

# ARE AGILENT AND PHILIPS LIMITED TO CLAIMS COPIED IN *IPSISSIMIS VERBIS*?<sup>1</sup>

By

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## **Introduction**

In Koninklijke Philips Electronics N.V. v. Cardiac Science Operating Co., 590 F. 3d 1326, 93 USPQ2d 1227 (Fed. Cir. 2010)(opinion by C.J. Gajarsa, joined by Ch.C.J. Michel and S.C.J. Friedman)(hereinafter referred to as “Philips”), the court emphatically reaffirmed its holding in Agilent Technologies, Inc. v. Affymetrix, Inc., 567 F.3d 1366, 91 USPQ2d 1161 (Fed. Cir. 2009)(hereinafter referred to as “Agilent”)<sup>4</sup>, that a “copied” claim can be interpreted in one way for one purpose and in another way for another purpose—i.e., that such a claim can mean one thing in deciding one motion and mean something very different in deciding another motion.

## **What the BPAI and the Federal Circuit Did in Philips**

Cardiac Science was the senior party applicant, and Philips was the junior party patentee. Cardiac Science copied all of the claims from the Philips patent in *ipsissimis verbis*.<sup>5</sup> The count was identical to Philips’s claim 15 and Cardiac Science’s claim 15.

During the interference, Philips filed both a 35 USC 112 ¶1 written description motion and a contingent prior art motion.<sup>6</sup> The board denied Philips’s written description motion, relying on 37 CFR 41.220(b), which says that “A claim shall be given its broadest reasonable construction in light of the specification of the application or patent in which it appears [i.e., in light of Cardiac Science’s specification].”<sup>7</sup> It dismissed Philips’s prior art motion on the ground that the contingency on which it was based (i.e., that Cardiac Science’s claims would be interpreted narrowly in light of Philips’s specification) had not occurred. It then found in favor of Cardiac Sciences on priority and entered judgment against Philips’s claims.<sup>8</sup>

Philips sought review of the board's judgment under 35 USC 146. In the district court, "Philips filed a motion for a claim construction hearing [i.e., a Markman hearing]."<sup>9</sup> The district court didn't conduct such a hearing, but it dismissed Philips's complaint with prejudice on the ground that the board's "reasons for denying or dismissing each motion were grounded in the application of the Board's own procedures and regulations."<sup>10</sup> Both parties and the Federal Circuit agreed that that action "was tantamount to *sua sponte* summary judgment."<sup>11</sup>

Philips appealed, and the Federal Circuit reversed and remanded.<sup>12</sup>

According to the appellate court, the district court had not merely committed reversible error. Instead, the district court had "abused its discretion [a far worse sin] by basing summary judgment on 'an erroneous conclusion of law.'"<sup>13</sup> Continuing, the appellate court said that:

the district court erroneously concluded that the...written description [of the Philips patent] was irrelevant. The court erred in holding that the Board can apply 37 C.F.R. § 41.200(b) and disregard the original disclosure when a patentee challenges an applicant's written description in an interference proceeding. The court's decision is contrary to the holdings of Agilent Technologies, Inc. v. Affymetrix, Inc., 567 F.3d 1366 (Fed. Cir. 2009) and In re Spina, 975 F.2d 854 (Fed. Cir. 1992). \* \* \* We appreciate that the Board may believe that there is a conflict between this court's holdings and § 41.200(b). However, any conflict between the two must be resolved as directed in Agilent.<sup>14</sup>

After discussing Agilent, Spina, and Rowe v. Dror, 112 F.3d 473, 42 USPQ2d 1550 (Fed. Cir. 1997)(hereinafter referred to as "Rowe"), the court reiterated that:

the relevant specification for claim construction depends on whether a party in an interference proceeding challenges the written description under § 112, ¶ 1 or challenges validity<sup>[15]</sup> under § 102 or § 103.

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Agilent made clear the 37 C.F.R. § 41.200(b) does not apply in an interference proceeding when one party challenges another's written description.<sup>16</sup>

Then, in language reminiscent of Tafas v. Doll, 539 F.3d 1345, 90 USPQ2d 1129 (Fed. Cir. 2009), the court concluded that:

The district court and the Board’s legal errors stem from a failure to appreciate the consequences of the PTO’s rulemaking authority [or lack thereof]. The PTO lacks substantive rulemaking authority. \* \* \* Unfortunately, the district court and the Board did not heed this court’s prior warnings that PTO regulations disregarding Spina have limited applicability. In 1994, the PTO proposed an amendment to 37 C.F.R. § 1.633(a) – the precursor of 37 C.F.R. § 41.200(b) – to “specify that a claim shall be construed in light of the specification of the application or patent in which it appears.” \* \* \* The PTO explained that “[t]his amendment would administratively set aside the judicially created rule of In re Spina...to the extent it held that the interference rules require that an ambiguous claim copied from a patent for interference purposes be construed in light of the disclosure of the patent.” \* \* \* We remind the district court and the Board that they must follow judicial precedent instead of 37 C.F.R. § 41.200(b) when a party challenges another’s written description during an interference proceeding because the PTO lacks the substantive rulemaking authority to administratively set aside judicial precedent.<sup>17</sup>

### Comments

It has been a bedrock principle of patent law at least since White v. Dunbar, 110 U.S. 47, 51 (1886), that a claim is not a “nose of wax,” to be interpreted one way in one context and in another way in a different context.<sup>18</sup> However, that is exactly what the Federal Circuit has been doing by requiring that a claim “copied” into an application be interpreted in light of the target specification for deciding whether it has written description support and that it be interpreted in light of the targeting specification for deciding whether it is patentable on all other grounds.

I think that the court does not fully appreciate the consequences of what it has been doing. However, I am hopeful that, when it gets a case in which the board has interpreted a single claim in a single party’s application in one way in deciding a written description motion and in another way in deciding another patentability motion,<sup>19</sup> it may decide that that just can’t be right. However, when it does, how will it find a graceful way to extricate itself from the mess

that it has made?

I suggest that one possible way for it to do so (at least in the majority of cases) is to limit Spina, Dror, Agilent, and Philips to cases in which the targeting applicant has incautiously copied a target claim in *ipsisssimis verbis*. A possible intermediate, compromise holding would be to limit the holdings of those cases to language (words or phrases) copied literally from the target claims and not appearing in the specification of the targeting application.

If the court limits Spina and its progeny to cases in which the targeting claims were copied in *ipsisssimis verbis* in their entirety, those cases will, for the most part, be relegated to the ash bins of history. There is no requirement that a claim be “copied”<sup>20</sup> in *ipsisssimis verbis* in order to provoke an interference. All that an applicant has to do to provoke an interference is to present an otherwise patentable claim that interferes with a target claim, and the definition of interfering claims contained in 37 CFR 41.203(a)<sup>21</sup> permits two interfering claims to use different (even radically different) terminology. The focus is on the subject matter defined by the two allegedly interfering claims, not on the verbiage by which that subject matter is defined in each case.

If the court limits Spina and its progeny to language copied from the target claims and not present in the targeting specification, it will have sharply limited the damage done by those cases, since prudent counsel for targeting applicants try not to employ such language in their targeting claims anyway. However, the “compromise” holding would have the weird result that some language in the targeting claims would be interpreted in light of the targeting specification and some language in the targeting claims would be interpreted in light of the target specification. Still, that would be an improvement over the present situation.

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<sup>3</sup> Portions of this article are adapted from the AIPLA's amicus brief in support of Affymetrix's petition for a rehearing in banc in Agilent Technologies, Inc. v. Affymetrix, Inc., 567 F.3d 1366, 91 USPQ2d 1161 (Fed. Cir. 2009). I was the principal author of that brief. However, I want to acknowledge the contributions of my co-authors, Todd Baker, Herb Hart, Tony Zelano, and Jim Crowne.

<sup>4</sup> Discussed in Gholz, How Should "Copied" Claims Be Interpreted?, 16 Intellectual Property Today No. 9 at page 11 (2009), and Gholz, A Critique of Recent Opinions in Patent Interferences, 92 JPTOS \_\_\_\_ (2010) at § XI.A.

<sup>5</sup> For those of you too young to have been subjected to "law Latin," in *ipsissimis verbis* means word-for-word identically.

<sup>6</sup> Philips's prior art motion was contingent on the board's giving the term in issue a broad interpretation in response to its written description motion. Unfortunately, the board does not conduct Markman hearings, so issues of claim and/or count interpretation are usually not decided until at least the panel decision after the first phase of the interference. See Gholz, Markman Hearings for Interferences?, 12 Intellectual Property Today No. 5 at page 25 (2005).

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<sup>7</sup> This is standard board doctrine. See, e.g., Robertson v. Timmermans. 90 USPQ2d 1898 (PTOBPAI 2008)(non-precedential), discussed in Gholz, A Critique of Recent Opinions in Patent Interferences, 92 JPTOS \_\_\_\_ (2010) at § XI.B.

<sup>8</sup> The opinion says that the board “canceled” all of the claims in the Philips patent. However, the board actually had no authority to cancel Philips’s claims because Philips sought 35 USC 146 review of the board’s judgment. See 35 USC 135(a), which makes it clear that only “A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had...constitute[s] cancellation of the claims involved in the patent....” (Emphasis supplied.)

<sup>9</sup> 590 F.3d at 1331, 93 USPQ2d at 1230.

<sup>10</sup> 590 F.3d at 1331, 93 USPQ2d at 1230-31.

<sup>11</sup> 590 F.3d at 1331, 93 UPSQ2d at 1231.

<sup>12</sup> It will be interesting to see whether the district court in turn remands the case to the board. See Gholz, In 35 USC 146 Actions, Should District Courts Decide Issues That Were Not Reached by the Board?, 10 Intellectual Property Today No. 10 at page 42 (2003).

<sup>13</sup> 590 F.3d at 1335, 93 USPQ2d at 1233.

<sup>14</sup> 590 F.3d at 1335, 93 USPQ2d at 1233.

<sup>15</sup> Of course, it is the board’s view that what is at issue in an interference is patentability, not validity—which, among other things, is why the presumption of validity does not apply to patent claims designated as corresponding to the count of an interference.

<sup>16</sup> 590 F.3d at 1335-36, 93 USPQ2d at 1234.

<sup>17</sup> 590 F.3d at 1336-37, 93 USPQ2d at 1234-35.

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<sup>18</sup> The Federal Circuit has repeatedly stated that a claim must be interpreted the same way for judging validity and for judging infringement. *See generally* Harmon, Patents and the Federal Circuit (8<sup>th</sup> ed. 2007) at page 388:

It is axiomatic that the claims [in a patent] must be construed the same way for infringement that they were for determining validity....

<sup>19</sup> I have a case in which I am arguing that the board should do exactly that.

<sup>20</sup> “Copied” is a term of art in interference law. It does not mean that the targeting claim is necessarily word-for-word identical to the targeted claim. What it means is that the targeting claim is based on the targeted claim and at least allegedly interferes with the targeted claim. See, e.g., Kubota v. Shibuya, 999 F.2d 517, 521-22, 27 USPQ2d 1418, 1422 (Fed. Cir. 1993)(“Under the present rules[,] an applicant is not required to copy a patent’s claims exactly, and the applicant need only present claims drawn to the same patentable invention as the ‘count’ of the interference.”), quoting Heymes v. Takaya, 6 USPQ2d 2055, 2056 (PTOBPAI 1988), with approval.

<sup>21</sup> 41 CFR 41,203(a) reads as follows:

(a) Interfering subject matter. An interference exists if the subject matter of a claim of one party would, if prior art, have anticipated or rendered obvious the subject matter of a claim of the opposing party and vice versa.