

2012-1289

United States Court of Appeals for the Federal Circuit

BIOSIG INSTRUMENTS, INC.,

Plaintiff-Appellant,

v.

NAUTILUS, INC.,

Defendant-Appellee.

Appeal from the United States District Court for the Southern District
of New York in Case No. 10-CV-7722, Judge Alvin K. Hellerstein

**BRIEF FOR *AMICI CURIAE* GARMIN INTERNATIONAL, INC.,
L BRANDS, INC., LIMELIGHT NETWORKS, INC., NEWEGG INC.,
QVC, INC., SAP AMERICA, INC., SAS INSTITUTE INC.,
SYMMETRY LLC, XILINX, INC., AND CISCO SYSTEMS, INC.
IN SUPPORT OF DEFENDANT-APPELLEE'S PETITION FOR
REHEARING EN BANC**

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CERTIFICATE OF INTEREST

Pursuant to Federal Circuit Rules 29(a) and 47.4, counsel for *amici* certifies that:

1. The full names of the amici represented by me are: Garmin International, Inc., L Brands, Inc., Limelight Networks, Inc., Newegg Inc., QVC, Inc., SAP America, Inc., Symmetry LLC, Xilinx, Inc., and Cisco Systems, Inc.
2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is: N/A
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the amicus curiae represented by me are:

None for L Brands, Inc., Newegg Inc., Symmetry LLC, Xilinx, Inc., and Cisco Systems, Inc. Garmin International, Inc., is a wholly-owned subsidiary of Garmin Ltd., a publicly held company. Limelight Networks, Inc. is a publicly held company with no parent corporation. Goldman Sachs owns ten percent or more of the shares of Limelight Networks, Inc. QVC, Inc. is a wholly-owned subsidiary of Liberty Interactive Corporation, which is a publicly traded company. SAP America, Inc., is a privately held corporation and is a wholly owned subsidiary of SAP AG.
4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or are expected to appear in this Court are: Elizabeth Rogers Brannen and Peter K. Stris, Stris & Maher LLP

Dated: June 10, 2015

/s/ Elizabeth Rogers Brannen
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CERTIFICATE OF INTEREST

Pursuant to Federal Circuit Rules 29(a) and 47.4, counsel for *amicus* SAS Institute Inc. certifies that:

1. The full name of the amicus represented by me is: SAS Institute Inc.
2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is: N/A
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the amicus curiae represented by me are: None
4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or are expected to appear in this Court are: John S. Sieman, SAS Institute Inc.

Dated: June 10, 2015

/s/ John S. Sieman
John S. Sieman

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CERTIFICATE OF AUTHORITY

I, Elizabeth Rogers Brannen, declare under penalty of perjury that I am authorized by John S. Sieman, counsel for SAS Institute Inc., to sign on his behalf the foregoing Certificate of Interest.

Dated: June 10, 2015

/s/ Elizabeth Rogers Brannen
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INTEREST OF *AMICI CURIAE*¹

Amici include companies that create products and services and employ thousands of people. Many engage in research and development and manage diverse patent portfolios. They invest, and will continue to invest, significant resources to bring successful products and services to market, and have an interest in ensuring that the country's patent laws are interpreted and applied to promote progress, innovation, and investment. *Amici* also frequently draw the attention of those seeking to exploit the patent system by alleging infringement based upon ambiguous patent claims, and therefore have a distinctive interest in the proper interpretation of the law of definiteness. *Amici's* extensive experience with patent litigation affords a perspective that would be valuable for this Court to consider. Their voice is desirable and relevant in evaluating the petition.

¹ Stris & Maher LLP, counsel for *amici*, authored this brief. All parties consented to its filing. No person other than *amici* made a monetary contribution to the preparation or submission of this brief. Pursuant to Federal Circuit Rule 29(c)(5), no counsel for a party authored this brief in whole or in part, and no party or party's counsel contributed money intended to fund its preparation or submission.

SUMMARY OF ARGUMENT

This case continues to present an issue of exceptional importance: how must federal courts assess “definiteness” under Section 112 of the Patent Act. 35 U.S.C. § 112, ¶ 2.² Lack of definiteness is a defense. For years, this Court—including the panel in this case—applied a standard requiring only that patent claims be “amenable to construction” and not “insolubly ambiguous.”

The United States Supreme Court rejected that standard in favor of a “reasonable certainty” test. *Nautilus, Inc. v. Biosig Instruments, Inc. (Nautilus II)*, 134 S. Ct. 2120, 2129 (2014). On remand the panel purported to apply the Supreme Court’s newly announced test. *Biosig Instruments, Inc. v. Nautilus, Inc. (Nautilus III)*, 783 F.3d 1374, 1378-79 (Fed. Cir. 2015). But in truth, it did not.

Denying the petition will not merely permit this Court’s precedent to conflict with the Supreme Court’s clear guidance. It also stands to undermine the vital public notice function of patent claims. This Court should grant rehearing *en banc* to avoid propagation of the panel’s errors by district courts throughout the nation. The full Court should clarify that the “reasonable certainty” required of patent applications is something more rigorous than insoluble ambiguity, and that such certainty must exist when a patent issues. The alternative would leave industry participants to make decisions in the dark.

² The America Invents Act replaced 35 U.S.C. § 112, ¶ 2 with § 112(b). The pertinent language is unchanged.

ARGUMENT

***En Banc* Review Is Warranted Because the Panel’s Post-Remand Opinion Encourages Far-Ranging Misapplication of the Supreme Court’s Newly Announced Test**

The patent at issue is directed to a heart rate monitor for exercise machines. A doctor applied for it in 1992 and it issued in 1994. The assignee, Biosig, sued Nautilus in 2004, and again in 2010 after reexamination proceedings concluded. The patent describes a cylindrical bar for a user to grip with both hands, and the asserted claims require the mounting of two electrodes on the bar in a “spaced relationship.” Earlier in this case, Nautilus moved for summary judgment on the grounds that the “spaced relationship” limitation was indefinite.

The District Court granted the motion. It held that this limitation failed to tell “anyone what precisely the space should be,” or even supply “any parameters” for determining the appropriate spacing. *Biosig Instruments, Inc. v. Nautilus, Inc.* (*Nautilus I*), 715 F.3d 891, 901 (Fed. Cir. 2013) (explaining that the “district court found nothing in evidence that provided how a skilled artisan would have determined the appropriate parameters yielding the necessary ‘spaced relationship’ as recited by the ’753 patent: ‘[W]hat [the expert] says is that through trial and error, which he doesn’t describe, one can find a spaced relationship. That may be. But there’s no description.’” (quoting Summ. J. Hr’g Tr. 39:6–8)).

A panel of this Court reversed and remanded, finding the patent sufficiently

definite because it was amenable to construction and not insolubly ambiguous. *Id.* at 898. The District Court’s inquiries, it held, “miss the mark in this instance because they do not support an indefiniteness analysis.” *Id.* Judge Schall concurred, interpreting the “spaced relationship” limitation differently, but agreeing that it was not indefinite. *Id.* at 906 (concluding that the limitation “does not contain a functional requirement. . . .”) (Schall, J., concurring).

Nautilus petitioned for *certiorari*. The Supreme Court granted review and unanimously announced a new standard for evaluating definiteness, *viz.*, that at the time of filing, a patent’s “claims, read in light of the specification and prosecution history, must inform persons skilled in the art about the scope of the invention with reasonable certainty.” *Nautilus II*, 134 S. Ct. 2120, 2129.

On remand, the panel cited the new “reasonable certainty” standard, but essentially reiterated its original analysis. The panel also relied on evidence from reexamination proceedings conducted years later, thereby ignoring the Supreme Court’s guidance about the appropriate timing of the definiteness inquiry. The panel’s (mis)interpretation of *Nautilus II* allows ambiguous claims to evolve over time, thereby permitting patentees to wield them “like a nose of wax, which may be turned and twisted in any direction”—exactly the opposite of what patent claims are supposed to do. *White v. Dunbar*, 119 U.S. 47, 51 (1886). To avoid propagation of these errors, this Court should grant the petition for *en banc* review.

I. The Post-Remand Panel Opinion Fails to Recognize That “Reasonable Certainty” Is More Rigorous Than the Discredited Prior Standard.

The Supreme Court did not merely announce different words. It changed the substance of the test. In announcing the new standard, the Court was clear that the old standard was not “probative of the essential inquiry.” *Nautilus II*, 134 S.Ct. at 2130. It was too permissive to comport with the requirements of § 112:

We conclude that *the Federal Circuit’s formulation, which tolerates some ambiguous claims but not others, does not satisfy the statute’s definiteness requirement.*

Id. at 2124 (emphasis added). The Supreme Court held that ascribing “some meaning to a patent’s claims” is not enough, and that “the definiteness inquiry trains on the understanding of a skilled artisan at the time of the patent application, not that of a court reviewing matters *post hoc*.” *Id.* at 2130.

Whereas the Federal Circuit’s prior jurisprudence invited innovation-stifling uncertainty, the statute mandates clarity, and the new standard requires certainty. The sole qualification is that due to the inherent limitations of language, the certainty required is reasonable, not absolute. *Id.* (“To tolerate imprecision just short of that rendering a claim ‘insolubly ambiguous’ would diminish the definiteness requirement’s public-notice function and foster the innovation-discouraging zone of uncertainty, against which this Court has warned”) (citation and internal quotation marks omitted).

After the Supreme Court vacated and remanded for analysis under the new

standard, the panel maintained its reversal of the District Court’s determination of indefiniteness. *Nautilus III*, 783 F.3d at 1376. The panel on remand did not revisit or specifically address whether the District Court’s reasoning was closer to the mark under the new standard. Nor did it address the fact that multiple federal judges had interpreted the “spaced relationship” limitation differently or articulate a construction to resolve the panel’s original disagreement about whether the limitation contains a functional requirement.

Rather, the panel suggested that the Supreme Court had rejected the “insolubly ambiguous” standard merely on grounds that it is too “imprecise,” and then reiterated much of its original analysis—without explaining whether or how the earlier Federal Circuit cases informing that analysis comport with the “reasonable certainty” standard.³ As a result, the panel’s analysis on remand suggests, incorrectly, that the standard has not actually changed.

What is more, on remand, the panel first suggested that “spaced relationship” would cover any relationship that was “neither infinitesimally small nor greater than the width of a user’s hands,” *Nautilus III*, 783 F.3d at 1382, but

³ The panel omitted other portions of its original decision that tended to suggest it had tolerated something less than reasonable certainty. For example, it originally observed that “[i]f 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, we have held the claim sufficiently clear to avoid invalidity on indefiniteness grounds.” *Nautilus I*, 715 F.3d at 901-02 (quoting *Exxon Research & Eng’g Co. v. United States*, 265 F.3d 1371, 1375 (Fed. Cir. 2001)).

also stated that a skilled artisan would understand that the “spaced relationship” is supposed to achieve a particular function (substantially removing EMG signals) and reiterated its conclusion that the limitation was sufficiently definite because skilled artisans could perform testing to discern the “spaced relationship” based on this functionality, *Nautilus III*, 783 F.3d at 1383-84. But even apart from the disagreement about whether the limitation entailed this functionality, *Nautilus I* had stated that claim language is not indefinite “simply because it covers some embodiments that may be inoperable.” *Nautilus I*, 715 F.3d at 902 (quoting *Exxon*, 265 F.3d at 1382).

If claims can be definite despite covering inoperable embodiments, how could anyone in 1992 or 1994 have relied upon test results to become reasonably certain of what is patented versus available to the public? *See also Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 730-31 (2002) (“A patent holder should know what he owns, and the public should know what he does not.”). And how can industry reliably invest and innovate where ambiguous claims may evolve over time along with testing capability?

Elsewhere after *Nautilus II*, this Court has correctly recognized that unless the written description provides a “reasonably clear and exclusive definition” that provides an “objective boundary,” facially subjective claim language is indefinite. *See Interval Licensing LLC v. AOL, Inc.*, 766 F.3d 1364, 1372-73 (Fed. Cir. 2014)

(finding subjective claim language indefinite where there was a “hazy relationship between the claims and the written description” and limitation had “too uncertain a relationship to the patents’ embodiments”). This Court should grant the petition to consistently and properly apply the new standard.

II. The Post-Remand Panel Opinion Fails to Recognize That “Reasonable Certainty” Is Required When a Patent Issues.

The Supreme Court made clear that the new test requires definiteness based upon the patent standing as it stood when issued. In most cases, the patent claims and specification alone should provide reasonable certainty upon filing. *Nautilus II*, 134 S. Ct. at 2128 (holding that courts should assess reasonable certainty from the viewpoint of a person of skill in the art “at the time the patent was filed”); *see also, e.g., Interval Licensing LLC*, 776 F.3d at 1371 (“[F]aced with a ‘purely subjective’ claim phrase, we must look to the written description for guidance.”). To the extent it clarifies claim scope, however, it is also appropriate to rely on the original prosecution history. *Nautilus II*, 134 S. Ct. at 2128 (recognizing agreement of all parties that “definiteness is measured from the viewpoint of a person skilled in [the] art *at the time the patent was filed*” and citing Sarnoff & Manzo, An Introduction to, Premises of, and Problems With Patent Claim Construction, in *Patent Claim Construction in the Federal Circuit* 9 (E. Manzo ed. 2014) (“Patent claims . . . should be construed from an objective perspective of a [skilled artisan], based on what the applicant actually claimed, disclosed, and

stated during the application process.”)).

On remand, the panel overlooked this guidance and relied upon evidence from reexamination proceedings many years later, when the patent was close to expiration. Specifically, the inventor submitted a declaration arguing that a skilled artisan could perform testing to determine the electrode spacing “by calculating the point in which EMG signals are substantially removed.” *Nautilus III*, 783 F.3d at 1384.

But unless the claims, specification, and original prosecution history notified the public that the patentee intended to claim only spaced relationships based upon this calculation, there was an impermissible zone of uncertainty for far too long. The public was deprived of rights “without being clearly told what it is that limits these rights.” *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 390 (1996) (quoting *Merrill v. Yeomans*, 94 U.S. 568, 573 (1877)).

In relying on the reexamination declaration, the panel reiterated its citation to a Federal Circuit case that did not address definiteness. *Id.* (citing *O1 Communique Lab., Inc. v. LogMeIn, Inc.*, 687 F.3d 1292, 1298 (Fed. Cir. 2012) for the proposition that “statements made during reexamination,” are “intrinsic evidence for purposes of claim construction”). Although reexamination disclaimers can disavow claim scope, that does not mean evidence submitted in reexamination may properly breathe clarity into otherwise fatally ambiguous

claims. Consistently with *Nautilus II*, it cannot. *Nautilus II*, 134 S.Ct. at 2130 (stating that the correct inquiry is not “that of a court viewing matters *post hoc*”).

This result is also at odds with the fundamental public notice function of patent claims. The patent “monopoly is a property right,” and “like any property right, its boundaries should be clear.” *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U. S. 722, 730 (2002). Claims must be clear when they issue to be “fair . . . to the public,” *Merrill*, 94 U.S. at 573, and to avoid innovation-hampering uncertainty. Industry participants must be able to ascertain and rely on precise patent boundaries before making manufacturing decisions. A decade or more is too long to wait.

CONCLUSION

Dissenting from denial of panel rehearing in 2010, Judge Plager called for this Court to cease expending substantial resources “trying to make sense of unclear, overbroad, and sometimes incoherent claim terms.” *Enzo Biochem, Inc. v. Applera Corp.*, 605 F.3d 1347, 1349 (Fed. Cir. 2010). The Supreme Court’s *Nautilus II* decision has cleared this path. This Court should grant the petition to make clear that reasonable certainty is a brighter star than the panel’s decision illuminates.

Respectfully submitted,

Dated: June 10, 2015

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CERTIFICATE OF SERVICE

I, Elizabeth Rogers Brannen, hereby certify that on June 10, 2015, I caused the foregoing Unopposed Motion of Garmin International, Inc., L Brands, Inc., Limelight Networks, Inc., Newegg Inc., QVC, Inc., SAP America, Inc., SAS Institute Inc., Symmetry LLC, Xilinx, Inc., and Cisco Systems, Inc. for Leave to File a Brief as *Amici Curiae* to be electronically filed and served using the CM/ECF system or via electronic mail on the following counsel of record:

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**CERTIFICATE OF COMPLIANCE WITH
TYPE-VOLUME LIMITATION, TYPEFACE
REQUIREMENTS AND TYPE STYLE REQUIREMENTS**

I, Elizabeth Rogers Brannen, certify the following:

1. This brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B). The brief contains 2,324 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(a)(7)(B)(iii) and is within the 10 page limit.

2. This brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6). The brief has been prepared in a proportionally spaced typeface using Microsoft Word 2010 in 14-point Times New Roman type style.

Dated: June 10, 2015

/s/ Elizabeth Rogers Brannen
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