

IPCOM GMBH & CO. v. HTC CORPORATION, Appeal No. 2016-1474 (Fed. Cir. July 7, 2017). Before Prost, Clevenger, and Chen. Appealed from Patent Trial and Appeal Board.

Background:

IPCom sued HTC for patent infringement. HTC requested *inter partes* reexamination of IPCom's patent. In a first round of review, the Examiner found IPCom's claims patentable, but the PTAB issued a new ground of rejection upon appeal. In a second round of review, IPCom amended its claims, including claims that were not part of the first PTAB appeal. The Examiner found the amended claims to be patentable. However, the PTAB determined that the amended claims would have been obvious under §103. IPCom appealed.

Issues/Holdings:

Did the PTAB have the authority to consider the patentability of claims that were amended by IPCom during the second round of reexamination, even if those claims were not part of the first PTAB appeal? Yes, affirmed. Did the PTAB conduct a proper claim construction of the "arrangement for activating the link" claim limitation? No, vacated and remanded.

Discussion:

After the first review, IPCom filed a request to reopen prosecution in view of the PTAB's decision, and the Board granted IPCom's request to amend the claims. The claim amendments changed the scope of claims 31-37, which were not expressly challenged for obviousness by HTC during the first review. The Examiner then examined the amended claims and found claims 31-37 to be patentable. IPCom argued that the PTAB lacked jurisdiction to consider the patentability of claims 31-37 because, even though IPCom amended those claims when it reopened prosecution, claims 31-37 had not been part of the first PTAB appeal. The Federal Circuit determined that by amending claims 31-37, IPCom altered the scope of these claims, and this opened the door to permit HTC to challenge the amended claims on appeal to the PTAB.

HTC and IPCom agreed that the claimed "arrangement for reactivating the link" is a means-plus-function limitation. Accordingly, the PTAB must interpret the means-plus-function limitation in light of the corresponding structure, material, or acts, or equivalents thereof, described in the specification. IPCom's patent discloses a processor and receiver, which are nothing more than a general purpose computer. Thus, IPCom's patent must include an adequate algorithm to provide structure to the claims. IPCom identified a three-step algorithm for performing the "arrangement for activating the link" function. The PTAB rejected the proposed algorithm after determining that each of the three steps was not necessary to the "arrangement for activating the link" function. However, the PTAB did not inquire further into what algorithm the specification actually discloses. The Federal Circuit thus found that the PTAB impermissibly treated the means-plus-function limitation as if it were a purely functional limitation and held that the PTAB's analysis was erroneous because it never specified the algorithm disclosed in IPCom's patent for performing the "arrangement for reactivating the link" function.