

SAMSUNG ELECTRONICS AMERICA, INC. v. PRISUA ENGINEERING CORP., Appeal Nos. 2019-1169, -1260 (Fed. Cir. February 4, 2020). Before Prost, Newman, and Bryson.  
Appealed from PTAB.

Background:

Prisua owns a patent directed to image substitution in a video stream. In an IPR proceeding, the Board held certain claims of the patent indefinite. Samsung requested that the Board cancel these claims. The Board declined and held in its final decision that Samsung had not established that the claims were unpatentable under any permissible grounds.

Issue/Holding:

Did the Board err in its decision not to cancel the claims found to be indefinite? No, affirmed (reversed in part and remanded on other grounds).

Discussion:

The Federal Circuit rejected Samsung's contention that the IPR statute authorizes the Board to cancel challenged claims for indefiniteness. Samsung argued that even though the Board may not institute an IPR based on indefiniteness, it may cancel claims on indefiniteness grounds once it has instituted review on statutorily authorized grounds. The Federal Circuit found that this request violates §311(b). It further noted that the Board could not have canceled the indefinite claims on its own accord. Citing the Supreme Court's decision in *SAS Institute*, the Federal Circuit held that the IPR petition defines the scope of the proceeding, and nothing in the IPR statute permits the Board to expand that scope in its final written decision.

Notwithstanding the above, Samsung argued that the word "patentability" in the final written decision provision of §318(a) is broader than the grounds cited in §311(b). The Federal Circuit declined to adopt this interpretation as it would divorce the final written decision provision from the rest of the IPR statute.

Samsung also argued that the word "patentability" in section §318(a) modifies both "challenged" claims and "new" claims, such that the scope of review must be the same for both. And because the Board may review newly added claims for compliance with §112, it must likewise be authorized to review challenged claims for unpatentability due to indefiniteness. But the Federal Circuit drew a distinction between §311(b) and §316(d), which allows patent owners to substitute new or amended claims, noting that the latter does not limit the grounds for considering the unpatentability of new claims under provisions other than §102 or §103.

Samsung further argued that because the PGR statute encompasses indefiniteness, when Congress used "patentability" in the IPR statute, it must have meant to authorize the Board to consider other grounds of unpatentability, such as indefiniteness. The Federal Circuit disagreed, finding that the term "patentability" takes its meaning in context and that each final written decision provision (§318(a) and §328(a)) refers back to the respective source provision (§311(b) and §321(b)).

Finally, the Federal Circuit disagreed with Samsung's contention that the Board's inherent authority to perform claim construction during an IPR means that the Board can cancel the claims as indefinite. It held that, although an indefiniteness analysis involves general claim construction principles, it does not follow that the Board may exceed its statutorily limited authority simply because an indefiniteness issue arises during claim construction.