



Intellectual Property Alert: Justices Set to Rule on Test for Patent Indefiniteness

By Paul M. Rivard

On April 28, 2014, the U.S. Supreme Court heard arguments in *Nautilus, Inc. v. Biosig Instruments, Inc.* involving the statutory requirement in 35 U.S.C. § 112, second paragraph for distinct patent claiming. The patent at issue relates to a heart rate monitor capable of measuring the heartbeat of an individual while exercising without attaching electrodes. The device compares electrical waves from an electrode gripped by the left hand to those from an electrode gripped by the right end in order to calculate the individual's heart rate.

Nautilus contended that the patent is indefinite based on a feature that common electrodes are placed in a "spaced relationship" to the live electrodes that record the signals. When an appropriate spacing is provided between the electrodes, interfering "noise" signals can be removed so that it is possible to determine heart rate. Nautilus urged that the patent's failure to define the particular magnitude of the spacing between the electrodes renders it fatally defective.

The district court agreed with Nautilus and ruled that the patent was invalid under 35 U.S.C. § 112, second paragraph. The district court explained that the term "spaced relationship" did not inform "what precisely the space should be" or "whether the spaced relationship on the left side should be the same as the spaced relationship on the right side."

The Federal Circuit reversed, concluding that "the claims provide inherent parameters sufficient for a skilled artisan to understand the bounds of 'spaced relationship.'" In addition, a skilled artisan could apply a test and determine the 'spaced relationship' as pertaining to the function of substantially removing EMG signals." The Federal Circuit reiterated its "insolubly ambiguous" standard under which claims should not be ruled indefinite as long as they are amenable to construction. Judge Schall concurred, agreeing that the claims are not indefinite but disagreeing that the "spaced relationship" is defined by the function of removing EMG signals.

The Supreme Court granted *certiorari* to consider the questions of (1) whether the Federal Circuit's acceptance of ambiguous patent claims with multiple reasonable interpretations – so long as the ambiguity is not "insoluble" by a court – defeats the statutory requirement of particular and distinct patent claiming; and (2) whether the presumption of validity dilutes the requirement of particular and distinct patent claiming.

Nautilus argued that whenever, after applying the tools of claim construction, a patent claim is subject to more than one reasonable construction, i.e., whenever it is ambiguous, it should be ruled indefinite. Nautilus argued that patent attorneys can easily draft claims which are not

ambiguous, but that economic incentives lead to the drafting of overly broad and ambiguous claims.

Several of the justices seemed troubled by this approach. Justice Sotomayor analogized claim construction to statutory construction and noted that judges frequently disagree over the meaning of statutory language. She was concerned that *Nautilus*' approach could present "a really big problem" by exposing nearly all patents to invalidation.

Justice Scalia asked whether guidance might be taken from the procedure used for courts to review agency action. Under the so-called *Chevron* rule, a reviewing court first determines whether there is more than one reasonable interpretation (i.e., ambiguity), and then looks at whether the agency's interpretation is reasonable. *Nautilus* suggested that a similar approach could be used for reviewing patent claims, except that whenever ambiguity is found the patent should be ruled indefinite.

Chief Justice Roberts questioned whether the standard proposed by the Solicitor General provided a better approach. Under this standard, "a patent satisfies the requirement if, in light of the specification and the prosecution history, a person skilled in the art would reasonably understand the scope of the claim." *Nautilus* agreed, provided that this meant there was "reasonable certainty" in the scope of the claim.

Counsel for Biosig argued the Federal Circuit correctly held that the claims were definite because their bounds were understood, and that the claims' functional language shed additional light on the "spaced relationship" limitation. Biosig also pointed to evidence that a person skilled in the art could make the invention in only a few hours after reading the patent, and argued that the patent law has long permitted some amount of experimentation.

Biosig urged that the Supreme Court's decision in *Markman* contemplated that there would be disputes between reasonable constructions of patent terms, and that patents should not be held invalid merely because there is more than one possible interpretation. Biosig agreed that a patent should be found invalid when there are two "equally plausible" constructions, but argued that indefiniteness should not be found if "the right answer is appreciably better than the second best answer."

The Court is expected to issue its ruling this June.

To subscribe or unsubscribe to this Intellectual Property Advisory,
please send a message to Chris Hummel at chummel@bannerwitcoff.com



www.bannerwitcoff.com

© Copyright 2014 Banner & Witcoff, Ltd. All Rights Reserved. The opinions expressed in this publication are for the purpose of fostering productive discussions of legal issues and do not constitute the rendering of legal counseling or other professional services. No attorney-client relationship is created, nor is there any offer to provide legal services, by the publication and distribution of this edition of IP Alert.