



## IPR Claim Construction: Cuozzo v. Lee

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June 3, 2016

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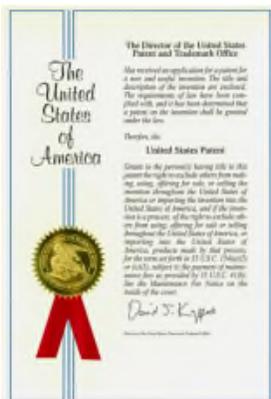
## America Invents Act

- Signed into law on September 16, 2011
- Switches patent system from “first to invent” to “first inventor to file” – effective on March 16, 2013
- Creates post-grant proceedings – effective on September 16, 2012



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## America Invents Act: Post-Grant Proceedings



Post-Grant Review  
(within 9 months of grant)

*Inter Partes* Review  
(more than 9 months after grant)

Supplemental Examination  
(patentee only)

*Ex parte* Reexamination

Patent Trial and Appeal Board

Examining Corps

Effective September 16, 2012



## *Inter Partes* Review

- File more than 9 months after patent grant
- Threshold of “reasonable likelihood that the requester would prevail”
- For anticipation or obviousness on the basis of prior art patents and printed publications only
- An *inter partes* review may not be started if the request was filed more than 1 year after the date on which the petitioner was served with a complaint alleging infringement



## Inter Partes Review Bars and Estoppel

- Barred if petitioner already filed a civil action challenging validity of patent.
- Civil action filed after review is stayed unless:
  - A) patent owner moves the court to lift stay
  - B) patent owner files counterclaim alleging infringement, or
  - C) either party moves to dismiss the civil action
- Petitioner is estopped from arguing invalidity in a new IPR and in court on any ground that reasonably could have been raised during IPR.
- May be terminated by joint request of petitioner and patent owner before the Office has made a decision on the merits. No estoppel applies.



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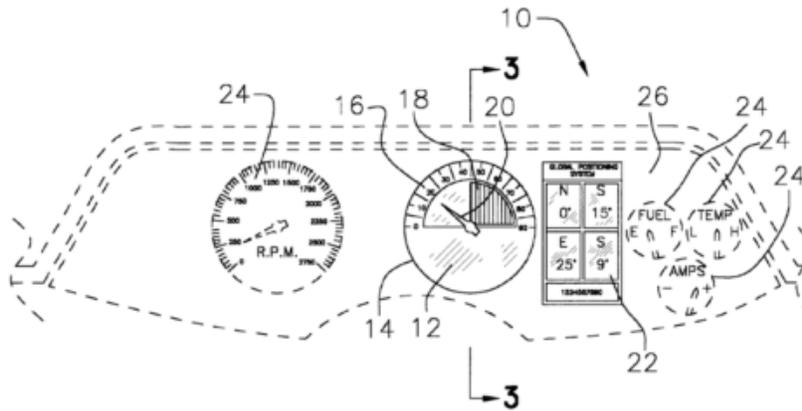
## Inter Partes Review Procedure

- Petition for IPR is filed
  - Patent Owner may file preliminary response
- PTAB makes decision whether or not to institute IPR
- Limited discovery is allowed
- Patent Owner may make one motion to amend claims
  - Must explain patentability over all prior art
  - May not expand the scope of the claims
- PTAB issues final decision
  - Estoppel applies to claims that were part of IPR



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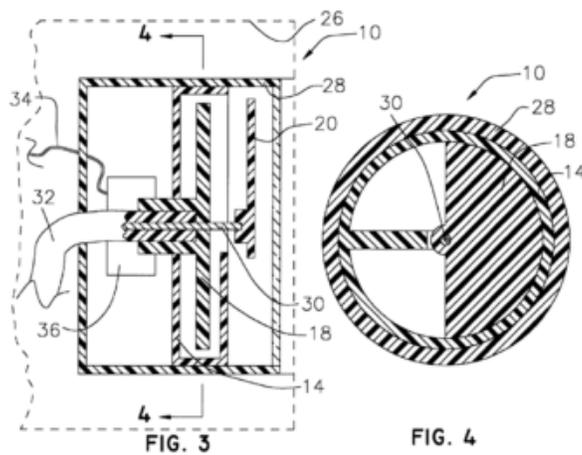
### U.S. Patent No. 6,778,074 – “Cuozzo patent”



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### U.S. Patent No. 6,778,074 – “Cuozzo patent”



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## Cuozzo patent - relevant claims

- 10. A speed limit indicator comprising:
  - a global positioning system receiver;
  - a display controller connected to said global positioning system receiver, wherein said display controller adjusts a colored display in response to signals from said global positioning system receiver to continuously update the delineation of which speed readings are in violation of the speed limit at a vehicle's present location; and
  - a speedometer **integrally attached** to said colored display.

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## Cuozzo patent - relevant claims

- 14. The speed limit indicator as defined in claim 10, wherein said colored display is a colored filter.
- 17. The speed limit indicator as defined in claim 14, wherein said display controller rotates said colored filter independently of said speedometer to continuously update the delineation of which speed readings are in violation of the speed limit at a vehicle's present location.

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## Prosecution History of the Cuozzo patent



- Claims anticipated by Awada
- Claims were amended “a speedometer integrally attached to said colored speed-limit display.”
- Distinguished from Awada because Awada lacks a speedometer integrally attached to the speed limit display. Driver is forced to look in two separate locations and then mentally compare the speed limit with his vehicle’s speed.

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## Cuozzo Speed Tech sues on June 15, 2012

- Garmin and Chrysler
  - FIAT 500 with Blue&Me navigation, Garmin nüvi 3790T, or Garmin nüvi 3760T GPS-based navigation systems
- General Motors
  - 2004 - Mr. Cuozzo submitted a “Request to Consider Submission” to GM.
  - 2006 - GM said it had no interest.
  - Cadillac DTS (2009) with speed limit advisor, TomTom VIA 1405 and VIA 1505 for GM vehicles.
- JVC
  - Various JVC navigation systems that provide speed alerts
- TomTom and Mazda
  - Mazda CX-5 with TomTom Mazda NB1 Navigation System with Speed Limit Warning feature



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## Inter Partes Reviews

- IPR2012-00001 - 9/16/2012 – Garmin International
  - Claims 1-20, instituted 1/9/2013 on claims 10, 14, and 17
  - Final Decision 11/30/2013
- IPR2013-00373 - 6/20/2013 – Garmin International
  - Claims 1-20, instituted 12/18/2013 on claims 1-6, 9, 11-13, 15, 16, and 18-20
  - Joint motion to terminate 1/23/2014; confidential settlement
- IPR2014-01393 - 8/27/2014 – Ford Motor Company
  - Claims 1-20, instituted 2/9/2015 on claims 1-6 and 9-20
  - Joint motion to terminate 7/29/2015; confidential settlement



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## IPR petition arguments

- Claim 1 (independent)
  - Anticipated by Aumayer, Tegethoff, and Tokunaga
- Claim 10 (independent)
  - Anticipated by Aumayer
  - Obvious – Tegethoff and Awada
  - Obvious – Tokunaga
- Claim 17 (depends from 14 and 10)
  - Obvious – Aumayer in view of Evans and Wendt



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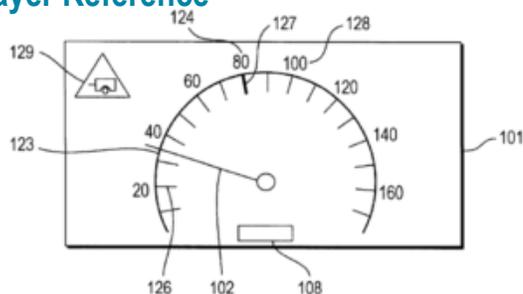
## "Integrally Attached" – Preliminary Construction

- Petitioner (Garmin)
  - Does not actually provide a construction.
  - Patent Owner's allegation that Petitioner's accused infringing product of an LCD display includes an integrally attached speedometer and colored display.
  - Mentions that BRI for IPR is not necessarily the actual construction required by *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc).
- PTAB - preliminary
  - Construction is not governed by what the Patent Owner says in a patent infringement suit.
  - "two elements are discrete parts physically joined together as a unit without each part losing its own separate identity."



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## Aumayer Reference

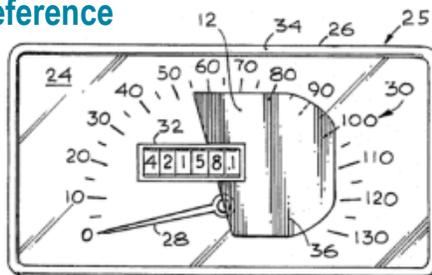


- Electronic display (LCD)
- Does not disclose "integrally attached"
  - The speedometer and the colored display are not discrete and separately recognizable parts.
  - The LCD is itself a single component which performs the function of both.
- Not an anticipating reference



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### Evans reference

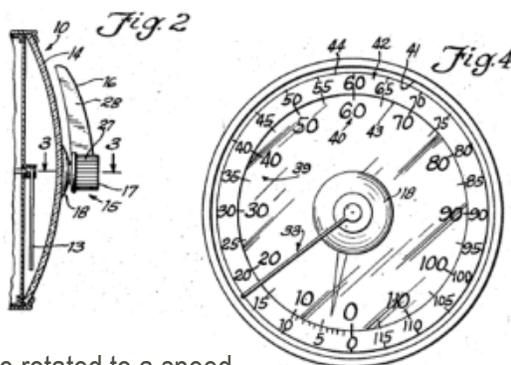


- The red colored plate (12) is a fixed structure integrally attached to the speedometer.
- In its operational state it is fixed, non-movable, and non-adjustable.
- Would not have made Cuozzo obvious with Aumayer.



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### Wendt reference



- Pointer that can be rotated to a speed limit.
- Makes claim 17 obvious in combination with Aumayer and Evans.



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## IPR instituted

- Aumayer, Evans, and Wendt teach all the features of Claim 17, so there is a reasonable likelihood that the Garmin would prevail.
- Claim 17 is the only claim that Garmin alleged was obvious in view of these three references.
- Since claim 17 depends from claim 14, which depends from claim 10, the PTAB instituted the IPR for all three of these claims.
- PTAB exercised its discretion to recognize that the argument was made implicitly to claims 14 and 10.

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## Cuozzo's construction of "Integrally Attached"

- Claim language: "a speedometer integrally attached to said colored display."
  - "integrally attached" means "joined or combined to work as a complete unit."
- Figure 1; the specification states that, "Speedometer 12 **has** ... a colored display ...." So the colored display (red filter) is a component of the speedometer.
- The PTAB construction would exclude this embodiment where the colored display is a component of the speedometer
  - (discrete parts ... separate identity)

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## Why argue for broader construction? Cuozzo antedates Aumayer and Awada

- Cuozzo declaration:
  - Cuozzo conceived of the invention in November 1999 when he was cited for speeding
  - Nearly identical statements made to Invention Submission Corporation (“ISC”) that he developed idea “driving one day.”
  - Car was destroyed in an accident in May 2000
  - Delivered a Record of Invention to ISC on October 30, 2000, showing possession of complete invention
  - Visited ISC’s offices several weeks before October 30, 2000
  - Mr. Kaardal letter, dated Dec. 8, 2000, confirming engagement
  - Application filed March 18, 2002 by Mr. Campbell
- Pre-dates October 19, 2000, effective date of Aumayer and March 2, 2001, effective date for Awada



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## PTAB’s construction of “Integrally Attached”

- The main characteristic of “integrally attached” is the word “attached”
- “Integrally” modifies “attached” by specifying a form of attachment
- Two components being attached cannot be reduced to one component by the modifier “integrally”
- So there must be a speedometer and colored display that are **separately identifiable** from each other otherwise “attached” is effectively read out of the claim
- It means “discrete parts physically joined together as a unit without each part losing its own separate identity.”



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## PTAB's construction of "Integrally Attached" – Specification and Prosecution History

- No mention of the term "integrally attached" in the specification
- Added during examination to distinguish over Awada
- Support for the term was said to be found in the specification where the speedometer and the colored display are described as separate and discrete elements.

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## Cuozzo's Motion to Amend Claims

- Add limitations from depending claims 12 and 18 into 10.
  - 12 – "wherein said colored display is a liquid crystal display"
  - 18 – "wherein said speedometer comprises a liquid crystal display"
- "wherein the speedometer comprises a liquid crystal display, and wherein the colored display **is the liquid crystal display.**"
- PTAB – given the proper construction of "integrally attached" there is no support for the scope of the claim that the colored display is the liquid crystal display comprised by the speedometer. (i.e., not one, two LCD)

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## PTAB Decision

- Claims 10, 14, and 17 are cancelled
  - “At this stage in the proceeding, both Aumayer and Awada remain as applicable prior art against Cuozzo.”
  - Claim are found to have been obvious
- Motion to amend claims is denied
  - New claims not supported by written description
  - Amended claims are broader than original claims because of the construction of “integrally attached”

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## CAFC Appeal – Cuozzo’s Arguments

- PTAB erred in its construction of “integrally attached”
  - BRI standard is not appropriate for an IPR trial
  - Construction of “integrally attached” is incorrect under both the BRI standard and Phillips
  - PTAB denied the motion to amend solely based on erroneous claim construction
- PTAB lacked authority to institute IPR for claims 10 and 14 based on grounds not identified in the Petition

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## BRI Standard v. Ordinary Meaning (Phillips)

- BRI standard
  - Claim terms are given their broadest reasonable interpretation in view of the specification to one having ordinary skill in the art at the time of the invention in without importing limitations into the claims from the specification.
  - Is the patentee giving the term a special meaning?
- Ordinary Meaning (Phillips)
  - Review intrinsic evidence (claims, specification, prosecution history) and possibly extrinsic evidence to give claims the meaning a person of ordinary skill would have.
  - Interpret the claims so they cover what was actually invented
  - Preserve the claims' validity



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## CAFC – BRI Standard

- Congress was well aware of the BRI standard, there is no indication that the AIA changed the standard that the PTO has applied for over 100 years.
- There are not any restrictions on amendments that make this IPR proceeding materially different from prior proceedings that use BRI.
  - Although the opportunity to amend is restricted in IPR it is nonetheless available
  - The only reason for rejecting the amendment is that it enlarged the scope of the claim which has been a bar of pre-IPR procedures



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## CAFC – Appeal of Decision to Institute IPR

- AIA prohibits review of the decision to institute IPR
  - 35 U.S.C. § 314(d) - “The determination by the Director whether to institute an inter partes review under this section shall be *final and nonappealable*.”
  - CAFC previously held that a flawed decision to institute reexamination was not a basis for setting aside a final decision. (*In re Hiniker*) Any error was “washed clean during the reexamination proceeding.”
- Mandamus may be available if the IPR was instituted in direct contravention of the statute
  - Right of Cuozzo to receive writ is not clear and indisputable

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## Supreme Court – Questions Presented

- Whether, for an IPR, the Board may construe claims in an issued patent according to their broadest reasonable interpretation rather than their plain and ordinary meaning.
- Whether, if the Board exceeds its statutory authority in instituting an IPR proceeding, its decision is judicially unreviewable.

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## Supreme Court – BRI – Cuozzo Themes

- There is an important difference between patent examination and adjudication
  - Examination assesses scope of changeable patent claims
  - BRI test is an expedient to test the ambiguity in the claims
  - Adjudication tests validity of properly rights
- IPR is a substitute for district court adjudication, not examination

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## Supreme Court – BRI – PTO Themes

- BRI standard is what Congress intended
  - PTO has long applied the BRI standard
  - Patentee is allowed to amend its claims (may disavow the broader reading if it does not reflect its actual intent)
  - IPR was not intended to replicate the results of hypothetical district-court litigation
- PTO reasonable exercised its delegated authority in applying the BRI to IPR

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## Supreme Court – IPR Institution – Cuozzo Themes

- The AIA places limits on the PTO's power to institute IPR proceedings
  - Only printed publications may be used
  - Only instituted IPR based on information in petition
- The PTO cannot violate those limits without judicial oversight
  - § 314(d) only bars appeal of the PTO's decision itself not violation of the limits to institute IPR proceedings

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## Supreme Court – IPR Institution – PTO Themes

- PTO's decision to institute IPR "shall be final and nonappealable" so it is not subject to review
- Even if the PTO's decision were reviewable, there was no error in recognizing that the same obviousness rejection would apply to two additional claims

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## Supreme Court – BRI – Oral Arguments – Cuozzo

- Sotomayor - Congress gave an opportunity to amend in contrast to district court litigation where there is no opportunity to amend.
  - Ability to amend is limited (once) and not often granted
  - This is different from examination where there is an iterative process
- Alito - When does the Board set out its BRI and can it change?
  - Board sets out preliminary claim interpretation in the institution decision. Final claim construction is made in the final decision; too late for patentee to respond



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## Supreme Court – BRI – Oral Arguments – Cuozzo

- Ginsburg - If the standard is ordinary meaning, how does that affect this case?
  - Remand to Board which would need to revise claim construction; Cuozzo would be permitted to amend claims.
- Kennedy - If the patent is invalid under BRI should the PTO never have issued it in the first place?
  - Purpose of BRI is not a claim-construction standard, it is a test for ambiguity so claims can be amended. It simply means that the language is ambiguous and need to be refined.



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## Supreme Court – BRI – Oral Arguments – Cuozzo

- Kagan - Is your argument that Congress couldn't have thought anything else except that the ordinary-meaning standard would control? The statute doesn't say one way or another.
  - The Board must reach its final decision in an IPR in 12 months, in contrast to examination and reexamination which can take 2-3 years with an iterative process
- Wouldn't congress have known that the PTO uses the BRI?
  - Congress has never addressed claim-construction issues
  - IPR is a new adjudicatory proceeding unlike the PTO has ever confronted in the past.



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## Supreme Court – BRI – Oral Arguments – PTO

- Sotomayor – How different is the meaning of the BRI from the ordinary meaning?
  - In most circumstances, they end up the same
- When does it not end up the same?
  - When a court has to apply the presumption of validity a patent has, it will probably apply the narrower construction.
  - In the case of an IPR, the patentee will need to amend if the claims could reasonably read on the prior art.
  - Many of the denials for claim amendments are because the claim is still not patentable



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## Supreme Court – BRI – Oral Arguments – PTO

- Roberts – It is clear that Congress meant for IPR to substitute for judicial action. Why be wedded to BRI?
  - It is not supposed to perfectly replicate the results of district court litigation
- It is a very extraordinary animal to have two different proceedings addressing the same question that lead to different results.
  - In an IPR, you are not stuck with a saving construction of the patent, instead the patent owner can fix the problem by making an amendment

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## Supreme Court – BRI – Oral Arguments – PTO

- Roberts – There's already been a case where you've had two different results with the same patent. What do you do?
  - If the patent has been invalidated by the PTO, the district court litigation is going to abate.
- So you put the district court to all the trouble?
  - Most district court proceedings have been stayed

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## Supreme Court – IPR Institution – Oral Arguments

- Ginsburg - What is the purpose of the statute barring review of IPR institution?
  - Cuozzo - It bars appeal of decisions not to institute, since they will never become part of the final decision
  - Cuozzo - It also bars interlocutory petitions for mandamus
  - PTO – Language for barring appeal of reexamination uses the language “The determination by the director that no substantial new question of patentability has been raised.” This language reflects what Cuozzo is arguing, not the language in the IPR statute.
  - PTO – Mandamus is only allowed if PTO has made an error by not following the requirements to institute an IPR

