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PROSECUTION LACHES FROM SERIAL CONTINUATIONS

By *Wonjun Choi*

Personalized Media Commc'ns, LLC v. Apple, Inc.; Appeal No. 2021-2275
(Fed. Cir., January 20, 2023, Reyna, Chen, Stark, precedential)

- Delay of sixteen years after priority date to present a claim in a patent application, shortly after introduction of an allegedly infringing product by a competitor, corroborated by evidence of a strategy to delay prosecution of claims in order to facilitate market dominance, was evidence of prosecution laches sufficient to make the patent unenforceable.
- 경쟁업체가 특허를 침해한 것으로 추정되는 제품을 출시한 직후, 특허출원서에 특정 청구항을 제시하기까지 특허 출원 우선일로부터 16 년이 지연된 것은, 시장 지배를 용이하게 하기 위해 청구항 심사를 지연시키는 전략으로 입증된 것으로, 특허를 집행할 수 없게 만들기에 충분한 심사 지연의 증거입니다.
- 特許出願における優先日の主張を、競合相手によって侵害被疑製品が（市場へ）導入されるすぐ後、16年間先延ばししたことが、市場の優先的地位を促進するための戦略であることが証拠によって裏付けられており、その特許を権利行使不能とするに十分な審査の懈怠であることの証拠となる。
- 竞争对手推出涉嫌侵权的产品后不久，延迟16年在专利申请中提出权利要求，并有证据证明存在延迟起诉权利要求以促进市场支配地位的策略，这是足以使专利无法执行的起诉懈怠的证据。

In 2015, Personalized Media Communications (hereinafter “PMC”) sued Apple in the U.S. District Court for the Eastern District of Texas, alleging that Apple FairPlay infringed claim 13 (and related dependent claims) of U.S. Patent No. 8,191,091 (hereinafter “The ’091 Patent”). The district court held a bench trial and found the ’091 patent unenforceable based on prosecution laches, following *Hyatt v. Hirshfeld*, 993 F.3d 1347 (Fed. Cir. 2021). Similar to the *Hyatt* case, the court found that PMC had filed 328 GATT-Bubble applications before June, 1995, each with a single claim, and waited eight to fourteen years from the priority date to file many of its patent applications and at least sixteen years to present the asserted claims for examination. The court found that PMC would amend the single claim to recite claims with only incidentally different language across different applications. The district court observed that these patent applications were “virtually impossible” for the USPTO to examine, particularly for double patenting, priority, and written description analyses. Further complicating the task, PMC submitted “vast” prior art disclosures, including many irrelevant references.

To facilitate prosecution of all its patent applications, PMC struck a “Consolidation Agreement” with the USPTO. Under the Consolidation Agreement, PMC agreed to group its applications into 56 subject-matter categories, with subcategories for each of the two priority dates. Within the categories, PMC was to designate “A” applications and “B” applications, with the PTO prioritizing “A” applications. Claims rejected in the “A” applications would be transferred to the corresponding “B” application, which would be examined after the “A” application issued. The claim in question, claim 13, had been initially rejected in an “A” application, moved to the corresponding “B” application, and then allowed in large part with an expiration date forty years after its priority date. The court found documents dating from the period of prosecution of the GATT-Bubble applications describing a strategy of “quietly monitor[ing]” infringement and “roll[ing] out” patents over time after infringement became widespread and difficult to undo, in order to “exercise far-reaching market control for as long as 30 to 50 years,” and other corroborating evidence.

On appeal, the Federal Circuit agreed that the facts show deliberate, inexcusable, and prejudicial delay by PMC in prosecuting its patent applications. The reviewing court explained that prosecution laches requires proving two elements: (1) the patentee’s delay in prosecution must be unreasonable and inexcusable under the totality of circumstances and (2) the accused infringer must have suffered prejudice attributable to the delay. The court rejected PMC arguments that the standard for prosecution laches had not been met, finding the case very similar to *Hyatt*. Compliance with the Consolidation Agreement did not weigh against a finding of prosecution laches, since similar “atypical procedures” were used by the USPTO to facilitate prosecution of the *Hyatt* applications. Similarly, suspension of prosecution by the USPTO does not excuse PMC’s own dilatory tactics. The court explained that it was particularly unsatisfactory for PMC to wait until 2003, sixteen years after the priority date of the ’091 Patent, to present claim 13, when they became aware of Apple’s FairPlay product. PMC’s longstanding strategy and prosecution tactics contributed to the appearance of intention to ambush companies like Apple, who developed and invested in the accused embodiment during a three-year period immediately preceding PMC’s initial presentation of claim 13. This delay in presenting claim 13, and other evidence that PMC reintroduced previously rejected claims after 2003, supported the court’s conclusion that PMC’s delay tactics continued after 2003, and resulted in prejudice to Apple.

MEASURING THE SCOPE OF A CLAIM

By Shawn Joseph

[SSI Techs., LLC v. Dongguan Zhengyang Elec. Mech. Ltd.](#); Appeal No.2021-2345
(Fed. Cir., February 13, 2023, Reyna, [Bryson](#), and Cunningham, precedential)

- District court construction of the phrase “while the measured volume of the fluid decreases,” recited in a patent claim, to require actual measurement of the fluid volume was not clearly erroneous in light of the specification and prosecution history. District court construction of the term “filter” was erroneous as requiring size and structural elements that restricted scope to examples in the specification.
- 지방법원이 특허 청구항에서 "유체의 측정된 부피가 감소하는 동안"이라는 문구를 실제 유체 부피의 측정을 요구하는 것으로 해석한 것은 명세서 및 심사이력에 비추어 볼 때 명백히 잘못된 것은 아닙니다. 지방법원은 "필터"라는 용어가, 명세서의 실시예로 범위를 제한하는 크기 및 구조적 요소를 요구하는 것으로 해석하면서 실수가 있었습니다.
- 特許クレームに記載された文言“測定された流体の量が減少する間 (while the measured volume of the fluid decreases)”が、その流体の量を実際に測定することを要すると地裁が解釈したことは、明細書と審査履歴に照らすと明らかな誤りではなかった。用語“filter”を、寸法と構造的要素を要するとして明細書中の実施例の範囲を限定した地裁の解釈が誤りであった。
- 根据说明书和起诉历史，地方法院对专利权利要求书中引用的“当流体的测量体积减小时”这一短语的解释，要求对流体体积进行实际测量，并没有明显的错误。地方法院对“过滤器”一词的解释是错误的，因为它要求尺寸和结构要素，将范围限制为说明书中的示例。

SSI Techs., LLC (hereinafter “SSI”) filed suit against Dongguan Zhengyang Electronic Mechanical Ltd. (hereinafter “DZEM”) for infringement of U.S. Patent Nos. 8,733,153 and 9,535,038, which are directed to sensors for determining the characteristics of fluid in a container, such as a fuel tank. DZEM counterclaimed for patent invalidity and tortious interference with prospective business relations. Following claim construction, the district court granted DZEM summary judgment of noninfringement, granted SSI summary judgment on DZEM’s tortious interference counterclaim, and dismissed DZEM’s invalidity counterclaims without prejudice. The district court relied on construction of the phrase “a dilution of the fluid is detected while the measured volume of the fluid decreases” in a claim of the ‘153 Patent to require that the recited contaminant determination actually consider the measured volume of the fluid. The district court reasoned that the term “measured” indicates that the volume of liquid must be determined and considered. The district court also relied on a construction of the term “filter” in a claim of the ‘038 Patent to mean “a porous structure defining openings, and configured to remove impurities larger than said openings from a liquid or gas passing through the structure.” Based on these constructions, the district court held that DZEM did not infringe and

dismissed the invalidity counterclaims without prejudice. The district court granted summary judgment to SSI on the tortious interference counterclaims.

SSI appealed the district court's claim constructions and the results depending on those constructions. Regarding the disputed phrase of the '153 Patent, SSI argued that the phrase is satisfied so long as the volume of liquid is decreasing. On review, the Federal Circuit rejected SSI's argument, and affirmed the district court's construction of the disputed phrase of the '153 Patent, noting the parallelism between the types of errors described in the specification of that patent and the claimed Markush group limitations. The reviewing court observed that the prosecution history showed an intent to capture an error-detection capability that required considering the measured fluid volume, and thus agreed with the district court that, under this construction, there was no genuine dispute of material fact regarding DZEM's noninfringement.

Regarding the '038 patent, SSI argued that the district court's construction of the claim term "filter" was impermissibly narrow. The Federal Circuit agreed and vacated the district court's construction as improperly limiting the claim to examples in the specification. The Federal Circuit explained that neither the claims nor the specification restricts the size of the filter openings, and that properly construed, the claimed filter "need only perform the function set forth in" the claims. The Federal Circuit therefore vacated and remanded the grant of summary judgment of noninfringement of the '038 Patent.

The Federal Circuit also affirmed the district court's dismissal of the invalidity counterclaims because there was no apparent risk of future actions against DZEM, rejecting DZEM's argument that the invalidity claims should not have been dismissed as ignoring the district court's discretion to decline jurisdiction over such claims, and finding no abuse of discretion by the district court. Finally, the Federal Circuit affirmed the grant of summary judgment to SSI on the tortious interference counterclaim of DZEM, concluding that the district court's conclusion that SSI's claims were not objectively baseless was without error.

CONFERENCE DEMONSTRATION WAS PRIOR ART

By Minoru Kurose

[*Minerva Surgical, Inc. v. Hologic, Inc.*](#); Appeal No. 2021-2246
(Fed. Cir., February 15, 2023, Prost, Reyna, and Stoll, precedential)

- Evidence that a device was successfully demonstrated to third parties at a conference prior to one year before the priority date of a patent covering the device was not "mere display" of the device, and was sufficient to constitute anticipating public use and reduction to practice.
- 장치 특허의 우선일로부터 소급하여 1 년이 되는 시점 이전에 컨퍼런스에서 제 3 자에게 장치를 성공적으로 시연했다는 증거는 장치의 "단순한 전시"가 아니며, 공공의 사용 및 발명의 완성을 예상하기에 충분합니다.

- ある装置を包含する特許の優先日より1年以上前の会議において、その装置が第三者に対し成功裏に実演されたという証拠は、その装置の単なる展示(mere display)ではなく公用および実施化を構成するに充分であった。
- 在涉及该设备的专利优先权日的一年之前，在一次会议上成功向第三方展示该设备的证据并非是对该设备的“单纯展示”，而足以构成预期公众使用和付诸实践。

Minerva Surgical, Inc. (hereinafter “Minerva”) sued Hologic, Inc. and Cytyc Surgical Products, LLC (hereinafter collectively “Hologic”) in the District of Delaware for infringement of U.S. Patent No. 9,186,208 (hereinafter “the ‘208 Patent”), in 2017. After discovery, Hologic moved for summary judgment of invalidity, arguing that the asserted ‘208 patent claims were anticipated under the public use bar of pre-AIA 35 U.S.C. § 102(b). The ‘208 Patent is directed to a surgical device comprising a frame having inner and outer elements under an energy-delivery surface. The ‘208 Patent claims priority of provisional applications filed on October 19, 2010, and November 7, 2011. The parties agree that the critical date for the ‘208 patent is November 7, 2011.

According to Hologic, on November 16–19, 2009—more than a year before the ‘208 patent’s priority date—Minerva brought the device to the 38th Global Congress of Minimally Invasive Gynecology sponsored by the American Association of Gynecologic Laparoscopists (“AAGL 2009”). Hologic asserted that the Aurora device shown at that conference disclosed every limitation of the asserted claims, including the key feature, “wherein the inner and outer elements have substantially dissimilar material properties,” (hereinafter “SDMP” term) and that the asserted claims were therefore invalid as anticipated by Minerva’s own device. Based on evidence adduced at trial, the district court granted summary judgment that the asserted claims are anticipated under the pre-AIA 35 U.S.C. § 102(b) bar.

On appeal, Minerva argued, chiefly, that (1) disclosure of the device at AAGL 2009 was not “in public use” because Minerva “merely displayed” the device; (2) there was no disclosure of the “invention” of claim 13 of the ‘208 patent because the Aurora device disclosed at AAGL 2009 lacked the SDMP term recited in claim 13; and (3) the invention was not “ready for patenting” because Minerva was still improving the SDMP technology at the time of AAGL 2009, so the device did not function for its intended purpose of ablating “live human” tissue.

The Federal Circuit affirmed the summary judgment of the district court. The reviewing court explained that an invention is in public use if the invention was accessible to the public or commercially exploited by the inventor (citing *Delano Farms Co. v. California Table Grape Comm’n*, 778 F.3d 1243, 1247 (Fed. Cir. 2015)). The reviewing court explained that an invention is ready for patenting if the invention is reduced to practice before the critical date, for example by preparation of a working prototype, or if enabling documentation of the invention is prepared before the critical date. The Federal Circuit rejected Minerva’s argument that “mere display” does not involve a public use, distinguishing *Motionless Keyboard Co. v. Microsoft Corp.*, 486 F.3d 1376 (Fed. Cir. 2007), where an inventor disclosed only a visual view of a keyboard design without disclosing technology of the patented keyboard, which also included entering data into a system, and noting trial evidence showing that Minerva had actually demonstrated operational aspects of the Aurora device to third parties at the conference.

Further explaining that public use may occur where, as here, the inventor used the device such that at least one member of the public without any secrecy obligations understood the invention (citing *Netscape Commc’ns Corp. v. Konrak*, 295 F.3d 1315, 1321 (Fed. Cir. 2002)), the Federal Circuit concluded that there was no genuine factual dispute that the devices shown at AAGL 2009 disclosed the

SDMP term of claim 13. The inventors conceived the SDMP technology before AAGL 2009 as evidenced by a lab notebook with August 2009 CAD drawings and other documents entered at trial.

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