

IN THE
**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, JUDGE ALVIN K. HELLERSTEIN

**BRIEF OF PUBLIC KNOWLEDGE AND THE ELECTRONIC FRONTIER
FOUNDATION AS *AMICI CURIAE* IN SUPPORT OF THE PETITION FOR
REHEARING EN BANC**

VERA RANIERI
ELECTRONIC FRONTIER FOUNDATION
815 Eddy Street
San Francisco, CA 94109
(415) 436-9333
vera@eff.org

CHARLES DUAN
Counsel of Record
PUBLIC KNOWLEDGE
1818 N Street NW, Suite 410
Washington, DC 20036
(202) 861-0020
cduan@publicknowledge.org

Counsel for amici curiae

CERTIFICATE OF INTEREST

Pursuant to Rules 29(a) and 47.4 of the Federal Circuit Rules of Practice, counsel of record certifies as follows:

(1) The full name of every party or amicus represented by counsel to this brief is **Public Knowledge** and the **Electronic Frontier Foundation**.

(2) The above-identified parties are the real parties in interest.

(3) The corporate disclosure statement of Rule 26.1 of the Federal Rules of Appellate Procedure is as follows: There is no parent corporation to or any corporation that owns 10% or more of stock in Public Knowledge or the Electronic Frontier Foundation.

(4) The names of all law firms and the partners and associates that have appeared for the party in the lower tribunal or are expected to appear for the party in this court are: **Charles Duan, Public Knowledge, Washington, DC and Vera Ranieri, Electronic Frontier Foundation, San Francisco, CA.**

Dated: May 27, 2015

/s/ Charles Duan

Charles Duan

Counsel for amici curiae

TABLE OF CONTENTS

CERTIFICATE OF INTEREST	i
TABLE OF AUTHORITIES	iii
INTEREST OF <i>AMICI CURIAE</i>	1
SUMMARY OF ARGUMENT	2
ARGUMENT	3
I. The Panel Decision Misinterprets and Thus Conflicts with the Supreme Court’s Decision	3
II. This Court Should Apply the “Reasonable Certainty” Test In Accord- dance with the Supreme Court’s Opinion	5
III. This Court Should Review Whether Reexamination File History Should Be Accorded the Weight of Intrinsic Evidence for Definiteness Purposes	8
CONCLUSION	10
CERTIFICATE OF SERVICE	11

TABLE OF AUTHORITIES

CASES

<i>01 Communique Lab., Inc. v. LogMeIn, Inc.</i> , 687 F.3d 1292 (Fed. Cir. 2012)	8
<i>Alice Corp. Pty. Ltd. v. CLS Bank Int’l</i> , 134 S. Ct. 2347 (2014)	1
<i>Allentown Mack Sales & Serv., Inc. v. NLRB</i> , 522 U.S. 359 (1998)	7
<i>ArcelorMittal Fr. v. AK Steel Corp.</i> , Nos. 14-1189, -1190, -1191 (Fed. Cir. May 12, 2015)	9
<i>Bell & Howell Document Mgmt. Prods. Co. v. Altek Sys.</i> , 132 F.3d 701 (Fed. Cir. 1997)	9
<i>Biosig Instruments, Inc. v. Nautilus, Inc.</i> , No. 12-1289 (Fed. Cir. Apr. 27, 2015)	4-5, 7-8
<i>Microsoft Corp. v. i4i Ltd. P’ship</i> , 131 S. Ct. 2238 (2011)	5
<i>Nautilus, Inc. v. Biosig Instruments, Inc.</i> , 134 S. Ct. 2120 (2014)	1, 3-6, 8-10
<i>Ultramercial, Inc. v. Hulu, LLC</i> , 772 F.3d 709 (Fed. Cir. 2014)	1
<i>United States v. Mayer</i> , 818 F.2d 725 (10th Cir. 1987)	7
<i>United States v. Smith</i> , 18 U.S. (5 Wheat.) 153 (1820)	7

STATUTES

35 U.S.C. § 112(b) (2013)	3, 5-6, 9
-------------------------------------	-----------

35 U.S.C. § 282 5

OTHER SOURCES

Brief for Respondent, *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct.
2120 (Mar. 26, 2014) (No. 13-369) 6

INTEREST OF *AMICI CURIAE*

*Amicus curiae*¹ Public Knowledge is a non-profit organization that is dedicated to preserving the openness of the Internet and the public's access to knowledge, promoting creativity through balanced intellectual property rights, and upholding and protecting the rights of consumers to use innovative technology lawfully. Public Knowledge advocates on behalf of the public interest for a balanced patent system, particularly with respect to new and emerging technologies.

Amicus curiae the Electronic Frontier Foundation (“EFF”) is a non-profit civil liberties organization that has worked for more than 20 years to protect consumer interests, innovation, and free expression in the digital world. Founded in 1990, EFF represents more than 21,000 contributing members. EFF and its members have a strong interest in promoting balanced intellectual property policy that serves both public and private interests.

Public Knowledge and EFF have previously served as *amici* in key patent cases. *E.g.*, *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014); *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120 (2014); *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014).

¹Pursuant to Fed. R. App. P. 29(a), all parties received appropriate notice of and consented to the filing of this brief. Pursuant to Rule 29(c)(5), no counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of the brief. No person or entity, other than *amici*, their members, or their counsel, made a monetary contribution to the preparation or submission of this brief.

SUMMARY OF ARGUMENT

The Patent Act requires that applicants include language “particularly pointing out and distinctly claiming” the invention, so that the public is given clear notice of what is claimed and what remains open. To ensure that the Patent Act furthers this public purpose, the Supreme Court vacated this Court’s prior opinion in this case and disapproved the Court’s “insolubly ambiguous” standard.

Yet the panel opinion makes virtually no account for this sea change in the law, instead merely reiterating excerpts of reasoning taken directly from its now-vacated opinion. In doing so, the panel makes several errors. For example, the panel wrongly treats statements from a reexamination that occurred years after issuance as deserving the weight of intrinsic evidence. This conflicts with the Supreme Court’s dictate to assess construction of claims based on their meaning at the time of issuance, and is error requiring en banc review.

Most important, the panel opinion on remand misapprehends why the Supreme Court vacated this Court’s initial decision. The Supreme Court overruled this Court’s earlier decision to ensure that the test for indefiniteness “mandates clarity” in patent claims. The opinion on remand instead suggests that the Supreme Court objected to this Court’s prior “insolubly ambiguous” standard because the standard itself lacked clarity. The opinion’s perfunctory, bordering on sarcastic, discussion of the Supreme Court’s new rule passes over the important

issues at stake. The Supreme Court has directed this Court to carefully reevaluate its substantive approach to indefiniteness. Rehearing en banc is necessary to ensure that the Court gives due consideration to the Supreme Court's ruling.

ARGUMENT

I. THE PANEL DECISION MISINTERPRETS AND THUS CONFLICTS WITH THE SUPREME COURT'S DECISION

En banc rehearing of the present case is necessary to maintain uniformity of this Court's decisions in view of the Supreme Court's opinion in *Nautilus, Inc. v. Biosig Instruments, Inc.*, because the panel decision critically misconstrues that opinion. Specifically, the panel decision made two errors that should be corrected by en banc rehearing, lest future courts be confused or misled.

1. The panel misunderstood the Supreme Court's reasoning for rejecting the "insolubly ambiguous" test. It is abundantly clear from the Supreme Court's opinion that the test was rejected because it set too high a bar for proving indefiniteness under 35 U.S.C. § 112(b). As the Supreme Court said in characterizing the "insolubly ambiguous" test: "It cannot be sufficient that a court can ascribe *some* meaning to a patent's claims 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." *Nautilus, Inc. v. Biosig Instruments,*

Inc., 134 S. Ct. 2120, 2130 (2014) (citation omitted). The Supreme Court found this Court’s prior indefiniteness standard to be too permissive of ambiguity, and devised a new test of “reasonable certainty” to correct that error. *Id.* at 2129.²

But the panel decision reflected a mistaken belief that the Supreme Court had rejected the “insolubly ambiguous” test for being too uncertain *of a test*, not too *permissive as a standard*. The panel said that the Supreme Court “found too imprecise our ‘insolubly ambiguous’ standard.” *Biosig Instruments, Inc. v. Nautilus, Inc.*, No. 12-1289, slip op. at 8 (Fed. Cir. Apr. 27, 2015). The panel further suggested that the difference between that standard and the Supreme Court’s “reasonable certainty” test was that the former was an “unreliable compass” while the latter was a “bright star.” *Id.* at 9.

That view is irreconcilable with the Supreme Court’s opinion. There is nothing “imprecise” about the “insolubly ambiguous” standard—it was eminently clear how to apply it. The Supreme Court recognized that the problem with the standard was its substantive level. Without correction of the panel opinion, district courts will be left uncertain as to whether the standard for indefiniteness has changed (per the Supreme Court) or not (per the panel opinion).

²The Supreme Court’s suggestions that the “insolubly ambiguous” standard “can breed lower court confusion” referred not to the standard itself being ambiguous, but rather to the discrepancy between the words of the standard and the Federal Circuit’s application of that standard. *Id.* at 2130.

2. The panel decision also erred by misstating the role of the presumption of validity in indefiniteness determinations.

The opinion cites the presumption of validity in its discussion of the “legal framework” of indefiniteness, and asserts that courts must determine “whether an invalidity defense has been proved by clear and convincing evidence.” *Id.* at 5 (citing 35 U.S.C. § 282 (2013), and quoting *Microsoft Corp. v. i4i Ltd. P’ship*, 131 S. Ct. 2238, 2241 (2011)). But the Supreme Court explicitly rejected the applicability of these, holding that “the presumption of validity does not alter the degree of clarity that § 112, ¶ 2 demands from patent applicants.” *Nautilus*, 134 S. Ct. at 2130 n.10. The panel’s reference to legal principles that contravene the Supreme Court’s instructions will only confuse the law and “leave courts and the patent bar at sea without a reliable compass.” *Id.* at 2130.

This Court should vacate the panel opinion and rehear the appeal en banc to avoid further propagation of the above errors.

II. THIS COURT SHOULD APPLY THE “REASONABLE CERTAINTY” TEST IN ACCORDANCE WITH THE SUPREME COURT’S OPINION

1. Though the Supreme Court’s discussion of the “reasonable certainty” test is relatively brief, it includes an important detail: the only concern identified that counterweighs the mandate of clarity under 35 U.S.C. § 112(b) is the imprecision of language. *See id.* at 2128–30.

In describing the “delicate balance” of the definiteness requirement, the Supreme Court referred *only* to the “inherent limitations of language” as weighing against a strict clarity requirement, despite Biosig’s numerous other arguments for why strict clarity is not required.³ Indeed, the Supreme Court explicitly rejected arguments of Biosig and holdings of this Court that “a permissive definiteness standard accords respect to the statutory presumption of patent validity.” *Id.* at 2130 n.10 (internal quotations and alterations omitted). Furthermore, the Supreme Court indicated that the presumptive interpretation of the definiteness requirement ought to be toward greater clarity absent some acceptable countervailing principle, as “the patent drafter is in the best position to resolve the ambiguity,” and “patent applicants face powerful incentives to inject ambiguity” into claims, so “[e]liminating that temptation is in order.” *Id.* at 2129.

Accordingly, the Supreme Court’s opinion establishes that while the “inherent limitations of language” may justify ambiguity in a claim, many other justifications will fail under 35 U.S.C. § 112(b).

³*See, e.g.*, Brief for Respondent at 22, *Nautilus* (Mar. 26, 2014) (No. 13-369) (arguing that rewarding inventors is part of the balance of the definiteness requirement); *id.* at 24–25 (arguing that some inventions by nature cannot be clearly described); *id.* at 26–27 (doctrine of equivalents justifies greater degree of ambiguity); *id.* at 28–31 (existence of *Markman* proceedings alleviates degree of claim precision required); *id.* at 38 (rule of claim construction preferring validity indicates lowered definiteness requirement); *id.* at 47–48 (possibility of “mass invalidation” and “settled expectations of the inventing community” militate against strict definiteness requirement).

2. The panel decision, then, errs by failing to recognize that the Supreme Court’s “reasonable certainty” test is tied to linguistic imprecision. Instead, the panel decision cites to a plethora of cases without significant explanation of their relevance, and then asserts that “judges have had no problem operating under the reasonable certainty standard.” *Biosig*, slip op. at 9 n.2; *id.* at 12.

The cited cases involve very different legal contexts and standards—in fact, some of them had nothing substantive to say about the term “reasonably certain” at all, merely using the term in passing. *See, e.g., Allentown Mack Sales & Serv., Inc. v. NLRB*, 522 U.S. 359 (1998) (discussing “good faith reasonable doubt” standard for employer polling); *United States v. Smith*, 18 U.S. (5 Wheat.) 153, 160 (1820) (discussing whether the law of nations clearly defines the crime of piracy). The cobbled-together list serves no useful value to courts in construing the term “reasonable certainty” and ultimately reflects the panel’s failure to squarely address the manner of application of that new legal standard under the Patent Act.⁴

Ultimately, the panel opinion seems to suggest that reasonableness is a single, uniform standard that judges will understand without further guidance, despite the panel’s statement that the Supreme Court “has articulated a spectrum for interpretation of the phrase ‘reasonable certainty.’” *Biosig*, slip op. at 9. By failing

⁴Notably, wherever “reasonable certainty” is applied as a formal legal standard, courts have interpreted it to establish a high bar. *See, e.g., United States v. Mayer*, 818 F.2d 725, 728 (10th Cir. 1987) (“reasonable certainty is a high standard”). It is unclear whether the panel applied this standard to patents.

to acknowledge the specific factors that inform the Supreme Court’s “reasonable certainty” test, namely that imprecision of language can justify a degree of ambiguity but other reasons cannot, the panel fails to properly advise district courts on the application of the *Nautilus* test. Instead, the panel leaves judges to their own devices to determine what is reasonably certain and what is not. The en banc court should address this oversight.

III. THIS COURT SHOULD REVIEW WHETHER REEXAMINATION FILE HISTORY SHOULD BE ACCORDED THE WEIGHT OF INTRINSIC EVIDENCE FOR DEFINITENESS PURPOSES

Nautilus held that a patent “must be precise enough to afford clear notice of what is claimed, thereby apprising the public of what is still open to them.” 134 S. Ct. at 2129 (internal quotations omitted). Despite this requirement, the panel treated a declaration filed during reexamination, fifteen years after issuance of the patent, as intrinsic evidence heavily weighing in favor of definiteness. *Biosig*, slip op. at 17–18.⁵

There are serious concerns with the panel opinion’s approach. It is unclear how a declaration filed fifteen years after the close of the original prosecution

⁵The case that the panel cited for support is easily distinguishable, because that case considered whether a reexamination history statement against the patent owner’s interest narrowed a claim, *see 01 Communique Lab., Inc. v. Log-MeIn, Inc.*, 687 F.3d 1292, 1298 (Fed. Cir. 2012), whereas here the reexamination statement is self-serving and used for definiteness purposes.

could afford a third party clear notice of what was claimed at the time the patent originally issued, as required by *Nautilus*. See 134 S. Ct. at 2129. It is also unclear how using reexamination history does not evade the Supreme Court’s prohibition on using *post hoc* rationalization to explain the meanings of claim terms. See *id.* at 2130. Finally, it is unclear how the panel concluded that claims that were perhaps indefinite prior to reexamination could become definite thereafter, particularly in view of this Court’s recent holding that to “permit later-generated reissue prosecution history to inform the scope of [a] claim limitation from the original patent would run afoul” of precedent. *ArcelorMittal Fr. v. AK Steel Corp.*, Nos. 14-1189, -1190, -1191, slip op. at 9 (Fed. Cir. May 12, 2015).⁶

Treating reexamination information as intrinsic evidence seemingly would allow patent owners to retroactively meet the definiteness requirement, circumventing the purpose of 35 U.S.C. § 112(b) as enunciated in *Nautilus*. It also introduces a troubling degree of unfairness favoring patent owners that the Supreme Court specifically held to be inappropriate given the relative positions of the parties. See *Nautilus*, 134 S. Ct. at 2129 (noting the “powerful incentives” patent applicants have to “inject ambiguity” and noting that the “patent drafter is in the best position to resolve ambiguity” (internal quotation and citation omitted)).

⁶*Cf. Bell & Howell Document Mgmt. Prods. Co. v. Altek Sys.*, 132 F.3d 701, 706 (Fed. Cir. 1997) (“The testimony of an inventor is often a self-serving, after-the-fact attempt to state what should have been part of his or her patent application . . .”).

Accordingly, by treating statements in a reexamination history as intrinsic evidence for definiteness purposes, the panel opinion was inconsistent with both the Supreme Court's pronouncements in *Nautilus* and this Court's own precedents. En banc reconsideration is necessary to correct these defects.

CONCLUSION

For the foregoing reasons, this Court should grant the petition for en banc rehearing.

Respectfully submitted,

Dated: May 27, 2015

/s/ Charles Duan

CHARLES DUAN

Counsel of Record

PUBLIC KNOWLEDGE

1818 N Street NW, Suite 410

Washington, DC 20036

(202) 861-0020

cduan@publicknowledge.org

VERA RANIERI

ELECTRONIC FRONTIER FOUNDATION

815 Eddy Street

San Francisco, CA 94109

(415) 436-9333

vera@eff.org

Counsel for amici curiae

CERTIFICATE OF SERVICE

I hereby certify that on May 27, 2015, I caused the foregoing Brief of Public Knowledge and the Electronic Frontier Foundation as *Amici Curiae* in Support of the Petition for Rehearing En Banc to be electronically filed with the Clerk of the Court using CM/ECF, which will automatically send email notification of such filing to the following counsel of record:

James E. Geringer, james.geringer@klarquist.com
Jeffrey S. Love, jeffrey.love@klarquist.com
John D. Vandenberg, john.vandenberg@klarquist.com
Philip Warrick, philip.warrick@klarquist.com
Klarquist Sparkman, LLP

Mark D. Harris, mharris@proskauer.com
John E. Roberts, jroberts@proskauer.com
Proskauer Rose LLP

Daniel C. Mulveny, dmulveny@ktmc.com
Todd Kupstas, tkupstas@ktmc.com
Kessler Topaz Meltzer & Check

Paul Milcetic, pmilcetic@ktmc.com
Paul Milcetic, LLC

Dated: May 27, 2015

/s/ Charles Duan

Charles Duan

Counsel for amici curiae