presented by the parties. Judge Plager, recounting the complex history of court-applied indefiniteness standards, identified two arguably controlling tests, including one based on the "insolubly ambiguous" phrase Packard claimed must be applied to his claims. Agreeing with Packard that the Board did apply a different, lower-threshold standard for indefiniteness, Judge Plager nevertheless believed that such a standard was uniquely applicable to the preissuance situation. Relying on a detailed statutory and policy analysis, Judge Plager concluded, in agreement with the per curiam Court, that there was no legal obstacle to the PTO interpreting the applicable indefiniteness standard for examination purposes, and, under that standard, the Board correctly found Packard's claims indefinite.

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Exact Genetic Copies of Patent Ineligible Subject Matter Are Also Patent Ineligible

Carla Mouta

Judges: Dyk (author), Moore, Wallach

[Appealed from Board]

In *In re Roslin Institute (Edinburgh)*, No. 13-1407 (Fed. Cir. May 8, 2014), the Federal Circuit affirmed the Board's rejection of all pending claims of U.S. Patent Application No. 09/225,233 ("the '233 application") as unpatentable subject matter under 35 U.S.C. § 101.

Keith Henry Stockman Campbell ("Campbell") and Ian Wilmut ("Wilmut") of the Roslin Institute of Edinburgh, Scotland ("Roslin"), successfully produced the first mammal ever cloned from an adult somatic cell: Dolly the Sheep. Campbell and Wilmut produced Dolly using a breakthrough cloning method known as somatic cell nuclear transfer, which involves removing the nucleus of a somatic cell and implanting that nucleus into an enucleated oocyte. If implantation occurs at a certain stage, the resulting fused cell will develop into an embryo, and ultimately a baby animal, which is an exact genetic replica of the adult mammal from which the somatic cell nucleus was taken. Roslin is the assignee of the '233 application, which claims not the cloning method, but rather the cattle, sheep, pigs, and goats that are the products of the cloning method.

The Board affirmed the examiner's rejections of the claims to the cloned animals under 35 U.S.C. §§ 101, 102, and 103. Regarding § 101, the Board found that the claimed subject matter was ineligible for patent protection because it constituted a natural phenomenon that did not possess markedly different characteristics than any found in nature.

"There is nothing in the claims, or even in the specification, that suggests that the clones are distinct in any relevant way from the donor animals of which they are copies." Slip op. at 11.

On appeal, the Federal Circuit affirmed. The Federal Circuit held that under the Supreme Court's § 101 case law, including its most recent decision in *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107 (2013), "Dolly's genetic identity to her donor parent renders her unpatentable." Slip op. at 7. The Court explained that, "[h]ere, as in *Myriad*, Roslin 'did not create or alter any of the genetic information' of its claimed clones, '[n]or did [Roslin] create or alter the genetic structure of [the] DNA' used to make its clones." *Id.* (alterations in original) (quoting *Myriad*, 133 S. Ct. at 2116). The Court also observed that its decision was reinforced by Supreme Court decisions regarding the preemptive force of federal patent law, which confirmed that "individuals are free to copy any unpatentable article, such as a live farm animal, so long as they do not infringe a patented method of copying." *Id.* at 8 (citing *Sears Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 232-33 (1964)).

The Federal Circuit rejected Roslin's arguments that "its claimed clones are patent eligible because they are distinguishable from the donor mammals used to create them." *Id.* at 9. The Court first rejected Roslin's assertion that environmental factors led to phenotypic differences between its clones and their donor mammals, concluding that the differences were not only unclaimed, but also acknowledged by Roslin to have come about "quite independently of any effort of the patentee." *Id.* (quoting *Funk Bros. Seed Co. v. Kalo Inoculant Co.*, 333 U.S. 127, 131 (1948)).

The Court also rejected Roslin's argument that mitochondrial DNA, which originated from the donor oocyte rather than the donor nucleus, rendered its claimed clones distinguishable from their original donor mammals. The Court again concluded that any differences based on mitochondrial DNA were unclaimed. Moreover, according to the Court, Roslin's patent application did not identify how differences in mitochondrial DNA could influence the clones' characteristics.

Finally, the Court rejected Roslin's contention that the claimed clones were patent eligible because they were time-delayed versions of their donor mammals. The Court explained that time delay cannot confer patentability because, as the Board noted, this is true of any copy of an original.

Accordingly, the Federal Circuit affirmed the Board, holding that because "[t]he clones are defined in terms of the identity of their nuclear DNA to that of the donor mammals" and "do not describe clones that have markedly different characteristics from the donor animals of which they are copies," Roslin's clones are unpatentable subject matter under § 101. *Id.* at 11.

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An Obviousness Determination May Be Overturned When the Evidence Includes Merely Conclusory Statements About Motivation to Combine Prior Art

Shaton C. Menzie

Judges: Rader, Lourie, O'Malley (author)
[Appealed from C.D. Cal., Judge Anderson]

In *InTouch Technologies, Inc. v. VGo Communications, Inc.*, No. 13-1201 (Fed. Cir. May 9, 2014), the Federal Circuit affirmed the district court's finding of noninfringement of three asserted patents, affirmed the district court's claim construction, reversed verdicts that two of the asserted patents were invalid for obviousness, and remanded with instructions to vacate the invalidity judgments.

InTouch Technologies, Inc. ("InTouch") owns U.S. Patent Nos. 6,346,962 ("the '962 patent"); 6,925,357 ("the '357 patent"); and 7,593,030 ("the '030 patent") (collectively "the asserted patents"). The asserted patents are directed to telepresence robots for use in the healthcare industry. InTouch's system uses a video display, two-way audio, and a camera to permit a user to operate the robot from a remote location via a computer or tablet. The '357 and '030 patents recite an arbitrator to control access to the robots, and the '357 patent also recites a call back mechanism to inform users who were previously denied access that the robot is available. In 2012, InTouch filed suit against VGo Communications, Inc. ("VGo"), a company that produces a robot system that a user can control remotely to interact with others in a separate location, alleging infringement of the '357, '030, and '962 patents. VGo counterclaimed for DJ of noninfringement and invalidity.

After a five-day jury trial, the jury returned a verdict in favor of VGo, finding noninfringement for all of the asserted patents. The jury also found independent claim 79 of the '357 patent and claim 1 of the '030 patent invalid for obviousness. InTouch filed a motion for JMOL or a new trial on the issues of invalidity and noninfringement, which was denied by the district court. The district court found that there was substantial evidence to support the jury's finding that the VGo system did not perform the "arbitrating" limitation because VGo's system did not include a mechanism for determining which remote station had exclusive control of the robot and did not perform the "call back mechanism" limitation because the VGo system did not send a message to specific users who previously were denied access to a particular robot. The district court also upheld the jury's obviousness findings, stating that there was substantial evidence in the record to support the verdict, including the testimony of VGo's expert. InTouch appealed.

"Dr. Yanco's testimony was nothing more than impermissible hindsight; she opined that all of the elements of the claims disparately existed in the prior art, but failed to provide the glue to combine these references. While she opined that the references were like separate pieces of a simple jigsaw puzzle, she did not explain what reason or motivation one of ordinary skill in the art at the time of the invention would have had to place these pieces together."

On appeal, the Federal Circuit first addressed and upheld the claim construction rulings for the terms “arbitrating” and “call back mechanism.” For the “arbitrating” term, the Court found that the “claim language itself requires that the arbitrator control access to the robot by remote terminals.” Slip op. at 18. The Court also observed that the “written description explains that the arbitrator needs to ‘resolve access requests from various users,’” instead of merely allowing access. *Id.* (citation omitted). For these reasons, the Court held that the district court did not err in construing the “arbitrator” and “arbitrating” terms “to require a determination of which user among multiple users has exclusive control of the robot.” *Id.* at 19.

The Court used similar reasoning to uphold the district court’s construction of the term “call back mechanism.” The Court again pointed to the plain language of the claim, noting that claim 79 of the ’357 patent recites “a call back mechanism that informs a user that was denied access to said mobile robot that said mobile robot can be accessed.” *Id.* at 20. According to the Court, the prosecution history also made clear “that the call back mechanism sends a message to call back only those specific users that previously requested access and were denied that access.” *Id.* at 21-22. For these reasons, the Court concluded that “the proper construction of the term ‘call back mechanism’ requires ‘a device that sends a message to a specific user or users who previously were denied access to a particular mobile robot that the same mobile robot can now be accessed.’” *Id.* at 22.

The Court next reviewed the jury’s noninfringement verdicts and upheld the district court’s findings that all three verdicts were supported by substantial evidence. In upholding the jury’s verdicts, the Court pointed to VGo’s testimony that its system did not contain an arbitrator. The Court observed that VGo’s system did not decide which user could connect to and control the robot because VGo’s system simply gave exclusive control to the first user who requested access to the robot. The Court also found there was substantial evidence to support a jury’s verdict that VGo’s system did include a call back mechanism. The Court noted that VGo submitted testimony that, although its robot included a status indicator to inform users when a previously occupied robot is free, it did not include the ability to distinguish which users had previously been denied access to the robot or which users wanted access to an already-in-use robot. The Court also examined the evidence to support noninfringement of a third claim limitation, “actuating the camera.” In finding substantial evidence to support the jury’s verdict, the Court highlighted VGo’s testimony that the camera movement in the VGo system depended on the position of a computer cursor on a computer program, which differed from InTouch’s claims that required “mov[ing] the camera in the direction indicated by the pointing device movement.” *Id.* at 30. Because the Court’s role was to determine whether there was substantial evidence upon which the jury could predicate its noninfringement finding, the Court upheld the district court’s affirmance of the jury’s noninfringement verdicts.

The Court next reviewed the jury’s invalidity verdicts for claim 79 of the ’357 patent and claim 1 of the ’030 patent. Because the jury found the claims invalid, the Court stated that it would uphold the invalidity finding if there was sufficient evidence to support any of the alternative theories of invalidity. The Court first examined the evidence from VGo’s expert, Dr. Yanco, regarding invalidity of the ’357 and the ’030 patents, and determined that the evidence on which VGo relied was not substantial enough to support an obviousness finding. According to the Court, Dr. Yanco’s testimony was insufficient to support the jury’s verdict because Dr. Yanco (1) failed to identify sufficient reasons or motivations to combine the various asserted prior art references; (2) failed to focus on the relevant time frame of 2001, as opposed to the time at which the case was occurring; and (3) failed to consider any objective evidence of nonobviousness. The Court noted that Dr. Yanco merely testified that the elements of the claims disparately existed in the prior art and could have been combined, but she never provided any rationale why one of ordinary skill would have combined such references. The Court stated that Dr. Yanco’s conclusory references about why a skilled artisan *could* have combined the references, as opposed to why a skilled artisan *would* have combined the references, were insufficient to support the jury’s obviousness verdict. For these reasons, the Court held that Dr. Yanco’s analysis was “incomplete” and

failed to establish obviousness by clear and convincing evidence. *Id.* at 41-42.

Lastly, the Court examined whether the district court erred by admitting testimony related to legal opinions from VGo's outside counsel. Although the Court agreed that the testimony was improper, it held that InTouch failed to establish that the infringement verdict was affected by this error.

For the above reasons, the Court affirmed the judgment of noninfringement for all three asserted patents, affirmed the district court's claim constructions, reversed the findings of invalidity regarding the '357 and the '030 patents, and remanded the case to the district court with instructions to vacate the invalidity judgments.

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Packages of Computer Source Code Entitled to Copyright Protection

*Margaret Esquenet and Danielle Wright**

Judges: O'Malley (author), Plager, Taranto

[Appealed from N.D. Cal., Judge Alsup]

In *Oracle America, Inc. v. Google Inc.*, Nos. 13-1021, -1022 (Fed. Cir. May 9, 2014), the Federal Circuit affirmed-in-part and reversed-in-part the district court's decision, holding that the declaring code and the structure, sequence, and organization of packages of computer source code known as "application programming interfaces," or API packages, were entitled to copyright protection.

The case stemmed from API packages in the Java programming language consisting of words and symbols that carry out various commands, and which Oracle America, Inc. ("Oracle") licenses to software developers to write applications, or "apps," for computers, tablets, smartphones, and similar devices. The Java system was originally created by Oracle's predecessor, Sun Microsystems, Inc. ("Sun"), in 1996.

Sun wrote multiple "ready-to-use" Java API programs, which it organized into "packages." These prewritten shortcuts allow programmers to include certain functionality into their own programs without having to create new code from scratch. Each package contains "classes" that consist of code for specific functions known as "methods." For example, one package at issue was "java.lang," which contains a class called "math," whose method instructs a device to find the larger of two numbers. Adopting the district court's analogy, the Federal Circuit explained, "Oracle's collection of API packages is like a library, each package is like a bookshelf in the library, each class is like a book on the shelf, and each method is like a how-to chapter in a book." Slip op. at 7. Each package also contains declaring code, or the expression that "identifies the prewritten function" and "command[s] the computer to execute the associated implementing code," which gives step-by-step instructions to carry out the function. *Id.* at 8.

At issue on appeal were thirty-seven API packages whose declaring code Google Inc. ("Google") admittedly copied verbatim into its then-new software platform, Android. In bringing its copyright infringement claims, Oracle argued that its 7,000 lines of declaring source code and nonliteral elements of the thirty-seven Java API packages were protectable by copyright law. In its opinion, the Court sifted through a number of issues at hand, particularly focusing on answering the ultimate question of "whether [the] elements of the Java platform are entitled to copyright protection." *Id.* at 15.

In addressing copyrightability generally, the Court reiterated that protection can extend to literal *and* nonliteral elements of a computer program. For instance, protection can extend to source and object code, and also to a program's sequence, structure, organization, and interface. Additionally, the Court noted that the district court failed to apply the "abstraction-filtration-comparison" test, which is to be used when assessing the protectability of nonliteral elements of a computer program. The three steps of the test require the court to (1) break down the allegedly infringed program into structural parts; (2) sift out ideas and all other nonprotectable material; and (3) compare any remaining creative expression with the allegedly infringing program. In applying the test, the Court agreed with Oracle's argument that the Java

API packages are expressive and could have been written and organized in varying ways to achieve the same functions; thus, they are—and were—entitled to protection. The Court also agreed and explained that the district court erred when it “(1) concluded that each line of declaring code is uncopyrightable because the idea and expression have merged; (2) found the declaring code uncopyrightable because it employs short phrases; (3) found all aspects of the structure, sequence, and organization devoid of protection as a ‘method of operation’ under 17 U.S.C. § 102(b); and (4) invoked Google’s ‘interoperability’ concerns in the copyrightability analysis.” *Id.* at 26.

“Whether Google’s software is ‘interoperable’ in some sense with any aspect of the Java platform . . . has no bearing on the threshold question of whether Oracle’s software is copyrightable.” Slip op. at 50.

The Court held that the merger doctrine was incorrectly applied by the district court, and that the district court did not focus on the options available to an original author. The Court explained that the merger doctrine is an exception to the “idea/expression dichotomy”—which does not extend copyright protection to any “idea, procedure, process, system, method of operation, concept, principle, or discovery.” *Id.* at 18 (quoting 17 U.S.C. § 102(b)). Instead, under the merger doctrine, if there are only a few ways to express an idea, the idea essentially “merges” with the expression and thus becomes unprotectable. In this case, the Court held that the merger doctrine was inapplicable because the Ninth Circuit had previously determined that the distinctive arrangement of a computer program *does not* merge with the process if alternate expressions are available. The Court recognized that the Android class names and methods could have been *different* from the names used by Java, and still could have worked. For example, “java.lang.Math.max” could have instead been named “Arith.larger.” If Java’s authors only had a limited number of ways to express the methods and classes, then the idea likely would have “merged” with the expression, making the packages unprotectable, but the Court held that they did not and, thus, the merger doctrine was inapplicable.

The Court also held that the district court erred in concluding that Oracle’s declaring codes were uncopyrightable because they were short phrases. Although, under 37 C.F.R. § 202.1(a), words and short phrases such as “names, titles and slogans” are unprotectable under copyright law, the relevant inquiry is whether the manner in which a short phrase is strung together and used is creative, the Court noted. The Court further noted that Oracle is not seeking protection for single phrases, but short phrases strung together. Because an original “combination” of words can be copyrightable, the Court held that the district court erred in finding that the programs were unprotectable short phrases.

In addition, the Court reviewed the scenes a faire doctrine. This doctrine states that if an expressive element is standard or common to a topic or setting, that element of a work of authorship is not by itself subject to copyright protection. In the district court, Google argued that this doctrine applied because the programs were customarily used in the industry. But the district court rejected this defense, holding that there was not sufficient evidence to assert that all of the classes and their contents were subject to the doctrine. The Federal Circuit affirmed, holding that (1) the doctrine is not part of a copyrightability analysis, but rather a defense to infringement; (2) Google did not object to the district court’s conclusion that the factual record was not sufficient on this issue; and (3) a scenes a faire analysis must focus not on the alleged copier, but on the external factors faced by the author when first creating the work at issue.

The Court also reversed the trial court’s determination that the sequence, structure, and organization of the Java API packages were a “method of operation,” or solely served functional purposes, and thus unprotectable. The Court noted that the district court wrongly applied *Lotus Development Corp. v. Borland International, Inc.*, 49 F.3d 807 (1st Cir. 1995), *aff’d without opinion by equally divided court*, 516 U.S. 233 (1996), which did not involve the copying of source code, but rather the copying of a menu command hierarchy with terms such as “Copy,” “Print,” and “Quit.” Slip op. at 37-38 (quoting *Lotus*, 49 F.3d at 809). Unlike the court in *Lotus*, the Federal Circuit noted that Ninth Circuit law recognizes that

the structure, sequence, and organization of a computer program *is protectable* when deemed an expression, and that computers by their definition by Congress are functional. Thus, denying protection to a computer program simply because it is functional would be against Congress's intent to provide protection to computer programs, and, thus, if a set of commands instructing a computer to carry out an operation contains a creative "expression," it may be entitled to protection.

The Court also agreed with Oracle that the district court improperly included interoperability in its copyright analysis. On appeal, Google had maintained that its use of the "Java class and method names and declarations was 'the only and essential means' of achieving a degree of interoperability with existing programs written in the [Java language]." *Id.* at 50 (alteration in original) (citation omitted). However, the Court noted that "[w]hether Google's software is 'interoperable' in some sense with any aspect of the Java platform . . . has no bearing on the threshold question of whether Oracle's software is copyrightable." *Id.* The Court did find that Google's competitive objective may be relevant to a fair use inquiry.

In addressing additional points, the Federal Circuit acknowledged the four statutory factors to be considered when determining if a particular use is fair. At the lower court, the jury was hung on Google's fair use defense and a new trial was denied. The Federal Circuit ultimately decided that the record contained insufficient facts on which it could base a de novo assessment of Google's assertion of fair use; thus, the issue was remanded. The Court also affirmed the district court's decision to grant Oracle's motion for JMOL in regards to "eight decompiled Java files that Google copied into Android" and which contain security functions, and affirmed the district court's decision to deny Google's motion for JMOL in regards to nine lines of "rangeCheck" code because copying was "more than de minimis." *Id.* at 62-66.

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June 2014

Trademark Registration Refused Because It Contained Disparaging Matter

Morgan E. Smith

Judges: Newman, O'Malley, Wallach (author)

[Appealed from TTAB]

In *In re Geller*, No. 13-1412 (Fed. Cir. May 13, 2014), the Federal Circuit affirmed the TTAB's refusal to register STOP THE ISLAMISATION OF AMERICA because the mark contained "matter which may disparage" a group of persons in violation of § 2(a) of the Lanham Act. Slip op. at 1-2.

In 2010, Pamela Geller and Robert B. Spencer (collectively "Appellants") filed an intent-to-use application to register the mark STOP THE ISLAMISATION OF AMERICA for "[p]roviding information regarding understanding and preventing terrorism." *Id.* at 2 (alteration in original) (citation omitted). The Examining Attorney refused the mark on the ground that it may disparage American Muslims in violation of § 2(a) of the Lanham Act. Appellants then filed an appeal, and the TTAB affirmed.

Specifically, the TTAB found that "Islamisation" had two likely meanings: a religious meaning and a political meaning. The TTAB concluded that the religious meaning of "Islamisation" is "the conversion or conformance to Islam," and the political meaning is "a sectarianization of a political society through efforts to 'make [it] subject to Islamic law.'" *Id.* (alteration in original) (citations omitted). The TTAB then concluded that the mark was disparaging to American Muslims under both meanings. The TTAB concluded that the mark was disparaging under the religious meaning because the majority of Muslims are not terrorists and would be offended by the association. The TTAB also found that the mark was disparaging under its political meaning because the narrower political definition did not "mandate the use of violence or terrorism," and that the mark's "suggestion that political Islamisation must be 'stop[ped]' to 'prevent[] terrorism' would be disparaging to a substantial composite of American Muslims." *Id.* at 4 (alterations in original) (citation omitted).

"To the extent Appellants established that one likely meaning of Islamisation is a political movement to spread Islamic law, they certainly did not show that violence is required to achieve that goal. The political meaning of Islamisation does not require violence or terrorism, and the Board properly found that associating peaceful political Islamisation with terrorism would be disparaging to a substantial composite of American Muslims." Slip op. at 12.

On appeal, the Federal Circuit upheld the TTAB's refusal to register the mark as disparaging. The Court noted that the proper analysis for whether a mark is disparaging involves determining "(1) what is the likely meaning of the matter in question, taking into account not only dictionary definitions, but also the relationship of the matter to the other elements in the mark, the nature of the goods or services, and the

manner in which the mark is used in the marketplace in connection with the goods or services; and (2) if that meaning is found to refer to identifiable persons, institutions, beliefs or national symbols, whether that meaning may be disparaging to a substantial composite of the referenced group.” *Id.* at 4-5 (quoting *In re Lebanese Arak Corp.*, 94 U.S.P.Q.2d 1215, 1217 (T.T.A.B. 2010)).

With regard to the first prong of the disparagement inquiry, the Federal Circuit rejected Appellants’ argument that the term “‘Islamisation’ has *only* been used in the public domain to refer to a political and military process replacing civilian laws with Islamic religious law.” *Id.* at 6 (citation omitted). The Court explained that the TTAB properly relied on three types of evidence to determine the religious meaning of Islamisation: dictionary definitions, essays from Appellants’ website, and readers’ comments posted on Appellants’ website. The Court agreed with—and Appellants did not challenge—the TTAB’s reliance on dictionary definitions of “Islamize,” listing “to convert” or “conform” to Islam as the primary definition. *Id.* at 6-7 (citation omitted). The Court also explained that it was appropriate for the TTAB to rely on select essays from Appellants’ website because the essays “implicate[d] Islam more generally,” “advocate[d] suppression of the Islamic faith,” and “offered ‘assistance’ to people considering leaving Islam,” supporting the TTAB’s “conclusion that Appellants used the mark in the context of stopping the spread of the Islamic faith.” *Id.* at 7-8. The Court concluded that the TTAB did not err in relying on comments posted on Appellants’ website because, while of more limited probative value than the essays, the comments “reflect[ed] the religious meaning of Islamisation, and evidence[d] a desire to stop the spread of Islam in America.” *Id.* at 9. Finally, the Court held that the remaining evidence did not establish the political definition of Islamisation as the sole likely meaning because the academic materials and congressional testimony were “‘less widely available’ and ‘not necessarily reflective of the general public’s understanding of the meaning of applicants’ mark.’” *Id.* (citation omitted).

The Federal Circuit then held that, under the second prong of the disparagement inquiry, the mark disparaged American Muslims under both the religious and political meanings of Islamisation. Appellants agreed that both meanings of Islamisation referred to all American Muslims and conceded at oral argument that the mark was disparaging under the religious meaning of Islamisation. The Court noted the TTAB’s finding that “the mark’s admonition to ‘STOP’ Islamisation in America ‘sets a negative tone and signals that Islamization is undesirable and is something that must be brought to an end in America.’” *Id.* at 10 (citation omitted). The Court also explained that the TTAB properly considered multiple sources supporting the point that “the majority of Muslims are not terrorists and are offended by being associated as such.” *Id.* (citation omitted). The Court held that substantial evidence supported the TTAB’s finding that the mark is also disparaging in the context of its political meaning: “The political meaning of Islamisation does not require violence or terrorism, and the Board properly found that associating peaceful political Islamisation with terrorism would be disparaging to a substantial composite of American Muslims.” *Id.* at 12.

Accordingly, the Court affirmed the TTAB’s refusal to register the mark because it contained disparaging matter.

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June 2014

Conveying Possession of at Least One Embodiment Meeting Construction of Disputed Claim Provides Sufficient Written Description Support in Interference Proceeding

Christopher M. Kurpinski

Judges: Lourie, Reyna (author), Wallach
[Appealed from Board]

In *Tobinick v. Olmarker*, No. 13-1499 (Fed. Cir. May 19, 2014), the Federal Circuit reversed the Board's finding of lack of adequate written description for the term "administered locally" because it was not supported by substantial evidence.

U.S. Patent Application No. 12/714,205 ("the '205 application") to Edward Tobinick ("Tobinick") claims methods for treating spinal nerve injuries, such as those associated with herniated discs. When the tissue surrounding a spinal disc tears, the disc becomes herniated and leaks nucleus pulposus, a gel-like substance, into the epidural space of the spine. The nucleus pulposus secretes a molecule called tumor necrosis factor- α ("TNF- α ") that injures the nerves passing through the epidural space when it contacts them, causing back pain or numbness. The '205 application claims methods of treating these injuries by administering a TNF- α inhibitor. In 2011, Tobinick copied claims from U.S. Patent Nos. 7,708,995 ("the '995 patent") and 7,811,990 ("the '990 patent") to Kjell Olmarker and Bjorn Rydevik (collectively "Olmarker") in order to request an interference proceeding. The copied claims also recite the step of administering a TNF- α inhibitor, but require that the inhibitor is "administered locally." Slip op. at 4.

During the interference proceeding, the Board construed the term "administered locally" to mean administered "directly to the site where [the TNF- α inhibitor] is intended to act, that is, to the location where the nucleus pulposus is causing the symptoms of the nerve disorder." *Id.* at 5 (alteration in original). Under this construction, the Board found that the '205 application does not describe a "local" administration because it describes administering a TNF- α inhibitor *near* the site of an injury and not directly to the site of the injury (i.e., the herniated disc). Thus, the Board concluded that the copied claims were invalid for lack of written description, and therefore dismissed the interference proceeding because Tobinick lacked standing to bring the interference counts.

On appeal, the Court agreed with the Board's construction of "administered locally," but found that the '205 application did describe at least one embodiment that met the Board's construction.

"While the 'perispinal' administration discussed in the '205 application certainly covers more than just local administration techniques, this does not render all perispinal techniques non-local. . . . The '205 application need only reasonably convey to one skilled in the art that Tobinick had possession of *at least one* embodiment that meets the Board's construction of local administration." Slip op. at 11-12.

First, the Court agreed with the Board's construction of "administered locally" as administration "directly to the site where it is intended to act, that is, to the location where the nucleus pulposus is causing the symptoms of the nerve disorder." *Id.* at 8. Because claim terms in an interference proceeding are construed in the context of their originating disclosure—and not the interfering application—the Court relied on the specifications in the '995 and '990 patents to construe the claim term in dispute. The Court agreed with the Board's conclusion that the disputed claims cover administration of TNF- α inhibitor directly to the site of the nerve injury, which was consistent with expert testimony that both Tobinick and Olmarker had presented to the Board, describing "local" as the site where the medicine is intended to act. *Id.* Based on this construction, the Court explained that the Board's construction did not exclude administration of a TNF- α inhibitor "adjacent to" a herniated disc. *Id.* This is so because nucleus pulposus leaking from a herniated disc injures the nerve roots of the adjacent discs; thus, adjacent discs may be where the TNF- α inhibitor "is intended to act." *Id.*

Next, the Court found that the '205 application described at least one embodiment that met the Board's construction of "administered locally." The Court noted that the '205 application describes both local and systemic administration of a TNF- α inhibitor, and describes "perispinal" administration as a preferred form of local administration. *Id.* at 10. While the specification's definition of "perispinal" included both local and nonlocal techniques, the Court found that did not render all perispinal administration techniques nonlocal. In particular, the Court noted an embodiment of perispinal administration in which a TNF- α inhibitor is administered by an epidural injection adjacent to the site of the disc herniation. The Court found that this epidural injection is "administered locally" because the epidural space is "where the nucleus pulposus is causing the symptoms of the nerve disorder" and where the TNF- α inhibitor is "intended to act." *Id.* at 10-11. Because the '205 application need only disclose to one of ordinary skill in the art at least one embodiment that met the Board's construction of "administered locally," the Court held that the evidence did not support the Board's finding of lack of adequate written description.

Thus, the Court reversed the Board's decision to dismiss the interference proceeding, and remanded for further proceedings.

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June 2014

“Common Sense” Cannot Substitute for Record Evidence to Support Obviousness Rejections in Inter Partes Reexamination

*Sonja W. Sahlsten**

Judges: Lourie (author), Dyk (dissenting), Wallach
[Appealed from Board]

In *K/S HIMPP v. Hear-Wear Technologies, LLC*, No. 13-1549 (Fed. Cir. May 27, 2014), the Federal Circuit affirmed the Board and held that it was correct to require record evidence to support a proposed obviousness rejection in an inter partes reexamination.

Hear-Wear Technologies, LLC (“Hear-Wear”) is the owner of U.S. Patent No. 7,016,512 (“the ‘512 patent”), directed to a hearing aid. The claims-at-issue, dependent claims 3 and 9, recite a “plurality of prongs that provide a detachable mechanical and electrical connection” from the behind-the-ear audio processing module to the in-the-canal module of the hearing aid. Slip op. at 3.

During prosecution of the ‘512 patent, the examiner initially rejected these claims as known in the art and therefore obvious. However, Hear-Wear amended the independent claims and the examiner ultimately allowed all the claims. K/S HIMPP (“HIMPP”) requested an inter partes reexamination of the ‘512 patent, which the PTO granted. HIMPP proposed an obviousness rejection that the Central Reexamination Unit (“CRU”) examiner refused to adopt because HIMPP “failed to provide evidence in support of [its obviousness] contention.” *Id.* Hear-Wear appealed to the Board, which then concluded that, “although HIMPP argued that the content of claims 3 and 9 was ‘well known,’ HIMPP failed to direct the Board ‘to any portion of the record for underlying factual support for the assertion.’” *Id.* at 4 (citation omitted). HIMPP appealed to the Federal Circuit and contended that the Board erred in requiring record evidence to support the assertion that the features were known prior art elements.

“We recognize that the Board has subject matter expertise, but the Board cannot accept general conclusions about what is ‘basic knowledge’ or ‘common sense’ as a replacement for documentary evidence for core factual findings in a determination of patentability. To hold otherwise would be to embark down a slippery slope which would permit the examining process to deviate from the well-established and time-honored requirement that rejections be supported by evidence.” Slip op. at 8 (citing *In re Zurko*, 258 F.3d 1379, 1385-86 (Fed. Cir. 2001)).

On appeal, the Federal Circuit affirmed the Board and held that record evidence was required to support a finding that structural elements were known prior art elements. The majority emphasized how this holding complied with the Supreme Court’s decision in *KSR International Co. v. Teleflex Inc.*, 550 U.S.

398 (2007). In *KSR*, the Supreme Court cautioned against overemphasizing the importance of published articles and issued patents for combining references in obviousness determinations. The majority distinguished *KSR*, stating that “the present case does not present a question whether the Board declined to consider the common sense that an ordinarily skilled artisan would have brought to bear when combining or modifying references. Instead, it is about whether the Board declined to accept a conclusory assertion from a third party about general knowledge in the art *without evidence on the record . . .*” Slip op. at 6-7. The essence of the majority’s distinction was that *KSR* was a case related to “the combinability of references where the claim limitations were in evidence,” and the instant case “involve[d] the lack of evidence of a specific claim limitation.” *Id.* at 7.

The Federal Circuit explained that neither the examiner nor the Board took official notice of what HIMPP asserted was known in the art. The majority stated that although PTO examination procedure allows examiners to rely on common knowledge to support a rejection, it is only appropriate in narrow circumstances. The majority reasoned that since the examiner and the Board did not take official notice of the facts at issue, HIMPP could not point to any evidence on the record. The majority concluded that the Board correctly refused to accept “general conclusions about what is ‘basic knowledge’ or ‘common sense’ as a replacement for documentary evidence for core factual findings” in patentability determinations. *Id.* at 8 (quoting *In re Zurko*, 258 F.3d 1379, 1385-86 (Fed. Cir. 2001)). “To hold otherwise would be to embark down a slippery slope which would permit the examining process to deviate from the well-established and time-honored requirement that rejections be supported by evidence.” *Id.* Accordingly, because HIMPP was unable to point the Board to any record evidence to support its contention that the claims were known in the art, the majority affirmed the Board’s decision to not adopt HIMPP’s obviousness rejection.

Finally, the majority turned to HIMPP’s requests for the Court to take judicial notice. First, HIMPP requested that the Court take judicial notice that a multiprong plug mechanical and electrical connection was known in the art. The majority declined to take judicial notice “for the same reasons . . . that it was reasonable for the Board and Examiner to decline to take official notice.” *Id.* at 9. Second, HIMPP requested that the Court take judicial notice of a prior art reference not cited in the inter partes reexamination. The majority again refused to take judicial notice. The majority noted that inter partes reexamination is usually limited to prior art references cited in the reexamination request and “prior art that raises a substantial new question of patentability as determined by the Director.” *Id.* (citing *Belkin Int’l, Inc. v. Kappos*, 696 F.3d 1379, 1383 (Fed. Cir. 2012)). Because HIMPP did not cite the reference in its request for inter partes reexamination and the Director did not cite the reference as creating a substantial new question of patentability, the majority “decline[d] to exercise [its] discretion to take judicial notice.” *Id.*

Accordingly, because HIMPP failed to cite to any record evidence in support of its contention that claims 3 and 9 of the ’512 patent contained only known prior art limitations, the Federal Circuit affirmed the Board’s decision declining to accept HIMPP’s obviousness contention.

Judge Dyk dissented, stating that “[t]his should be an easy case, reversing the quite odd decision of the [PTO].” Dyk Dissent at 1. Judge Dyk expressed concern that limiting the Board to record evidence would “undermine[] the purpose of post-grant agency review.” *Id.* at 2. Moreover, in Judge Dyk’s view, “the majority’s holding is inconsistent with the Supreme Court’s decision in *KSR*.” *Id.* Judge Dyk concluded that the electrical and mechanical plug in question was well known and within the common sense of a person of ordinary skill, stating that “[e]very purchaser of electrical devices in the United States for the past 50 years or more is familiar with multipronged electrical connections.” *Id.* at 4.

Judge Dyk explained that *KSR* expanded the sources of information that could be used in the obviousness inquiry to include “background knowledge, creativity, and common sense of the person of ordinary skill.” *Id.* at 6 (quoting *Perfect Web Techs., Inc. v. InfoUSA, Inc.*, 587 F.3d 1324, 1329 (Fed. Cir. 2009)). Disagreeing with the majority’s distinction between *KSR* and the instant case, Judge Dyk reasoned that *KSR* allowed the Board to use “logic, judgment, and common sense available to the person of ordinary skill that do not necessarily require explication in any reference.” *Id.* (quoting *Perfect Web*, 587 F.3d at 1329). Accordingly, Judge Dyk would have reversed the Board’s decision and

“remand[ed] for proceedings consistent with the Supreme Court’s decision in *KSR*.” *Id.* at 8.

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Looking Ahead

On June 4, 2014, in *Consumer Watchdog v. Wisconsin Alumni Research Foundation*, No. 13-1377 (Fed. Cir. June 4, 2014), the Federal Circuit dismissed for lack of Article III standing an appeal against Wisconsin Alumni Research Foundation ("WARF") brought by consumer-advocacy organization Consumer Watchdog ("CW"). The appeal arose from an inter partes reexamination filed by CW against WARF's U.S. Patent No. 7,029,913 ("the '913 patent"), directed to human embryonic stem cell cultures. Following the reexamination, the Board found the '913 patent claims patentable over the asserted prior art, and CW appealed to the Federal Circuit. On appeal, the Court concluded that CW's disagreement with the Board did not invade any legal right conferred by the inter partes reexamination statute and that CW had not identified any particularized, concrete interest in the patentability of the '913 patent as, for example, a competitor, licensee, or stem cell researcher. Because CW did not identify any injury in fact flowing from the Board's decision, the Court dismissed its appeal for lack of Article III standing.

Read the full summary in the next edition of *Last Month at the Federal Circuit*.

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June 2014

Spotlight Info

In *InTouch Technologies, Inc. v. VGo Communications, Inc.*, No. 13-1201 (Fed. Cir. May 9, 2014), the Federal Circuit reversed the determination at the district court that two of the asserted patents were invalid for obviousness and remanded with instructions to vacate the invalidity judgments, among other rulings. In reversing the verdicts for obviousness, the Court explained that VGo Communications, Inc.'s expert's testimony failed to identify reasons why a person of ordinary skill would have combined the asserted prior art references and failed to consider any objective evidence of nonobviousness, among other deficiencies. The Court concluded that the expert's statements that a skilled artisan *could* have combined the references, rather than explaining why the skilled artisan *would* have combined the references, were insufficient to support an obviousness determination. See this month's edition of *Last Month at the Federal Circuit* for a full summary of this decision.

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