

Akin Gump
STRAUSS HAUER & FELD LLP

IP Newsflash



02.6.15

FEDERAL CIRCUIT CASES

PTAB's Broadest Reasonable Interpretation Standard Affirmed by Fed. Circuit in First Ever IPR Appeal

On Wednesday, February 4, 2015, the Court of Appeals for the Federal Circuit (CAFC) affirmed the Patent Trial and Appeal Board's (PTAB) finding that Cuozzo Speed Technology LLC's patent is invalid—in addition to upholding the PTAB's broadest reasonable interpretation claim construction standard—in the first ever *inter partes* review (IPR) case heard on appeal. IPR was introduced by the America Invents Act (AIA) of 2011 and became available on September 16, 2012. IPR, along with the AIA's new post-grant review, replaced the Patent Act's *inter partes* reexamination procedure. Not only was the decision on Wednesday the first IPR appeal heard by the CAFC, Garmin International Inc.'s challenge to Cuozzo's patent in 2012 was also the first ever request for IPR.

In 2013, the PTAB found Cuozzo's US Patent No. 6,778,074, which is titled "[s]peed limit indicator and method for displaying speed and the relevant speed limit," obvious in light of prior art. In its decision published on Wednesday, the CAFC affirmed the PTAB's finding of obviousness. More notably, the CAFC also upheld the PTAB's "broadest reasonable interpretation" claim construction standard that it applies to IPRs. Cuozzo argued—and Judge Pauline Newman agreed in her dissent—that the PTAB should use the same, narrower claim construction standard employed by district courts, which the ordinary-and-customary-meaning standard as set forth in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005). However, the AIA is silent as to the claim construction standard to be used during IPR, merely stating instead that IPR rulemaking authority is conveyed to the PTO. 35 U.S.C. § 316(a)(2), (a)(4). In its decision, the CAFC held that "[p]ursuant to this authority, the PTO has promulgated 37 C.F.R. § 42.100(b), which provides that "[a] claim in an unexpired patent shall be given its broadest reasonable construction." Slip op. at 11. The CAFC then affirmed the PTAB's use of its broadened claim construction standard for multiple reasons. First, the CAFC reasoned that the PTAB has applied its broadened standard "for more than 100 years in various types of PTO proceedings," including pre-AIA *inter* and *ex partes* reexamination and interference proceedings, and circuit courts have likewise approved that standard on appeal for more than a century. *Id.* at 12. Second, the CAFC noted that "[i]t would be inconsistent with the role assigned to the PTO in issuing a patent to require it to interpret claims in the same manner as judges who, post-issuance, operate under the assumption the patent is valid." *Id.* (internal citations omitted). Third, the CAFC found no indication in the text of the AIA that it was designed to change the claim construction standard that the PTO has applied for more than 100 years. *Id.* at 13. Additionally, the CAFC held that the PTAB's decisions of whether or not to institute an IPR is not appealable. *Id.* at 6-10 (citing 35 U.S.C. § 314(d)).

In re Cuozzo Speed Technologies, LLC, no. 2014-1301, slip op. (Fed. Cir. Feb. 4, 2015) (on appeal from the PTAB in No. IPR2012-00001).

- Author: [Samuel Drezdson](#)

DECISIONS ON PATENTABLE SUBJECT MATTER UNDER *ALICE CORP.*

District Court Holds "Hypothesis Testing" Patents Invalid Under *Alice*

A court in the Middle District of Pennsylvania held three patents invalid this week under the Supreme Court's recent test for subject matter eligibility set out in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S.Ct. 2347 (2014). The patents at issue each related to "a method of automatically applying hypothesis testing to a data set." Certain subject matter is not eligible for patent protection, including "laws of nature, physical phenomena, and abstract ideas." In *Alice*, the Supreme Court set out a two-part test for determining whether a patent claim is directed toward ineligible subject matter. First, look to see if the claim involves a patent ineligible concept, such as an abstract idea, and then determine whether the claims involve an "inventive concept" that makes the claim significantly more than a patent on the concept itself.

The district court found that the "method of applying hypothesis testing to a data set" in each of the patents at issue was an abstract concept, analogizing it to the patent-ineligible mathematical calculations and business processes in *Parker v. Flook*, 437 U.S. 584 (1978) and *Biilski v. Kappos*, 561 U.S. 593 (2010). The court then found that the claim language merely recited "well-known, conventional activities" such as obtaining information from a user, selecting an appropriate test to apply to a data set, applying the test, interpreting the results, and displaying a summary of the results. These activities were not sufficiently inventive to make the patent claim more than a broad claim to the concept of automatic hypothesis testing.

Minitab, Inc. v. EngineRoom, LLC, No. 4:12-cv-2170 (M.D. Pa. Feb. 3, 2015).

- Author: [Andy Rosbrook](#)

PATENT TRIAL AND APPEAL BOARD

PTAB Invalidates Two Health Database Patents in Covered Business Method Patent Review

On January 3, 2015, the PTAB issued two decisions invalidating the patents of TransUnion Intelligence, LLC after a Search America, Inc. petitioned to institute a covered business method patent review. Search America petitioned the PTAB after being sued for patent infringement in the District of Minnesota. Both patents were directed to a health care financing system in which health care grant information can be analyzed to determine whether a patient qualifies for a health care grant.

To invalidate the patents, the PTAB relied on two public use systems: 1) a computer-implemented eligibility system operated by the Texas Department of Human Services; and 2) manual method performed by the John T. Mather Memorial Hospital, in implementing a charity-care eligibility process. As evidence of each of the systems, the PTAB relied, not just on technical documents describing the systems, but also relied on the deposition transcripts from the district court proceedings describing the respective systems. For each system, the PTAB considered the respective deposition transcripts in combination with the technical documentation as a single 102 (b) reference.

Search America Inc. v. Transunion Intelligence LLC, Nos. CBM2013-00038 and CBM2013-00037 (PTAB Feb. 3, 2015) [Giannetti, DeFranco, Boucher (opinion)].

- Author: [Michael Reeder](#)

TRADEMARK TRIAL AND APPEAL BOARD

One Simply Shall Not Trademark a Princess or a Prince for That Matter

Nieves & Nieves, in an effort to sell cosmetics, jewelry, bedding and apparel, submitted applications to register the marks PRINCESS KATE and ROYAL KATE. In two opinions issued on January 30, 2015, the Trademark Trial and Appeal Board (TTAB) affirmed the trademark examining attorney's refusal to issue the marks PRINCESS KATE and ROYAL KATE because the marks falsely suggest a connection with Catherine, Duchess of Cambridge, also known as Kate Middleton. In its analysis, the board reviewed whether the evidence in the record satisfies the following four-part test: (1) whether applicant's marks PRINCESS/ROYAL KATE are the same as or a close approximation of Kate Middleton's previously used name or identity; (2) whether applicant's marks PRINCESS/ROYAL KATE would be recognized as such by purchasers, in that the mark points uniquely and unmistakably to Kate Middleton; (3) whether Kate Middleton is not connected with the goods that will be sold by applicant under its mark; and (4) whether Kate Middleton's name or identity is of sufficient fame or reputation that when applicant's marks are used on applicant's goods, a connection with Kate Middleton would be presumed. The board affirmed that the record supported denial of the marks following the four-part test.

The applicant attempted to argue that PRINCESS KATE is not a close approximation of KATE MIDDLETON'S name or identity because she is not, in fact, a princess. The applicant offered evidence that, in particular, Catherine Middleton has communicated to the media on several occasions that her proper title is Duchess of Cambridge, not Princess. Nevertheless, the board pointed out that "a term may be considered the identity of a person even if his or her name or likeness is not used. All that is required is that the mark sought to be registered clearly identifies a specific person." Because the examiner discovered numerous American media references to Kate Middleton as "Princess Kate" and referencing Kate Middleton as a "Royal," the marks PRINCESS KATE and ROYAL KATE were close approximations of the identity of Kate Middleton, demonstrating that the U.S. public associates the terms with Kate Middleton and, therefore, a connection to Kate Middleton would be presumed without her written consent as required under Section 2(c) of the Trademark Act. Finally, the board analogized this use to a case involving her father-in-law's namesake: PRINCE CHARLES. In the TTAB decision of *In Re Steak & Ale Rest. Of Am., Inc.*, the board affirmed the refusal of issuance of a trademark for PRINCE CHARLES because the wording identified an actual well-known living individual whose consent was not of record. The board reasoned that "the addition of a given name or a surname to the word 'PRINCE' could well serve as a name or 'nickname' for a particular living individual who could be identified and referred to in the various walks of life with this appellation." The same is true for the mark PRINCESS KATE.

In re Nieves & Nieves LLC, Serial Nos. 85179243 and 85179263 (January 30, 2015).

- Author: [Holly Dekan](#)

CONTACT INFORMATION

If you have any questions regarding this issue of *IP Newsflash*, please contact—

[Todd Eric Landis](#)
tlandis@akingump.com
214.969.2787

[Michael Simons](#)
msimons@akingump.com
512.499.6253

www.akingump.com



© 2015 Akin Gump Strauss Hauer & Feld LLP. All rights reserved. Attorney advertising. This document is distributed for informational use only; it does not constitute legal advice and should not be used as such. IRS Circular 230 Notice Requirement: This communication is not given in the form of a covered opinion, within the meaning of Circular 230 issued by the United States Secretary of the Treasury. Thus, we are required to inform you that you cannot rely upon any tax advice contained in this communication for the purpose of avoiding United States federal tax penalties. In addition, any tax advice contained in this communication may not be used to promote, market or recommend a transaction to another party.

[Update](#) your preferences | [Subscribe](#) to our mailing lists | [Forward](#) to a friend | [Opt out](#) of our mailing lists | [View](#) mailing addresses

