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<u>INTELLECTUAL VENTURES v. T-MOBILE</u>, Appeal Nos. 2017-2434, 2017-2435 (Fed. Cir. September 4, 2018). Before Prost, <u>Moore</u>, and Reyna. Appealed from D. Del. (Judge Stark).

Background:

Intellectual Ventures sued T-Mobile and others (collectively "T-Mobile") for patent infringement, alleging that T-Mobile infringed patent claims directed to "an application-aware resource allocator" that managed bandwidth resources when information was transmitted over a network.

According to the patent, bandwidth is allocated to an application based on an application type. Before the district court, the parties disputed the claim term "application-aware resource allocator." The district court adopted T-Mobile's construction and construed the term as requiring the resource allocator to have knowledge of the type of application, and to take into account information at the application layer of the software structure. The district court noted that this construction was supported by the prosecution history, during which the patentee distinguished its invention from prior art based on the inventive allocator being aware of application layer information.

The parties also disputed the means-plus-function term "allocating means for allocating resources to said IP flow . . . so as to optimize end user application IP QoS [quality of service] requirements of said software application." The district court agreed with T-Mobile that the function for the "allocating means" was indefinite. The district court noted that the patent described QoS as "subjective" and "vary[ing] from user to user based on individual preferences," and thus the patent does not provide adequate guidance as to the meaning of "optimize."

The district court granted summary judgment in favor of T-Mobile. Intellectual Ventures argued that the decision was premised on an erroneous claim construction and appealed.

Issue/Holding:

Did the district court err in construing "application-aware resource allocator"? Yes, vacated and remanded.

Did the district court err in determining "allocating means" is indefinite? No, affirmed.

Discussion:

The Federal Circuit stated that the district court erred in construing "application-aware resource allocator." According to the Federal Circuit, this term only required that the resource allocator allocate resources based on application type, which can be discerned using information obtained from any of the network layer (which includes the internet protocol), transport layer (which includes the transmission control protocol), or application layer (and not only the application layer, as argued by T-Mobile). The plain language of the claims, the specification, and the prosecution history all support that construction.

T-Mobile argued that statements made by Intellectual Ventures during prosecution represent a disavowal of claim scope. However, the Federal Circuit held that these statements did not meet the exacting standard for disavowal because they were not expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope.

The district court did not err in determining that the "allocating means" limitation was indefinite. The Federal Circuit stated that the QoS requirement was entirely subjective and user-defined.