

## REPORT

**SUPREME COURT ARTICULATES NEW STANDARD FOR ASSESSING INDEFINITENESS OF POST-ISSUANCE CLAIMS****June 19, 2014**

On June 2, the Supreme Court issued a unanimous decision in *Nautilus, Inc. v. Biosig Instruments, Inc.*, which established a new standard for assessing indefiniteness of post-issuance claims. The *Nautilus* decision held that a patent claim is invalid for indefiniteness if it fails to inform those of ordinary skill in the art of the scope of the invention "with reasonable certainty." The standard replaces the Federal Circuit's "insolubly ambiguous" standard and more closely tracks the requirements set forth in 35 U.S.C. §112(b), governing indefiniteness.

**I. BACKGROUND****A. Lower Court Proceedings**

Biosig sued Nautilus for infringement of a patent for a heart rate monitor contained in a cylindrical bar on an exercise machine. The claimed heart rate monitor has a live electrode and a common electrode "in spaced relationship with each other" that are gripped by the user's hand. The district court construed the term "spaced relationship" 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." The court's construction of the term "spaced relationship" did not reference any particular distance between the two electrodes.

Nautilus argued that the term "spaced relationship" under this construction rendered the claim indefinite because the claim failed to particularly point out and distinctly claim the subject

matter regarded as the invention, as required under §112(b). The district court agreed and entered summary judgment of invalidity, holding that the claim term "spaced relationship" was indefinite because it is unclear how the "space" is defined or what parameters should be used to determine the appropriate spacing.

The Federal Circuit reversed the district court's decision, reaffirming that a claim is indefinite only when it is "not amenable to construction" or "insolubly ambiguous." The court explained that a claim is "insolubly ambiguous" when reasonable efforts at claim construction result in a definition that does not provide sufficient clarity to inform a person of ordinary skill in the art of the bounds of the protected invention.

In applying this standard, the Federal Circuit held that the term "spaced relationship" was not indefinite, and one of ordinary skill in the art would have been able to determine sufficiently clear boundaries from the intrinsic record and "certain inherent parameters of the claimed apparatus." For example, the distance separating the electrodes cannot be wider than the width of a user's hand because the claims require the user's hand to touch both electrodes, and it cannot be so small as to merge the two electrodes into a single electrode with one detection point. Thus, even though the specification did not specifically define the term "spaced relationship," it provided inherent parameters by which persons of ordinary skill in the art would understand the metes and bounds of the claim term "spaced relationship."

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The Supreme Court granted *certiorari* to address the appropriate standard for evaluating indefiniteness.

## B. *Amicus* Briefs

The Supreme Court received nineteen briefs on behalf of *amici curiae* advocating that the Court should grant *certiorari* and articulate a new indefiniteness standard. Although the various *amici* differed in their interpretations of the Federal Circuit's "insolubly ambiguous" standard, they all agreed that the standard led to uncertainty and confusion among the lower courts.

Many *amici* argued that the "insolubly ambiguous" standard failed to ensure that the "public notice" function of §112(b) is accomplished. In this regard, they noted that the Federal Circuit previously held that a claim is not indefinite "if the meaning of the claim is discernible, even though the task may be formidable and the conclusion may be one over which reasonable persons will disagree."<sup>1</sup> Under this reasoning, the Federal Circuit has indicated that this strict standard for invalidity accords respect to the presumption of patent validity. However, the standard can result in lower courts upholding patents as valid despite there being "no informed and confident choice" among claim meanings.<sup>2</sup>

Other *amici* argued that the Federal Circuit's actual analysis did in fact track the requirements of §112(b), but its phraseology is taken out of context by the district courts. They argued that the Federal Circuit intended the phrase "insolubly ambiguous" to connote that ambiguity is tolerated only *before* a claim is read in the context of the specification and prosecution history as understood by persons of ordinary skill in the art. However, "insolubly ambiguous" could understandably be misinterpreted as permitting ambiguity even after claim construction, leaving courts to pick among equally reasonable alternatives.

Regardless of the Federal Circuit's intentions, all *amici* agreed that the application of the "insolubly ambiguous" test results in a very high bar for showing invalidity under §112(b), which often leaves competitors and others guessing at the scope of the claimed subject matter. As a result, the *amici* argued that organizations shy away from research in areas with undefined patent boundaries out of fear of accidental infringement, thus hampering innovation. The standard also unintentionally incentivizes applicants to import ambiguous terminology into a claim in an effort to expand or contract the scope of the claim as needed to assert patent rights or defend against invalidity assertions. The Supreme Court considered each of these issues in coming to its decision.

## II. THE SUPREME COURT DECISION

As an initial matter, the Supreme Court reaffirmed that general principles of claim construction apply in determining indefiniteness. The Court noted that (1) indefiniteness is to be evaluated from the perspective of a person having ordinary skill in the art; (2) the claims must be read in light of the specification and prosecution history; and (3) the relevant time frame for assessing indefiniteness is at the time the patent application was filed. Thus, indefiniteness should be determined from the viewpoint of a person of ordinary skill in the art at the time of the invention, and based on the intrinsic record.

The Court also recognized the balance required by §112. The Court emphasized that although some uncertainty is tolerated as "the price of ensuring the appropriate incentives for innovation," claim language must be precise enough to afford adequate notice of what is claimed, and conversely, what is open to practice without risk of infringement. That is, the claim must achieve its "public notice" function.

The Court concluded that this notice function was not served by the Federal Circuit's "insolubly ambiguous" standard. Although the Court recognized that the Federal Circuit's "fuller explications" of its indefiniteness analysis appeared to track the requirements set forth in §112(b), it noted that the shorthand expressions "insolubly ambiguous" and "not

<sup>1</sup> *Exxon Research & Engineering Co. v. United States*, 265 F.3d 1371, 1375 (Fed. Cir. 2001).

<sup>2</sup> *See, e.g., Every Penny Counts, Inc. v. Wells Fargo Bank, N.A.*, 2014 WL 869092 (M.D. Fla. Mar. 5, 2014).

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amenable to construction" were not "probative of the actual inquiry," and led to uncertainty and confusion among lower courts.

As evidence of this confusion, the Supreme Court pointed to instances where courts held that a claim was not indefinite even when the claim was open to multiple interpretations in light of the specification and prosecution history. The Court clarified that "[i]t cannot be sufficient that a court can ascribe *some* meaning to a patent's claims; the definiteness inquiry trains on the understanding of a skilled artisan at the time of the patent application, not that of a court viewing matters *post hoc*." Thus, by picking between equally reasonable alternative meanings, the courts had effectively been substituting their own viewpoints for that of the skilled artisan.

The Court also expressed the concern of many *amici* that, absent a more stringent indefiniteness standard, applicants are incentivized to include ambiguous terminology in the claims. In this regard, because the applicant is in the best position to resolve ambiguity, the onus should be on the applicant to ensure precision of claim terms—within reason—when the application is filed and prosecuted before the USPTO.

In light of these concerns, the Supreme Court articulated a new standard: a patent claim is invalid as indefinite if it fails to inform persons of ordinary skill in the art about the scope of the invention "with reasonable certainty." The new standard leaves room for some flexibility in claim language while ensuring that the claim scope can be reasonably understood by one of ordinary skill in the art.

### III. ANALYSIS

It remains unclear whether the Supreme Court's "reasonable certainty" standard reflects a meaningful departure from the Federal Circuit's previous approach for assessing indefiniteness, or whether the standard provides a legal "face lift," swapping two shorthand expressions but effectively applying the same legal analysis. Although the "reasonable certainty" standard appears more objective and arguably lowers the bar for finding a claim indefinite, the Court did not provide any

guidance for application of the new standard. Instead, the Court remanded the case to the Federal Circuit to consider the claims at issue under the new standard without further explanation of what constitutes "reasonable certainty."

Nonetheless, even if the new standard simply swaps one shorthand expression for another, it lends some further direction to lower courts struggling to dissect the significance of the term "insolubly ambiguous." For example, it appears that under the new standard, a claim should be considered indefinite under the "reasonable certainty" standard if the claim language is amenable to equally plausible differing interpretations, even after considering the intrinsic record from the viewpoint of the skilled artisan.

The Court also passed on addressing burden-of-proof questions disputed by the parties. The Court left "for another day" questions regarding whether the factual findings subsidiary to the ultimate issue of indefiniteness trigger the clear-and-convincing standard and whether any deference should be given to the USPTO's resolution of facts relevant to indefiniteness.

### IV. RECOMMENDATIONS

1. The Court's "reasonable certainty" standard only applies to assessing indefiniteness of post-issuance claims.<sup>3</sup> The new standard therefore will not alter the USPTO's determination of patentability during prosecution, where indefiniteness is assessed under a different standard.<sup>4</sup> Of course, an Examiner's decision that a claim meets the requirements of §112(b) is not binding on a court, and thus it is important to remain cognizant of the post-issuance "reasonable certainty" standard during prosecution to

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<sup>3</sup> See *In re Packard*, Appeal No. 2013-1204 (Fed. Cir. May 6, 2014) (addressing the indefiniteness inquiry with respect to pre-issuance claims as a separate issue).

<sup>4</sup> See *id.* (holding that the USPTO can properly reject a claim as being indefinite if the USPTO has "issued a well-grounded rejection that identifies ways in which language in a claim is ambiguous, vague, incoherent, opaque, or otherwise unclear in describing and defining the claimed invention," and the applicant fails to provide an adequate rebuttal).

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ensure that any patent that ultimately issues can later withstand a potential assertion of invalidity under §112(b).

2. Applicants should provide guidance in the specification for the meanings of terms that do not already have well-recognized meanings in the art. This is true even for terms that are not in the original claims, as those terms might be introduced into the claim language during the course of prosecution.

3. Avoid potentially ambiguous open-ended claim terms such as "about" or "substantially," or reciting spatial relationships without clear boundaries. If such terms are used in the claims, the specification should provide some guidance on the scope of the terms in the context of the claimed invention.

4. Include a range of claims with varying scope to avoid all claims in a patent being invalidated due to a ruling of indefiniteness with respect to a common claim term. Consider more narrowly defining a term in dependent claims, or including support in the specification for narrower or more precise claim language.

5. When assessing the validity of a patent—for example, in response to an infringement claim—consider additional invalidity positions under §112(b) in light of this new "reasonable certainty" standard.

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*Prepared by Molly Chen and Pete Ewald. Molly Chen is an Associate in our Alexandria, Virginia office and works in the firm's Chemical Practice Group. Pete Ewald is a Member of the firm and is also located in the Alexandria, Virginia Office.*

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*For further information, please contact us by telephone at (703) 836-6400, facsimile at (703) 836-2787, email at [email@oliff.com](mailto:email@oliff.com) or mail at 277 South Washington Street, Suite 500, Alexandria, Virginia 22314. Information about our firm can also be found on our web site, [www.oliff.com](http://www.oliff.com).*

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