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RECENT DEVELOPMENTS IN CLAIM CONSTRUCTION

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Prosecution History Disclaimer

- *Aylus Networks, Inc. v. Apple Inc.*, Appeal No. 2016-1599, slip. op. (Fed. Cir. May 11, 2017).
  - The doctrine of prosecution history disclaimer initially arose in the context of pre-issuance prosecution. The doctrine should likewise apply in post-issuance proceedings to "ensure that claims are not argued one way in order to maintain their patentability and in a different way against accused infringers."
  - **Statements made by a patent owner during an IPR proceeding, whether before or after an institution decision, can be considered during claim construction and relied upon to support a finding of prosecution disclaimer.**
- *Arendi S.A.R.L. v. Google LLC*, Appeal No. 2016-1249, slip. op. (Fed. Cir. Feb. 20, 2018).
  - Applicant clearly and unambiguously expressed surrender by amending the claims and explaining why the amendment was necessary.

Collateral / Judicial Estoppel in Claim Construction

- *In re Trans Texas Holdings Corp.*, 498 F.3d 1290 (Fed. Cir. 2007).
  - Collateral estoppel does **not** apply to claim construction between trial courts, which apply the *Phillips* standard, and the PTAB, which applies BRI.
  - NOTE: Starting November 13, 2018, the PTAB will now apply the *Phillips* claim construction standard in all newly filed proceedings. Query whether this case law remains valid. See, e.g., *B&B Hardware v. Hargis Industries*, 135 S. Ct. 1293 (2015) ("when an issue of fact or law is actually litigated and determined by a valid and final judgment, and the determination is essential to the judgment, the determination is conclusive in a subsequent action between the parties, whether on the same or different claim; trademark case, TTAB.")

Stare Decisis

- *Ottah v. Fiat Chrysler*, Appeal No. 17-1842, slip. op. (Fed Cir. Mar. 7, 2018).
  - The court had previously reviewed claim construction of the '840 Patent, and ruled that several claim limitations require that the claimed book holder has a "removable mounting." Mounts that can only be removed with tools do not literally infringe the claim.
  - **No error has been shown in this claim construction, and no reason for departing from the rules of collateral estoppel or *stare decisis* as to this claim term.** . . . Here, it was shown that the MSJ Defendants' accused cameras utilize fixed mounts that require tools for removal. As such, the accused devices are outside the literal scope of claim 1.
- *Knowles Electronics LLC v. Iancu,* Appeal No. 16-1954, slip. op. (Fed. Cir. Apr. 6, 2018).
  - **We have held that, in some circumstances, previous judicial interpretations of a disputed claim term may be relevant to the PTAB's later construction of that same disputed term**. *See Power Integrations, Inc. v. Lee*. While the **[PTAB] is not generally bound by a previous judicial interpretation of a disputed claim term[, this] does not mean . . . that it has no obligation to acknowledge that interpretation or to assess whether it is consistent with the [BRI] of the term.** Id. at 1326 (footnote omitted).

Experts Testifying Contrary to Court's Claim Construction

- *Sonix Tech. Co., Ltd. v. Pub. Int'l, Ltd.*, Civil Action No. 1-13-cv-02082 (ND Ill. 2013).
  - Motion in *limine* granted to preclude testimony of plaintiff's technical expert for contradicting the court's claim construction by adding additional understanding.

- *Bombardier Rec. Prod. v. Arctic Cat*, Civil Action No. 0-12-cv-02706 (D. Minn. 2012).
  - "[Defendant] may not present or rely on expert testimony that is contrary to its admissions. . . . [Defendant] has shown no good cause for allowing it to amend its claim chart, and contradict its prior admission."

- *Biscotti Inc. v. Microsoft Corp.*, Civil Action No. 2-13-cv-01015 (ED Tex. 2013)
  - Motion in *limine* granted in part to exclude testimony of defendant's technical expert regarding claim terms as unreliable because his opinions conflicted with the court's claim construction: "The claim terms in dispute were not presented to the Court for claim construction. . . . Regarding the 'video communication device, '[plaintiff] argues that [the expert's] opinion that the term requires 'two-way communication' should be struck because it conflicts with the [patent's] claim language and specification. . . . **[The expert's] opinion that this term requires two-way communication conflicts with the Court's construction**."

Sanctions

- *Iris Conner, LLC v. Dell, Inc.*, Civil Action No. 2-15-cv-0915 (ED Tex 2018).
  - Court sanctioned plaintiff's counsel $25,000 under Rule 11 for advancing a frivolous claim construction: "**[Counsel] violated Rule 11 because he advanced a claim construction divorced from the specification and claim language, ignored the file history, contravened Federal Circuit law, relied heavily on extrinsic evidence to the exclusion of the intrinsic evidence, and asked the Court to adopt a construction that simply did not make any sense.**"
- *Capital Security Sys., Inc. v. NCR Corp.,* Civil Action No. 1-14-cv-01516 (ND - 2014).
  - Court denied defendant's motion for attorney fees because plaintiff's litigation tactics were not unreasonable: "Although the Court does not take lightly [plaintiff's] former counsel's recusal based, in part, on perceived fraudulent conduct, the Court does not believe sufficient evidence exists justifying an award of attorney's fees under 35 U.S.C. § 285. . . . **[Defendant] provides only vague assertions and, at best, circumstantial evidence that [plaintiff] was negligent or slipshod in presenting additional evidence at the *Markman* hearing or producing the two licensing agreements [defendant] deems 'sham' contracts**."
- *Source Search v. Kayak Software Corp*., Civil Action No. 11-cv-3388 (D.N.J., Mar. 31, 2016).
  - Awarding fees after finding: SST first argued for patentability based on it being "no small task" to create a database query, then argued for a claim construction based on the fact that a person of ordinary skill in the art would have been able to use software that existed "for decades" prior to the '328 Patent to make a database query, and finally argued for patent eligible subject matter based on the "inventive concept" of a specialized software to make the database query.
- In *SkyHawke Techs. LLC. v. Deca Int'l Corp.*, 2016-1325, *slip op.* at 4-5 (Fed. Cir., July 15, 2016),
  - in *dicta*, the Federal Circuit expressed skepticism that a PTAB claim construction decision could estop a party before a trial court: "Because the Board applies the broadest reasonable construction of the claims while the district courts apply a different standard of claim construction as explored in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc), the issue of claim construction under *Phillips* to be determined by the district court has not been actually litigated."

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