

I P NEWS

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**FEDERAL CIRCUIT AFFIRMS
PRECEDENTIAL OPINION PANEL
DECISION LIMITING THE
CIRCUMSTANCES IN WHICH THE
BOARD SHOULD RAISE *SUA
SPONTE* PATENTABILITY ISSUES
AGAINST PROPOSED
SUBSTITUTE CLAIMS**

On March 24, 2022, a Federal Circuit panel consisting of Judges Prost, Reyna, and Hughes issued a unanimous opinion, authored by Judge Hughes, in *Hunting Titan, Inc. v. DynaEnergetics Europe GmbH*, Case Nos. 2020-2163 and 2020-2191. Petitioner Hunting Titan appealed from the Precedential Opinion Panel's vacatur of an *inter parts* review (IPR) Board's decision denying Patent Owner DynaEnergetics's contingent motion to amend, and DynaEnergetics cross-appealed from the Board's final written decision finding the original claims unpatentable. Slip Op. at 3. Because substantial evidence supports the Board's determination that the original claims were unpatentable, and Hunting Titan forfeited

the argument that the Precedential Opinion Panel misapplied a legal doctrine by failing to raise it on appeal, the panel affirmed both decisions. *Id.* at 19.

Hunting Titan petitioned for IPR of certain claims of a DynaEnergetics patent raising multiple grounds of unpatentability based on theories of anticipation and obviousness. *Id.* at 4. DynaEnergetics opposed the petition and filed a contingent motion to amend its patent to add new claims in the event that the Board were to find the originally challenged claims unpatentable. *Id.* In opposition to the motion to amend, Hunting Titan argued that each of several references, including a patent to Schacherer, disclosed every limitation of the proposed substitute claims, but presented unpatentability arguments based on obviousness without alleging that the proposed substitute claims were anticipated by the prior art of record. *Id.* at 8-9. The Board determined that the originally challenged claims were anticipated by Schacherer. *Id.* at 5. Relying solely on a theory of anticipation by Schacherer, the Board also denied DynaEnergetics' motion to amend, without rendering any findings or conclusions as to Hunting Titan's numerous obviousness challenges. *Id.* at 9. On DynaEnergetics's motion for rehearing, the Precedential Opinion Panel

reviewed and vacated the Board's denial of the motion to amend. *Id.* at 9-13.

The Federal Circuit first addressed whether substantial evidence supports the Board's determination that Schacherer anticipates the originally challenged claims, and found that it does. *Id.* at 15. The court found that Schacherer teaches the elements alleged to be missing by DynaEnergetics under the claim construction adopted by the Board, and the Board provided a satisfactory explanation as to why it dismissed DynaEnergetics's evidence in favor of Hunting Titan's evidence. *Id.* at 14-15.

The Federal Circuit then turned to Hunting Titan's challenge of the Precedential Opinion Panel's decision vacating the Board's denial of DynaEnergetics's motion to amend, and rejected the challenge on the ground that Hunting Titan had forfeited an essential argument by failing to raise it on appeal.

In arriving at the conclusion of forfeiture, the panel first rejected Hunting Titan's argument that the Board has an affirmative duty, without limitation or exception, to raise *sua sponte* patentability challenges to a proposed substitute claim under prior Federal Circuit precedent (*Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) (*en banc*) and *Nike, Inc. v. Adidas AG*, 955 F.3d 45

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(Fed. Cir. 2020)). *Id.* at 15-16. The Federal Circuit noted that in *Nike*, it had found that the Board *may* advance a ground of unpatentability that a petitioner does not advance, or insufficiently develops, against substitute claims proposed in a motion to amend, but *Nike* left unanswered the question in what circumstances the Board *should* advance such a ground of unpatentability. *Id.* at 16. As a result, the Federal Circuit concluded that the Precedential Opinion Panel did not err in limiting the circumstances in which the Board should raise *sua sponte* patentability issues. *Id.* at 16-17.

The Federal Circuit then focused on one circumstance identified by the Precedential Opinion Panel's decision in which the Board should advance a ground of unpatentability. *Id.* at 16-18. The Precedential Opinion Panel noted that if certain evidence of unpatentability is readily identifiable and persuasive, the Board should take it up *sua sponte* in the interest of supporting the integrity of the patent system (the readily identifiable evidence exception). *Id.* at 16-18. The Precedential Opinion Panel determined that the record did not qualify for this exception, and concluded that the Board should not have considered whether the proposed substitute claims were anticipated by Schacherer. *Id.* at 18. The Federal Circuit expressed puzzlement over the Precedential Opinion Panel's determination that the record had not met this exception. *Id.* at 18-19. However, the court found itself compelled to affirm the Precedential Opinion Panel's decision because on appeal, Hunting Titan failed to argue that the Precedential Opinion Panel misapplied the readily identifiable evidence exception, thus forfeiting the argument. *Id.* at 18-19.

The Federal Circuit cautioned that its affirmance was based only on the narrow ground of forfeiture, and declined to opine on substantive questions that did not need to be answered to resolve the appeal, including whether the Board has an independent obligation to determine patentability of proposed substitute claims, and whether the other limitations that the Precedential Opinion Panel placed on the Board's ability to raise *sua sponte* patentability issues were proper. *Id.* at 19.

FEDERAL CIRCUIT REJECTS DISTRICT COURT'S CLAIM CONSTRUCTION AS BEING TOO NARROW

On April 1, 2022, a Federal Circuit panel consisting of Judges Newman, Reyna and Stoll issued a unanimous opinion, authored by Judge Reyna, in *Genuine Enabling Tech. LLC, v. Nintendo Co., Ltd. et al.*, Case No. 2020-2167. *Genuine* appealed from a summary judgment of non-infringement by the United States District Court for the Western District of Washington, in which the district court rested its decision on a claim construction proposed by the Nintendo and substantially adopted by the district court. Slip Op. at 2. Because the district court erred in construing the relevant claim, the Federal Circuit reversed and remanded for further proceedings. Slip Op. at 16.

Genuine sued Nintendo alleging infringement of a patent by several Nintendo gaming products. *Id.* at 7. The parties disputed the construction of the claim term "input signal" that is found in all asserted claims. *Id.* *Genuine* proposed the construction "a signal having an audio or higher frequency." *Id.* While including the same phrase as a start-

ing point, Nintendo's proposed construction further narrowed the scope of the term arguing that the applicant disclaimed signals that are 500 Hz or less during prosecution and disclaimed signals identified by certain type or content. *Id.* at 7-8. Nintendo cited an expert declaration as support for the 500 Hz bright line. *Id.* at 8. Nintendo moved for summary judgment of non-infringement predicated on the district court's acceptance of its claim construction. *Id.* In an order granting Nintendo's motion, the district court substantially adopted Nintendo's proposed construction, finding that the applicant disclaimed the frequencies 500 Hz or less during prosecution, and crediting testimony of Nintendo's expert. *Id.* at 8-9.

On appeal, the Federal Circuit first examined whether the intrinsic record supports the district court's finding that applicant disclaimed signals with frequencies 500 Hz or less and signals identified by certain content from the scope of the claim term, and found it does not. *Id.* at 14-15. The Federal Circuit found that during prosecution, the applicant repeatedly distinguished his inventions from a Yollin reference on the ground that Yollin taught "slow-varying signals" whereas the applicant's inventions involved "audio or higher frequency" signals. *Id.* at 14. The appellate court concluded that while the applicant's statements evidenced disavowal of signals below the audio frequency spectrum, they were ambiguous with respect to the bright line at 500 Hz, and therefore, did not rise to the level of "clear and unmistakable" disavowal of the frequencies at 500 Hz or less. *Id.* at 14-15. Similarly, the Federal Circuit concluded that the applicant's statements, which focus on frequencies

in relation to audio signals, did not support finding a separate and distinct disclaimer of claim scope relating to the particular type or content of signal. *Id.* at 15-16.

The Federal Circuit then addressed whether expert testimony was properly invoked by the district court to limit the scope of the term, and found that it was not. *Id.* at 15. The panel found that the 500 Hz frequency threshold finds no basis anywhere in the intrinsic record, and instead, it was extracted by Nintendo's expert from a Yuce reference. *Id.* The Federal Circuit noted that Yuce was not assessed by the district court in its decision, or even mentioned by Nintendo. *Id.* It then found that such "extrinsic evidence upon extrinsic evidence" cannot be used to draw a bright line in claim scope not suggested anywhere in the intrinsic record, or to "overcome the clarity" with which the applicant only disavowed signals below the audio frequency spectrum. *Id.*

FEDERAL CIRCUIT REJECTS DISTRICT COURT'S CLAIM CONSTRUCTION BECAUSE IT IS NOT SUPPORTED BY THE INTRINSIC EVIDENCE, AND LEAVES DEPENDENT CLAIMS WITHOUT SCOPE

On April 4, 2022, a Federal Circuit panel consisting of Judges Prost, Bryson and Stoll issued a unanimous opinion, authored by Judge Bryson, in *Littlefuse, Inc. v. Mersen USA EP Corp.*, Case No. 2021-2013. Littlefuse appealed from a judgment of non-infringement by the United States District Court for the District of Massachusetts. Slip Op. at 2. Because the district court erred in construing a relevant claim term, the Federal Circuit vacated and remanded for further proceedings. *Id.* at 11.

Littlefuse sued Mersen alleging infringement of a patent concerning fuse end caps for use in electrical applications. *Id.* at 2. All relevant independent claims recite a fuse end cap comprising a mounting cuff, a terminal, and a "fastening stem" that extends from the mounting cuff to the terminal. *Id.* at 3-4. The district court construed the term "fastening stem" to mean a "stem that attaches or joints other components," and imposed additional limitations including a requirement that the end cap be a "multi-piece construction." *Id.* at 5-6. Littlefuse and Mersen stipulated to non-infringement on the basis of this construction. *Id.* at 6.

The Federal Circuit first examined how the term is used in the claims, and found that it does not support limiting the end cap to be a multi-piece construction. *Id.* at 6-7. The appellate court noted that certain dependent claims add limitations that the end cap is formed "from a single, contiguous piece of conductive material." *Id.* at 7. The Federal Circuit found the recitation of a single-piece apparatus in the dependent claims to be "persuasive evidence that [the independent claims] also cover a single-piece apparatus." *Id.* While acknowledging that the presumption of differentiation in claim scope is not a hard and fast rule, the panel found that construing the fastening stem as a multi-piece structure would not merely render the dependent claims superfluous, but would leave those claims without any scope at all, a result that should be avoided when possible. *Id.* at 8.

The Federal Circuit then examined whether the specification requires the end cap be a multi-piece construction, and found that it does not. *Id.* at 9. Specifically, the panel determined that nothing in the specification states that a fastening

stem cannot be present in a single-piece apparatus, and the specification's description of the fastening stem as "projecting from a side of the mounting cuff 460 opposite the cavity 425" does not exclude a single-piece construction. *Id.* While the specification refers to a "fastening stem" only with respect to the "assembled end cap" embodiment (which is a multi-piece apparatus), and does not refer to the term in the context of single-piece embodiments, the panel cautioned against limiting the claimed invention to preferred embodiments or specific examples in the specification. *Id.*

The Federal Circuit also addressed whether prosecution history supports the district court's narrow construction, and found that it does not. *Id.* at 8-9. The district court had attributed the tension between the independent and dependent claims under its claim construction to a misunderstanding of claim scope on the part of the examiner when the examiner rejoined the dependent claims with the independent claims. *Id.* at 8. The panel rejected the district court's rationale, and found the examiner's observation that the dependent claims require all the limitations of the allowable independent claims to be logical. *Id.* at 8-9.

