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SUPREME AND FEDERAL COURT CASES

U.S. Supreme Court Denies Writ to Overturn Application of the Kessler Doctrine

The U.S. Supreme Court denied software developer's SpeedTrack writ to overturn the Federal Circuit's application of the recently revived, 100+ year old Kessler doctrine. Speedtrack lost an initial case against Walmart where the accused product was found not to infringe Speedtrack's patent. The Federal Circuit affirmed a decision of the district court that SpeedTrack was barred under the Kessler doctrine from bringing a second lawsuit against Office Depot because the accused Office Depot product was "essentially the same" as the Walmart product that was found to be non-infringing.

This case is important to plaintiffs and defendants alike in the consumer technology space where new versions of products are constantly released, but the core functionality remains unchanged from version to version. The implication of this ruling implies that once an accused product is found to be non-infringing, subsequent versions of that product can also be protected from litigation even if they were not a part of the original lawsuit. Additionally, if there is a finding that one party does not infringe, a plaintiff can be barred from bringing a lawsuit against another unrelated party for infringement of products that are "essentially the same" as the non-infringing product.

SpeedTrack, Inc. v. Office Depot, Inc., C.A. No. 15-461 (U.S. Supreme Court, Jan. 11, 2016)

- Author: [Michael Reeder](#)

JMOL of No Invalidity May Not Be Based on New, Post-Verdict Construction of Claim Terms

In a January 8, 2016 decision, the Federal Circuit reversed a grant of judgment as a matter of law of no invalidity because the district court altered its construction of a key claim term after trial, and impermissibly based its JMOL determination on the new construction. Plaintiff Wi-LAN, Inc. sued Apple in the Eastern District of Texas for infringement of a patent directed to a system for wireless data communication. The asserted claims recited a "first computing means" which, according to the patent, randomizes the data to be transmitted using a "multiplier." Multipliers can be either "real" or "complex," and the parties agreed that the prior art taught randomizing data using only real multipliers. At trial, the jury found the two asserted claims invalid. The jury based its verdict on the court's construction of the term "first computing means"—a construction that did not require complex multipliers—and determined that the claims were invalid as anticipated by the prior art. Wi-LAN moved for a JMOL of no invalidity, arguing that the asserted claims did, in fact, require complex multipliers.

The district court vacated the jury's verdict of invalidity, holding that a reasonable jury would have understood that the claims required complex multipliers. Although the court acknowledged that its construction of the term at issue "does not specifically provide for a complex multiplier," the court held that a complex multiplier was required because "throughout the trial, both sides took the position that the complex multiplier ... was reasonably included in the Court's construction."

The Federal Circuit reversed. The court held that the district court's addition of a "complex multiplier" requirement amounted to a new claim construction, which is impermissible at the JMOL stage. The court noted that a trial court may adjust claim constructions post-trial to clarify a meaning inherent in the previous construction, or make plain what should have been obvious to the jury. However, the court may not go so far as to adopt a new and more detailed interpretation of claim language: "[a]t the JMOL stage, the question for the trial court is limited to whether substantial evidence supports the jury's verdict under the issued construction." In this case, the Federal Circuit held that because the district court acknowledged that its original construction did not require a complex multiplier, adding such a requirement post-verdict impermissibly altered the scope of the original construction. Accordingly, the Federal Circuit reversed the district court's JMOL determination of no invalidity.

- Author: [Michael Petegorsky](#)

DISTRICT COURT CASES

Software Patent Survives *Alice* Challenge

An Eastern District of Texas judge upheld the patentability of a software patent related to business intelligence. The claims of the patent were directed to a method of providing an automatic version control to a business intelligence system. U.S. District Judge Amos L. Mazzant held that even though the asserted claims of software company Motio Inc.'s U.S. Patent Number 8,285,678 are for the abstract idea of maintaining versions of electronic documents, the claims nonetheless survive *Alice* because the patent contains inventive concepts.

The court held that the claims describe an "automated agent" that does not simply use a computer to automate prior concepts; instead it solves technologically specific problems. Specifically, Judge Mazzant wrote that the claims survive an *Alice* challenge because "[i]t is the provision of this automated agent to solve the problem of a business intelligence system lacking local control that amounts to significantly more than a patent on the idea of maintaining versions of electronic documents itself... The claims describe an invention that serves as an addition to a business intelligence system rather than claiming a monopoly on all version control systems, particularly version control native to a business intelligence system.... Moreover, the [patent] does not claim version control generally, but rather a specific method, using an 'automated agent' distinct from a business intelligence system to improve the functionality of a business intelligence system."

Motio, Inc. v. BSP Software LLC et al, 4-12-cv-00647 (E.D. Tex. January 4, 2016, Order) (Mazzant, J.)

- Author: [Sumedha Ahuja](#)

Texas Court Finds Voice over IP Networking Patents Valid under *Alice*

A Texas magistrate judge has found that two patents related to Voice over IP networking do claim patentable subject matter and has recommended denial of summary judgment of invalidity. Plaintiff Genband sued Metaswitch Networks over patents relating to networking and firewall systems in a voice over IP network. Claim 1 of U.S. Patent 6,772,210 recites a system that performs address translation on IP messages transmitted between two separate networks. Metaswitch argued that the '210 patent was directed to the abstract idea of address mapping and translation and nothing more. The court disagreed. Citing the Federal Circuit's DDR Holdings decision, the court held that even if claim 1 could be characterized as embodying an abstract idea, it is patent-eligible because it includes a combination of elements that amounts to more than the ineligible concept itself. According to the court, the claim recites two separate devices operating in two different IP networks, hence implementing the idea in context of a non-generic computer system. Genband's U.S. Patent 7,047,561 claims a method for classifying IP packets based on their type and performing different operations on those packets. Here too, the court held that the claimed method was implemented in the context of a specific, non-generic computer system, and improved the functioning of the computer itself. The court also found that claimed elements such as the "computer network" were "the only reason one would perform the claimed method in the first place," and these elements imposed a meaningful limit on the scope of a claim.

In a separate order, the court granted a motion to strike portions of Genband's expert report relating to subject matter eligibility. The court noted that the section 101 challenge was a question of law and reliance on expert testimony was disfavored. The court further stated that the utility of expert testimony on subject matter eligibility is limited to supplying background facts about the nature of the art and the patents, similar to expert testimony in the context of claim construction.

Genband US LLC v. Metaswitch Networks Corp., No. 2-14-cv-00033, Dkt. No. 408 (E.D. Tex. Jan. 8, 2016) [Payne]

- Author: [Ifti Ahmed](#)

PATENT TRIAL AND APPEAL BOARD

Failure to Prove Admissibility of Prior Art Dooms IPR Challenge

The Patent Trial and Appeal Board (PTAB) simultaneously granted a patent owner's motion to exclude a key piece of prior art for lack of authentication, and issued a final written decision upholding all of the challenged patent claims. The key prior art was a technical article bearing a footer with the mark "© 1999 IEEE" and an ISSN number. In its petition, the petitioner claimed the article was printed in a particular journal on an exact publication date, but this information was nowhere to be found in the prior art itself. The patent owner objected to the authenticity of this exhibit and when the petitioner did not serve any additional evidence in response to this objection, the patent owner filed a motion to exclude the prior art. The PTAB granted this motion to exclude, holding that neither the copyright date, the ISSN number, nor the IEEE inscription were sufficient to support a finding that the article was printed in the journal or on the date alleged by the petitioner. Without this key prior art

in evidence, the petitioner's IPR challenge necessarily failed.

TRW Auto. U.S. LLC v. Magna Elecs. Inc., IPR2014-01347 (PTAB January 6, 2016) [Fitzpatrick (opinion), Grossman, Calve (dissent)]

- Author: [Andy Rosbrook](#)

Motions to Submit Additional Information after AIA Review is Instituted Are Not Always Granted

The Federal Circuit affirmed the Patent Trial and Appeal Board's (PTAB) decision to deny the petitioner's motion to submit supplemental information after the institution of an inter partes review. Less than a month after the IPR was instituted, the petitioner filed a Motion for Supplemental Disclosure of New Exhibits under 37 C.F.R. §42.123, requesting submission of a 60-page declaration from its expert and other evidence. The petitioner provided as its only reason for submitting the declaration late was that it would be more cost-effective for the expert to only opine on the grounds on which the board instituted the review. The PTAB and the Federal Circuit agreed that saving money was not a good enough reason to allow the submission of the expert's declaration after institution.

37 C.F.R. §42.123 allows a party to file a motion to submit supplemental information after a review has been instituted if the following are met: (1) a request for authorization to file a motion is made within one month of the date the review is instituted and (2) the information must be relevant to a claim for which the review has been instituted.

The petitioner argued that the PTAB was required to accept its supplemental information because it met the requirements of the rule. The Federal Circuit deferred to the PTAB's interpretation of the rule. The PTAB's interpretation of the rule did not require the acceptance of supplemental information even if timely submitted and relevant. The Federal Circuit noted that the PTAB has been given the authority to determine a proper course of conducting a review that secures a just, speedy, and inexpensive resolution of the proceeding and the PTAB's interpretation of the rule is in accordance with this authority. The court also found that the PTAB correctly rejected the petitioner's motion since the information could have been submitted with the petition. Accordingly, the rule allows the filing of a motion to submit supplemental information, but there is no guarantee the motion will be granted.

Redline Detection, LLC v. Star Envirotech, Inc., No. 2015-1047 (Dec. 31, 2015 Fed. Cir.) [Lourie, Wallach (opinion), and Hughes]

- Author: [Ashley Edison Brown](#)

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



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