



Thomas | Kayden

THOMAS, KAYDEN, HORSTEMEYER & RISLEY, LLP

## Recent IP Decisions – May 2010

Chris Linder  
Randy Schoen



## Today's Cases

*Optium Corp. v. Emcore Corp.*

- no inequitable conduct based on failure to show intent

*Avid Identification Systems, Inc. v. Crystal Import Corp.*

- inequitable conduct based on duty to disclose

*Therasense, Inc. (Abbott) v. Becton, Dickinson and Co.*

- rehearing en banc of inequitable conduct

*Bradford Co. v. Conteyor NA, Inc.*

- claim interpretation and claim to priority date

*Power-One, Inc. v. Artesyn Technologies, Inc.*

- claim interpretation



Thomas | Kayden

THOMAS, KAYDEN, HORSTEMEYER & RISLEY, LLP

U.S. Court of Appeals for the Federal Circuit

*Optium Corp.*

v.

*Emcore Corp.*

(Docket No. 2009-1265 - May 5, 2010)



## *Optium v. Emcore*

Optium appealed summary judgment of US Dist Ct for W.D. Pa.

- The Emcore patents in suit (U.S. 6,282,003 and 6,490,071 entitled “Method and Apparatus for Optimizing SBS Performance in an Optical Communication System Using at Least Two Phase Modulation Tones”) concern improvements in an optical communication system wherein a laser transmits a signal in the form of a light wave along an optical fiber.
  - “SBS” stands for “stimulated Brillouin scattering” -- a kind of interference that limits the amount of power that can be transmitted over fiber-optic lines, and thereby limits the distance across which information is transmitted.



## Optium v. Emcore

- The invention described and claimed in the '003 and '071 patents is an improvement optimizing SBS suppression by a method in which “an operational region of SBS suppression is established as a function of the phase modulation of the light such that the operational region identifies combinations of first and second phase modulation levels at which optimum SBS suppression is achieved for the first and second tones.”

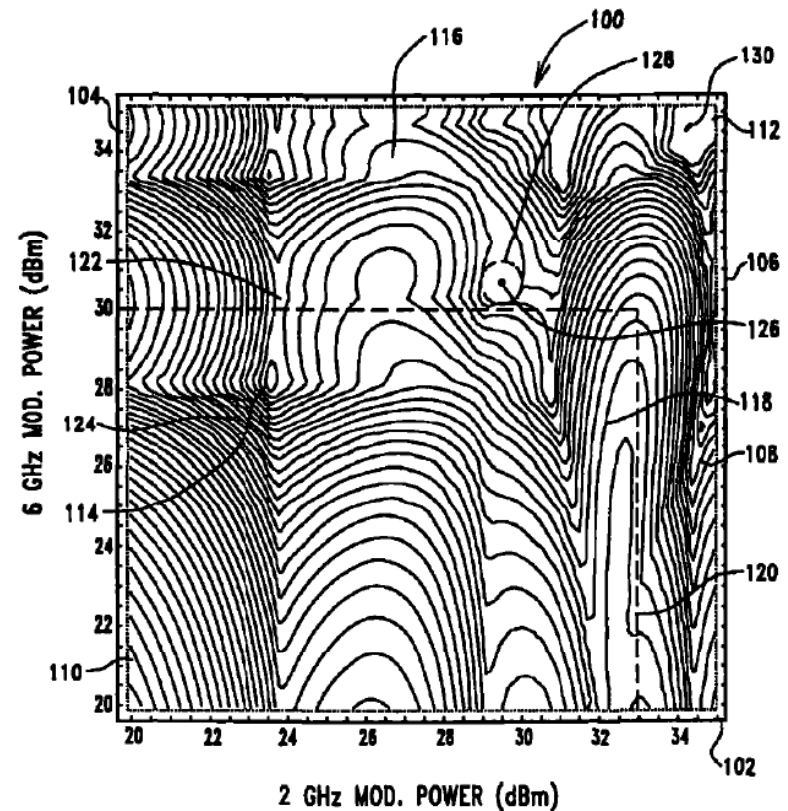


FIG.2



## *Optium v. Emcore*

- Optium's charge of inequitable conduct is based on Emcore's failure to cite an article by Willems, et al., entitled "Harmonic distortion caused by stimulated Brillouin scattering suppression in externally modulated lightwave AM-CATV systems" in an IDS
  - Willems describes single-tone phase modulation, and discusses the kinds of intermodulation distortion that can be caused by the larger spectral width that results from the separation of the light signal into sidebands.
  - Willems does not discuss two-tone phase modulation, and does not show a contour map or the use of a contour map to identify optimal SBS suppression regions as described in the '003 and '071 patents.



## *Optium v. Emcore*

- Emcore did not dispute that the inventors knew of Willems, for the article was cited in the background section of an internal research report they prepared in February 1997 and in the background section of their invention disclosure.
- During prosecution of the '003 patent, the examiner cited additional references, including U.S. 5,828,477, which discussed Willems in its section on the background art.
- During prosecution of the '071 patent, the examiner identified U.S. 5,953,139 as a “reference of interest”; which also discussed Willems in the context of the background art.
- The examiner did not cite or mention Willems during prosecution of either the '003 or the '071 patent.



## *Optium v. Emcore*

Declaratory action was referred to a Special Master:

- reviewed the testimonial and documentary evidence relating to the patent filing and prosecution, including the deposition testimony of the inventors and attorneys who prosecuted the patent applications, the research report and invention disclosure forms the inventors had prepared, and reports prepared by Optium's expert, Dr. Hall.
- Neither the inventors nor the prosecuting attorneys could recall the precise details of the events that had occurred ten years earlier, and none provided an explanation why Willems had not been submitted to the Patent Office.
- Dr. Hall opined that Willems was material prior art, and that various claims of the '003 and '071 patents were prima facie obvious in view of a combination of references including Willems.



## *Optium v. Emcore*

Special Master concluded:

- ...Optium had raised a genuine issue of material fact as to whether Willems was material to patentability.
- ...intent to deceive could not be inferred merely on the basis of “high materiality” of the reference and a lack of explanation for the nondisclosure.
  - Optium had provided no evidence of an intent to deceive or mislead the examiner, and no basis for such an inference
- ...even assuming Willems was a material reference, in the absence of any evidence on which deceptive intent could be found or reasonably inferred, inequitable conduct could not lie.
- Dist. Ct. adopted the Special Master’s analysis and entered judgment in Emcore’s favor



## *Optium v. Emcore*

- Inequitable conduct resides in failure to disclose material information, or submission of false material information, with an intent to mislead or deceive the examiner, and those two elements, materiality and intent, must be proven by clear and convincing evidence. *Norian Corp. v. Stryker Corp.*, 363 F.3d 1321, 1330–31 (Fed. Cir. 2004).
- Because the Dist. Ct. concluded that Optium made a sufficient showing of materiality... the question of intent frames this appeal.
- Optium alleged that:
  - since Willems was a “highly material” reference, deceptive intent can be presumed from high materiality absent contrary evidence from the applicants
  - deceptive intent can be inferred if the reference is “highly material,” even with no evidence, direct or circumstantial, of intent to deceive.



## *Optium v. Emcore*

Fed. Cir. affirmed

- Optium offered no evidence, but simply argued that the “high materiality” of the Willems reference relieved it of the burden to produce any affirmative evidence of intent, and instead required Emcore to provide a credible explanation for the nondisclosure. However, this proposed shift in the burdens is contrary to precedent.
- In situations of nondisclosure of information rather than affirmative misrepresentation, “clear and convincing evidence must show that the applicant made a deliberate decision to withhold a known material reference.” *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1181 (Fed. Cir. 1995). Thus “[i]ntent to deceive can not be inferred solely from the fact that information was not disclosed; there must be a factual basis for a finding of deceptive intent.” *Herbert v. Lisle Corp.*, 99 F.3d 1109, 1116 (Fed. Cir. 1996).



## *Optium v. Emcore*

- “Intent to deceive cannot be inferred from a high degree of materiality alone, but must be separately proved to establish unenforceability due to inequitable conduct.” *Astrazeneca Pharms. LP v. Teva Pharms. USA, Inc.*, 583 F.3d 766, 770 (Fed. Cir. 2009)
- “Materiality is not evidence of intent, which must be established as a separate factual element of a discretionary ruling of inequitable conduct.” *Abbott Labs. v. Sandoz, Inc.*, 544 F.3d 1341, 1356 (Fed. Cir. 2008)
- “[M]ateriality does not presume intent, which is a separate and essential component of inequitable conduct.” *Braun Inc. v. Dynamics Corp. of Am.*, 975 F.2d 815, 822 (Fed. Cir. 1992)
- Intent to deceive cannot be based on the materiality of a reference that was not submitted, even if gross negligence were shown. *Halliburton Co. v. Schlumberger Technology Corp.*, 925 F.2d 1435, 1443 (Fed. Cir. 1991)



## *Optium v. Emcore*

In a concurring opinion, Judge Prost provided:

- The majority seems to reject Optium’s argument, at least in part, by holding that materiality and knowledge are per se irrelevant to the determination of whether an inference of intent is appropriate... this aspect of the opinion is contrary to the law of this court
- if a reference is of very high materiality, and it is shown that the patentee knew of the reference and appreciated its high level of materiality, and the patentee can offer no good faith explanation as to why the reference was withheld, then a district court may find such circumstantial evidence to be enough to support a finding of intent to deceive.
- Without any evidence indicating a lack of credibility, this record suggests - at most - negligence on the part of the inventors and the prosecuting attorneys in failing to effectively collaborate to ensure that all material references were submitted to the PTO. Yet even “gross negligence’ does not of itself justify an inference of intent to deceive.” *Kingsdown Med. Consultants, Ltd.*, 863 F.2d at 876.



Thomas | Kayden

THOMAS, KAYDEN, HORSTEMEYER & RISLEY, LLP

U.S. Court of Appeals for the Federal Circuit

*Avid Identification Systems, Inc.*

v.

*The Crystal Import Corp.*

(Docket No. 2009-1216 – April 27, 2010)



## *Avid v. Crystal*

Avid appealed finding of inequitable conduct by US Dist Ct for E.D. Tx.

- Avid's patent (U.S. 5,235,326) is directed to a multi-mode radio-frequency identification system for reading encoded biocompatible chips. The patent was found valid and infringed, but held to be unenforceable for inequitable conduct.
- Issue: which individuals are "substantively involved" in the preparation or prosecution of a patent application and thus owe a duty of candor and good faith to the PTO.



## *Avid v. Crystal*

- Avid is a small, closely held company that designs and markets biocompatible radio frequency identification chips for implantation in animals.
- Avid's founder and president - veterinarian Dr. Hannis Stoddard:
  - wanted Avid to develop a chip and reader system, where the reader could read both the unencrypted chips currently on the market as well as encrypted chips that Avid produced.
  - hired at least three engineers (inventors), Dr. Polish, Dr. Malm, and Mr. Beigel, to develop the chip and "multi-mode" reader
- Dr. Stoddard demonstrated some of Avid's technology at a U.S. Livestock Committee trade show in around April of 1990.
- Avid filed the '326 patent in August of 1991, which was issued in August 1993.
- Avid was also pursuing European patent rights



## *Avid v. Crystal*

- In 2004, jury trial found willful infringement of the '326 patent and unfair competition by Datamars (Crystal)
- Datamars filed motion to hold the patent unenforceable for inequitable conduct, which was granted by the Dist. Ct. without trial.
  - Dr. Stoddard's trade show demonstration was material prior art under 35 U.S.C. § 102(b)
  - information regarding the demonstration was withheld from the PTO with deceptive intent
  - Dr. Stoddard owed a duty of candor to the PTO



## *Avid v. Crystal*

- After ruling on inequitable conduct, the parties entered into a settlement agreement
  - Avid filed an unopposed motion for reconsideration of the district court's inequitable conduct decision,
  - Datamars agreed not to contest the standing, jurisdiction, mootness, or case and controversy of the inequitable conduct decision on appeal to this court
- Dist. Ct. dismissed unopposed motion for reconsideration, finding that there was no case or controversy between the parties – terms of agreement precluded opposition, thus eliminating any adversity
- Avid appealed
  - Fed. Cir. - controversy does exist in Appeal



## *Avid v. Crystal*

### Inequitable Conduct

A party may show inequitable conduct by producing clear and convincing evidence of (1) material prior art, (2) knowledge chargeable to the patent applicant of prior art and its materiality, and (3) the applicant's failure to disclose the prior art to the PTO with intent to mislead. *FMC Corp. v. Manitowoc Co.*, 835 F.2d 1411, 1415 (Fed. Cir. 1987).

- Avid challenged:
  - Dist. Ct. finding that the trade show demonstration was material
  - that Dr. Stoddard had a duty of candor to disclose this information
- Avid did not dispute that Dr. Stoddard withheld the information with specific intent to deceive the PTO for the purposes of obtaining a patent



## *Avid v. Crystal*

### Material

Information is material where a reasonable examiner would find it important to a determination of patentability. *Astrazeneca Pharm. LP v. Teva Pharm. USA*, 583 F.3d 766, 773 (Fed. Cir. 2009).

- Dist. Ct. found that sales demonstrations would be important to a determination of patentability under § 102(b) and that the precursor product, while not invalidating, reflected the closest prior art, and thus was highly material to patentability.
- Dist. Ct. analysis of materiality is not clearly erroneous



## *Avid v. Crystal*

### Duty of Candor

To have a duty to disclose information to the PTO, an individual must (1) be associated with the filing and prosecution of a patent application such that he owes a duty of candor to the PTO, and (2) know that the information in question is material. 37 C.F.R. § 1.56(a).

- Rule 56 defines “individual[s] associated with the filing or prosecution of a patent application” as (1) each named inventor, (2) each attorney or agent that prepares or prosecutes the application, and (3) every other person who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor or assignee.
- If an individual who is substantively involved in the preparation or prosecution of an application fails to comply with his duty of candor, then that individual’s misconduct is chargeable to the applicant for the patent, and the applicant’s patent is held unenforceable. *Molins*, 48 F.3d at 1178; *FMC Corp.*, 835 F.2d at 1415 n.8.



## *Avid v. Crystal*

Fed. Cir. had not addressed what constitutes “substantive[] involve[ment] in the preparation or prosecution of the application”

“We read ‘substantively involved’ to mean that the involvement relates to the content of the application or decisions related thereto, and that the involvement is not wholly administrative or secretarial in nature. See Manual of Patent Examining Procedures § 2001.01 (8th ed., rev. 2, May 2004).”



## *Avid v. Crystal*

- Dist. Ct. concluded that Dr. Stoddard was “substantively involved” within the meaning of 37 C.F.R. § 1.56(c)(3), such that he owed a duty of candor to the PTO.
  - Dr. Stoddard associated with inventors and assignee
    - the nature of his position as president and founder of Avid
    - Avid is a closely held company
    - Stoddard hired the inventors to reduce his encrypted chip concept to practice.
  - Dist. Ct. found that Dr. Stoddard was “involved in all aspects of the company’s operation, from marketing and sales to research and development.” → a reasonable inference that he was also involved in the preparation of the patent application relating to that research.
  - Communications to Dr. Stoddard related to European Patent Application → contributed to inference that Dr. Stoddard substantively involved in patent matters
  - Dr. Stoddard’s lack of credibility as witness



## *Avid v. Crystal*

- Additional facts lending support:
    - Dr. Stoddard personally responsible for disputed prior art demonstrations
    - Dr. Stoddard in contact with at least one inventor during prosecution of '326 patent.
    - Dr. Stoddard signed small entity affidavit
    - Although not considered an inventor, functionality of system was Dr. Stoddard's idea, which he instructed inventors to reduce to practice
- Dist. Ct. not clearly erroneous



## *Avid v. Crystal*

- The dissent errs by conflating Rule 56's requirements of substantive involvement and knowledge that the undisclosed information is material.
  - According to the dissent, the “substantively involved” has a knowledge requirement; the person must be “able to assess the materiality of any information [that person] may know or discover.”
- Involvement and knowledge are separate inquiries under Rule 56, located in separate sections (subsections (c) and (a), respectively) and serving different purposes
  - a finding that an individual was “substantively involved in the preparation or prosecution” of a patent application only determines that the individual owed a duty of candor to the PTO
  - merely a threshold inquiry that proceeds the dual prongs of materiality and deceptive intent



## *Optium v. Emcore*

Dissenting-in-part, Judge Linn provided:

- Rule 56(c)(3) lists two criteria that must be met before imposing a duty of disclosure on an individual.
  - First, the individual must be “substantively involved in the preparation or prosecution of the application.” 37 C.F.R. § 1.56(c)(3).
  - Second, the individual must be “associated with the inventor, with the assignee or with anyone to whom there is an obligation to assign the application.” *Id.*
- I agree with the majority that Dr. Stoddard was associated with the inventors of the '326 patent and that the second prong of Rule 56(c)(3) is met in this case.
- Where I part company with the majority is the conclusion that Dr. Stoddard was “substantively involved in the preparation or prosecution of the ['326 patent] application” as required by the first prong of Rule 56(c)(3).



## *Optium v. Emcore*

Dissenting-in-part, Judge Linn provided:

- The majority holds that a district court may consider an “individual’s position within the company, role in developing or marketing the patented idea, contact with the inventors or prosecutors, and representations to the PTO” when deciding whether an individual is “substantively involved,” regardless of whether those factors relate to the person’s awareness of the merits of the application in question or engagement in any specific activity relating to that application
- The majority goes even further to extend the duty generally to “those on the commercial side of patented product development,” because they are “the types of people most likely to have knowledge of § 102(b) prior art.”
- With all due respect, I find no basis in the rule or in any policy for such an expansive reading of Rule 56(c)(3).



## *Optium v. Emcore*

Dissenting-in-part, Judge Linn provided:

- Because one cannot assess whether information is “material to patentability” without knowledge of the technical details or legal merits of an application, it should be self-evident that when Rule 56(c)(3) talks about persons who are “substantively involved” it is referring to those persons who are both (1) engaged in the preparation or prosecution of an application and (2) sufficiently apprised of the technical details or legal merits of the application as to be able to assess the materiality of any information they may know or discover as the application is prepared or prosecuted.
- Simply having a general interest or even a financial interest in the invention or a general awareness of the application is not enough.



## *Optium v. Emcore*

Dissenting-in-part, Judge Linn provided:

- The use of the word “substantive[.]” limits the set of individuals who have a duty to disclose to those who possess a specific understanding of the substance of the application. This has nothing to do with the question of whether any particular piece of information is material, but relates to the separate question of whether a person is substantively involved; i.e., sufficiently apprised of the details of the application as to be in a position to make that assessment.
- While I do not quibble about the majority’s characterization of this as a threshold inquiry, calling it such does not justify writing “substantively” out of the rule and lowering the threshold to extend the duty to disclose to everyone having some relationship to the invention or application no matter how peripheral or tangential it may be to the substance of the application.



Thomas | Kayden

THOMAS, KAYDEN, HORSTEMEYER & RISLEY, LLP

U.S. Court of Appeals for the Federal Circuit

*Therasense, Inc. (Abbott)*

*v.*

*Becton, Dickinson and Co.*

(Docket No. 2008-1511 - April 26, 2010)



## *Therasense (Abbott) v. Becton (BD)*

### Procedural History:

- BD sought declaratory judgment against Abbott for noninfringement of US 6,143,164 and 6,592,745 in Dist Ct (MA)
- Abbott countersued for infringement of '164, '745, and US 5,820,551 in Dist Ct (NDCA)
- Dist Ct issued summary judgment finding DB did not infringe '164 or '745 patents
- After bench trial, claims 1-4 of '551 patent invalid due to obviousness and entire '551 patent unenforceable due to inequitable conduct
  - Based upon contradictory EPO statements that were not submitted to the PTO
- Appealed to Fed Cir – Affirmed on January 25, 2010
- Petition for rehearing en banc by Abbott
  - granted April 26, 2010
  - January 25 opinion vacated



## *Therasense (Abbott) v. Becton (BD)*

### Issues to be addressed in briefs:

1. Should the materiality-intent-balancing framework for inequitable conduct be modified or replaced?
2. If so, how? In particular, should the standard be tied directly to fraud or unclean hands? See Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co., 324 U.S. 806 (1945); Hazel-Atlas Glass Co. v. Hartford-Empire Co., 322 U.S. 238 (1944), overruled on other grounds by Standard Oil Co. v. United States, 429 U.S. 17 (1976); Keystone Driller Co. v. Gen. Excavator Co., 290 U.S. 240 (1933). If so, what is the appropriate standard for fraud or unclean hands?
3. What is the proper standard for materiality? What role should the United States Patent and Trademark Office's rules play in defining materiality? Should a finding of materiality require that but for the alleged misconduct, one or more claims would not have issued?
4. Under what circumstances is it proper to infer intent from materiality? See Kingsdown Med. Consultants, Ltd. v. Hollister Inc., 863 F.2d 867 (Fed. Cir. 1988) (en banc).
5. Should the balancing inquiry (balancing materiality and intent) be abandoned?
6. Whether the standards for materiality and intent in other federal agency contexts or at common law shed light on the appropriate standards to be applied in the patent context.



Thomas | Kayden

THOMAS, KAYDEN, HORSTEMEYER & RISLEY, LLP

U.S. Court of Appeals for the Federal Circuit

*Bradford Co.*

*v.*

*Conteyor North America, Inc.*

(Docket No. 2009-1472 - April 29, 2010)



## *Bradford v. ConTeyor*

Bradford appealed summary judgment of US Dist Ct for S.D. Ohio.

- noninfringement of certain claims of '916 and '096 patents
  - patent '096 not entitled to an earlier filing date
  - dismissal of the foreign defendant for lack of personal jurisdiction
- 
- Bradford owns patents U.S. 5,725,119, U.S. 6,230,916 (continuation of '119), and U.S. 6,540,096 (CIP of '119) directed to shipping containers used to ship automobile door panels and related parts. The containers include “dunnage,” which is a collection of pouches that hold parts, and are designed such that both the container and the collapsible dunnage structure can be easily re-erected and reused for multiple shipments.



## *Bradford v. ConTeyor*

- Application for the '096 patent on May 31, 2000.
- Examiner rejected all of the claims as being anticipated by '119 patent under 35 U.S.C. § 102(b).
- Amended “related applications” section to incorporate by reference the '119 patent, and claim benefit of the '119 filing date
- Examiner then rejected the claims under the doctrine of obviousness-type double patenting - '096 claims obvious in light of '119 in combination with U.S. 4,798,304 (“the Rader patent”).
- Responded by arguing that cited references did not teach a container with an opening on the side to allow access to the dunnage structure.
- Examiner again rejected the claims as being obvious in light of '119 in combination with U.S. Patent 4,798,304 (“Kupersmit”).
- After arguing the rejections multiple times, a terminal disclaimer was filed, giving up a portion of the '096 patent term.

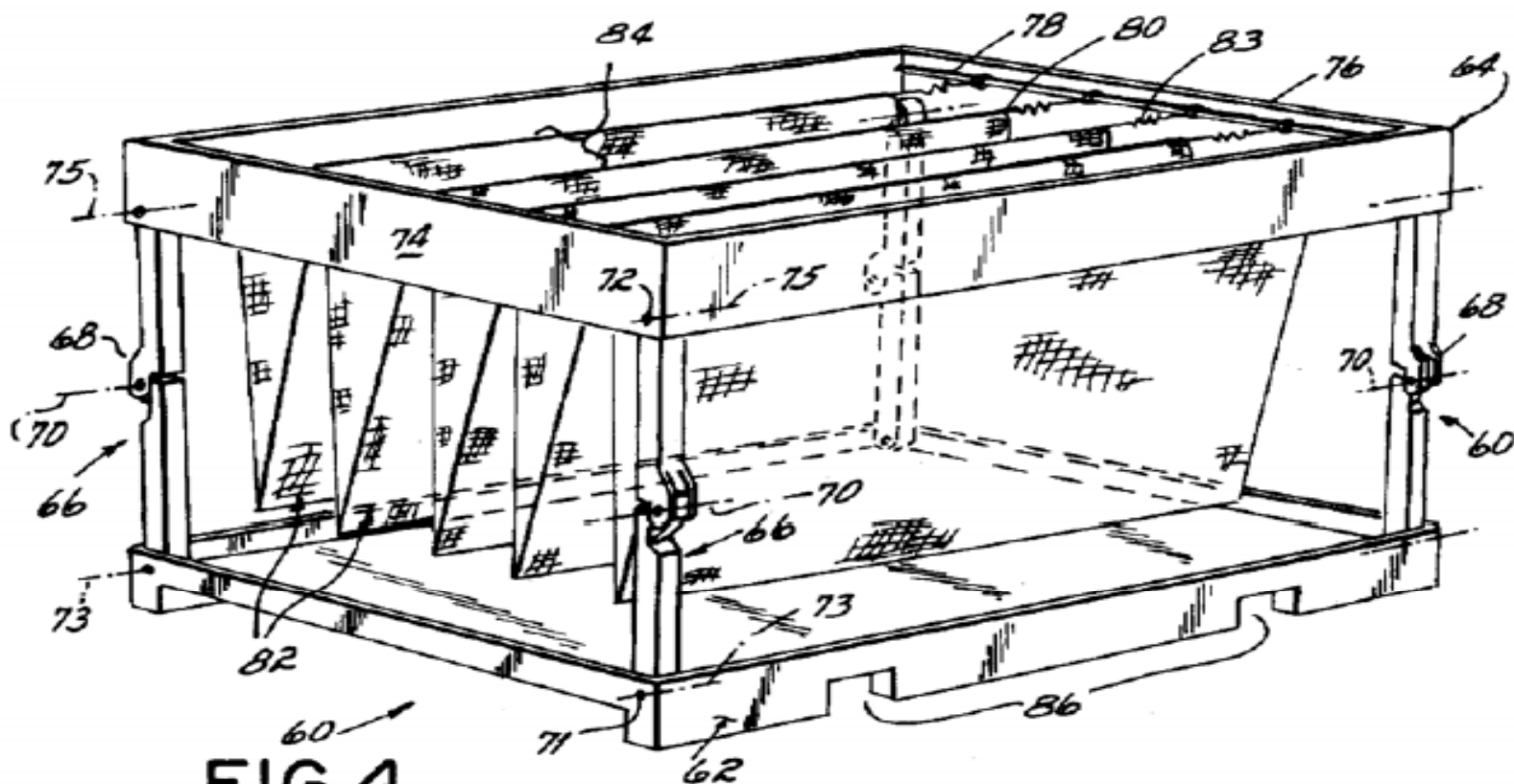


## *Bradford v. ConTeyor*

- Bradford had argued that the filing date of '119, February 28, 1996, was also the effective filing date of '096 patent.
- Parties disputed whether there was sufficient disclosure in '119 of the claimed container's side-loading ability.
  - Each of the claims of the '096 patent includes a limitation requiring an open end on the side of the container that allows access to the dunnage structure.
- Bradford had argued that '119 depicts an embodiment of the side-loading container at Figures 4 and 5.
- While Dist. Ct. agreed that the container depicted in '119 could be loaded from the side, it found this disclosure insufficient to teach a side-loading container so as to satisfy section 112, first paragraph.
- Moreover, in prosecuting the '096 patent, Bradford had specifically told the examiner that the '119 patent did not teach the side-loading container claimed in the '096 patent.
- Effectively restricted Bradford's infringement claim to a later filing date for the '096 patent.



# Bradford v. ConTeyor





## *Bradford v. ConTeyor*

- Bradford argues the Dist. Ct. improperly relied on a single prosecution remark made by Bradford's attorney to the effect that '119 did not disclose side-loading containers.
- Bradford contends that that was an incorrect statement that should not have been made to the examiner.
- Regardless, Bradford argues, the argument was never accepted by the examiner and was thereafter abandoned by the attorney prosecuting the '096 patent.
- Moreover, Bradford points to the examiner's initial section 102 rejection as evidence of the examiner's belief that the '119 patent disclosed every limitation of the '096 patent claims including the side-loading feature.
- Bradford also contends that the inventor as well as ConTeyor NA's own expert have testified that there is sufficient disclosure of that claim limitation in '119.
- Hence, it was improper for the court to overlook all of that evidence in favor of a single prosecution remark.
- ConTeyor NA and ConTeyor NV do not respond to Bradford's arguments on this issue.



## *Bradford v. ConTeyor*

- In order to gain the benefit of the filing date of an earlier application under 35 U.S.C. § 120, each application in the chain leading back to the earlier application must comply with the written description requirement of 35 U.S.C. § 112. *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997)).
- Possession requires that the specification “describe an invention understandable to [a] skilled artisan and show that the inventor actually invented the invention claimed.” *Ariad Pharms., Inc. v. Eli Lilly & Co.*, No. 2008-1248, 2010 WL 1007369, at \*12 (Fed. Cir. Mar. 22, 2010) (en banc).
- We believe that the two figures in ‘119 might have sufficed as a sufficient description of the claimed sidelading limitation had the applicant not indicated otherwise during prosecution.



## *Bradford v. ConTeyor*

- Bradford is estopped from arguing for an earlier priority date for the '096 patent by the prosecution history of that patent.
- In one of his earlier rejections, the examiner rejected the claims as obvious in light of the '119 patent combined with the Rader patent, which Rader patent taught a “side wall having [an] opening.”
- In response, Bradford told the patent examiner that the '119 patent did not teach the very feature that makes the invention of the '096 patent side loading. Specifically, Bradford argued that the '119 patent “clearly does not teach a dunnage structure having an open end which is in alignment with an open area of a side structure to allow access of the dunnage structure for transferring product into and out of the dunnage structure from a side of the container.”
- Bradford further argued that when combined with the side opening taught by the Rader patent, the '119 patent would still not render the '096 patent claims obvious.
- Bradford’s arguments were apparently successful as in the next office action, the examiner relied on a different prior art reference, Kupersmit, in rejecting the claims.



## *Bradford v. ConTeyor*

- Affirmed → Applicants' statement to the examiner is a compelling disclaimer of scope such that the '096 patent is not entitled to an earlier priority date.
- “We take the patentee at its word and will not construe the scope of . . . [a] patent’s claims more broadly than the patentee itself clearly envisioned.” *Microsoft Corp. v. Multi-Tech Sys., Inc.*, 357 F.3d 1340, 1350 (Fed. Cir. 2004)
- Any argument made to convince the examiner of the patentability of the claimed invention “limits the interpretation of claims so as to exclude any interpretation that may have been disclaimed or disavowed during prosecution in order to obtain claim allowance.” *Standard Oil Co. v. Am. Cyanamid Co.*, 774 F.2d 448, 452 (Fed. Cir. 1985).



Thomas | Kayden

THOMAS, KAYDEN, HORSTEMEYER & RISLEY, LLP

U.S. Court of Appeals for the Federal Circuit

*Power-One, Inc.*

*v.*

*Artesyn Technologies, Inc.*

(Docket No. 2008-1501 – March 30, 2010)



## *Power-One v. Artesyn*

Artesyn appealed claim construction and validity of '125 patent by US Dist Ct for E.D. Tx.

- Power-One sued Artesyn for infringement of U.S. 7,000,125, 6,936,999, 6,949,916 and 7,049,798, which relate to power supply systems for controlling, programming and monitoring point-of-load regulators (“POL regulators”).
- Artesyn challenged Dist. Ct. construction of term “POL regulator” as not providing an adequately precise construction of the term.
- Alternatively, Artesyn suggested that the term POL regulator is indefinite.



## *Power-One v. Artesyn*

- The term POL regulator is not defined in the '125 patent and after a Markman hearing was held, the Dist. Ct. construed it to mean:
  - [A] dc/dc switching voltage regulator designed to receive power from a voltage bus on a printed circuit board and adapted to power a portion of the devices on the board and to be placed near the one or more devices being powered as part of a distributed board-level power system.
- Artesyn contends that construction of the claim term POL regulator is flawed because it fails to articulate the scope of the asserted claims of the '125 patent in any meaningfully precise manner. Specifically, construction of the terms “adapted” and “near” are facially vague and subjective.



## *Power-One v. Artesyn*

- Claim terms are “generally given their ordinary and customary meaning,” the meaning that the term would have to “a person of ordinary skill in the art . . . at the time of the invention.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-1313 (Fed. Cir. 2005) (en banc)
- The definiteness of a claim’s terms depends on whether those terms can be given a reasonable meaning by a person of ordinary skill in the art. *Datamize*, 417 F.3d at 1347.
- Claims using relative terms such as “near” or “adapted to” are insolubly ambiguous only if they provide no guidance to those skilled in the art as to the scope of that requirement.
- Here, a person of ordinary skill in the field would understand the meaning of “near” and “adapted to” because the environment dictates the necessary preciseness of the terms.



## *Power-One v. Artesyn*

### NEAR

- The phrase “[t]o be placed near the one or more devices being powered as part of a distributed board-level power system” implies that the dc/dc switching voltage regulator is to be placed on the printed circuit board - somewhere close to or at the load.
- the '125 specification demonstrates that the term “near” means *close to or at* the load.
- '125 language indicates that the POL regulator is to be located just upstream from the load being powered.
- Figure 1 illustrates a prior art power system where the POL regulator is located at the point of power consumption, providing a standard for measuring the term “near.”



## *Power-One v. Artesyn*

### ADAPTED TO

- The phrase “adapted to power a portion of the devices on the board,” when read in conjunction with the intrinsic record, makes clear that a POL regulator is one that is capable of delivering power, at the appropriate intensity, to one or more loads on the circuit board.
- ‘125 language unambiguously indicates to a skilled artisan that the output power of a POL regulator would be at the level required by, and thus “adapted to,” the electronic circuit receiving power from the POL regulator.
- The fact that the claim is not defined using a precise numerical measurement does not render it incapable of providing meaningful guidance to the jury because the claim language, when taken in context of the entire patent, provides a sufficiently reasonable meaning to one skilled in the art of distributed power systems.



## *Power-One v. Artesyn*

### POL REGULATOR

- To comport with § 112's definiteness requirement, the boundaries of the claim, as construed by the court, must be discernible to a skilled artisan based on the language of the claim, the specification, and the prosecution history, as well as her knowledge of the relevant field of art., 514 F.3d 1244, 1249-51 (Fed. Cir. 2008). See *Halliburton Energy Servs., Inc. v. M-1 LLC*
- A claim is not indefinite merely because it poses a difficult issue of claim construction. *Exxon Research & Eng'g Co. v. United States*, 265 F.3d 1371, 1375 (Fed. Cir. 2001).
- Rather, "if the meaning of the claim is discernible, even though the task may be formidable and the conclusions may be one over which reasonable persons will disagree, we have held the claim sufficiently clear to avoid invalidity on indefiniteness grounds." *Id.* at 1373.



## *Power-One v. Artesyn*

### POL REGULATOR

- The '125 patent supports that POL regulators are well known devices whose locations and functions relative to other components in the power system are understood by those of ordinary skill in the art.
- Because a person having ordinary skill in the art would know where to place the POL regulator and how to use it → the claim term “POL regulator” is not indefinite → '125 claims not indefinite.