

NOV 16 2015

No. 15-561

OFFICE OF THE CLERK

---

IN THE  
**Supreme Court of the United States**

---

NAUTILUS, INC.,

*Petitioner,*

v.

BIOSIG INSTRUMENTS, INC.,

*Respondent.*

---

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED  
STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

---

**BRIEF OF PUBLIC KNOWLEDGE AND THE  
ELECTRONIC FRONTIER FOUNDATION AS  
AMICI CURIAE IN SUPPORT OF PETITIONER**

---

CHARLES DUAN

*Counsel of Record*

PUBLIC KNOWLEDGE

1818 N Street NW, Suite 410

Washington, DC 20036

(202) 861-0020

[cduan@publicknowledge.org](mailto:cduan@publicknowledge.org)

*Counsel for amici curiae*

---

---

**BLANK PAGE**

## TABLE OF CONTENTS

TABLE OF AUTHORITIES . . . . .	ii
INTEREST OF <i>AMICI CURIAE</i> . . . . .	1
SUMMARY OF ARGUMENT . . . . .	2
ARGUMENT . . . . .	3
I. The Federal Circuit’s Remand Decision Mis- interpreted and Thus Conflicted with this Court’s Decision . . . . .	3
II. This Court Should Review Whether Definite- ness Can Be Based on Self-Serving State- ments by the Inventor Made Long After Is- suanance of the Patent . . . . .	5
III. The Federal Circuit’s Remand Decision, Left Unchallenged, Will Create the Exact Public Harms that this Court Sought to Avoid in <i>Nau-         tilus</i> . . . . .	7
CONCLUSION . . . . .	9

## TABLE OF AUTHORITIES

### CASES

<i>01 Communique Laboratory, Inc. v. LogMeIn, Inc., 687 F.3d 1292 (Fed. Cir. 2012)</i>	5
<i>Alice Corp. Pty. Ltd. v. CLS Bank International, 134 S. Ct. 2347 (2014)</i>	1
<i>ArcelorMittal France v. AK Steel Corp., Nos. 14-1189, -1190, -1191 (Fed. Cir. May 12, 2015)</i>	6
<i>Bell &amp; Howell Document Management Products Co. v. Altek Systems, 132 F.3d 701 (Fed. Cir. 1997)</i>	6
<i>Biosig Instruments, Inc. v. Nautilus, Inc., No. 12-1289 (Fed. Cir. Apr. 27, 2015)</i>	4-5
<i>Commil USA, LLC v. Cisco Systems, Inc., 135 S. Ct. 1920 (2015)</i>	1
<i>Nautilus, Inc. v. Biosig Instruments, Inc., 134 S. Ct. 2120 (2014)</i>	1-7
<i>Octane Fitness, LLC v. Icon Health &amp; Fitness, Inc., 134 S. Ct. 1749 (2014)</i>	1

**STATUTES**

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

**OTHER SOURCES**

John R. Allison & Lisa Larrimore Ouellette, *How Courts Adjudicate Patent Definiteness and Disclosure*, 65 Duke L.J. (forthcoming 2015) . . . . . 4

James Bessen et al., *The Private and Social Costs of Patent Trolls*, Regulation, Winter 2011–2012, at 26, <http://object.cato.org/sites/cato.org/files/serials/files/regulation/2012/5/v34n4-1.pdf> . . . . . 7

Brief of *Amici Curiae* Electronic Frontier Foundation and Public Knowledge in Support of Petitioner, *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120 (Mar. 3, 2014) (No. 13-369), available at <http://www.publicknowledge.org/assets/uploads/blog/nautilus-amicus-brief.pdf> . . . . . 7

Fed. Trade Comm’n, *The Evolving IP Marketplace: Aligning Patent Notice and Remedies with Competition* (2011), available at <http://www.ftc.gov/os/2011/03/110307patentreport.pdf> . . . . . 7

David J. Kappos & Christopher P. Davis, *Functional Claiming and the Patent Balance*, 18 Stan. Tech. L. Rev. 365 (2015) . . . . . 3

(iv)

Jason Rantanen, *Teva, Nautilus, and Change Without Change*, 18 Stan. Tech. L. Rev. 430 (2015) . . . . 4-5

Michael Risch, *The Failure of Public Notice in Patent Prosecution*, 21 Harv. J.L. & Tech. 179 (2007) . . . . . 7

## INTEREST OF *AMICI CURIAE*

Public Knowledge<sup>1</sup> 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.

The Electronic Frontier Foundation is a non-profit civil liberties organization that has worked for over 20 years to protect consumer interests, innovation, and free expression in the digital world. Founded in 1990, EFF represents over 22,000 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 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); *Octane Fitness, LLC v. Icon Health & Fitness, Inc.*, 134 S. Ct. 1749 (2014); *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920 (2015).

---

<sup>1</sup>Pursuant to Supreme Court Rule 37.2(a), all parties received appropriate notice of and consented to the filing of this brief. Pursuant to Rule 37.6, 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

In prior briefing, *amici* compared ambiguity in patents to an ambiguous title record of an easement for which the western boundary is in a “spaced relationship” with a highway. Such ambiguity in title records would hamper future land developers, who would not know whether to build a foot or a mile from that highway. As a result, such a title record would never be allowed.

What difference should it make if, fifteen years after recording the title, the easement owner sent a letter to the Recorder of Deeds explaining the meaning of “spaced relationship”? The record of the easement would have been just as defective for the intervening fifteen years, and future developers would have been equally uncertain as to their rights. The attempt to rewrite the title specification *post hoc* would be disapproved.

Yet this is precisely what the Court of Appeals for the Federal Circuit approved in its remand decision. In deciding whether a patent claim was sufficiently definite under the Patent Act, the Court of Appeals relied almost exclusively on a self-serving declaration by the inventor made in a reexamination proceeding fifteen years after issuance of the patent in question.

This error, compounded by the remand decision’s fundamental misreading of *Nautilus*, will have substantial real-world consequences for innovators and the public: consequences of encouraging harmful practices of injecting ambiguity into patents, and consequences of leaving the public uncertain of what they may and may not do in the face of a patent. Last Term, this Court granted certiorari in *Nautilus* to avoid these consequences. The ongoing need to avoid these consequences warrants certiorari here.



## ARGUMENT

### I. THE FEDERAL CIRCUIT'S REMAND DECISION MISINTERPRETED AND THUS CONFLICTED WITH THIS COURT'S DECISION

Certiorari here is necessary to maintain the basic principles enunciated in *Nautilus*, 134 S. Ct. 2120, because the Court of Appeals critically misconstrued that opinion.

*Nautilus* rejected the Federal Circuit's test for indefiniteness under 35 U.S.C. § 112(b), which held a claim invalid only if the terms of the claim were "insolubly ambiguous." It rejected the test for setting too high a bar for proving indefiniteness. As this Court said in characterizing the 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." *Id.* at 2130 (citation omitted).

This Court found the Federal Circuit'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.<sup>2</sup> This revised formulation has been widely understood to have lowered the bar for proving indefiniteness, and to have tightened the standard for clarity of patent claims. *See, e.g.*, David J. Kappos & Christopher P. Davis, *Functional Claiming and the Patent Balance*, 18 *Stan. Tech. L. Rev.* 365, 373 (2015)

---

<sup>2</sup>This 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.

(describing *Nautilus* test as “the new higher standard of claim definiteness”); John R. Allison & Lisa Larri-more Ouellette, *How Courts Adjudicate Patent Definiteness and Disclosure*, 65 Duke L.J. (forthcoming 2015) (manuscript at 6) (*Nautilus* “seems to call for imposition of a stricter definiteness requirement”).

But the Federal Circuit remand 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 Court of Appeals said that this 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 this 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 this Court’s opinion. There is nothing “imprecise” about the “insolubly ambiguous” standard—it was eminently clear how to apply it. This Court recognized that the problem with the standard was its substantive level. But nevertheless, the Federal Circuit’s post-*Nautilus* decisions, such as the one that is the subject of the present petition, “do not even hint at a raised standard, either formally or in application.” Jason Rantanen, *Teva, Nautilus, and Change Without Change*, 18 Stan. Tech. L. Rev. 430, 439 (2015).

Without correction of the Federal Circuit’s opinion, district courts will be left uncertain as to whether the standard for indefiniteness has changed (per this Court) or not (per the Court of Appeals). More importantly, without correction, this Court’s important efforts at restoring “the proper office of the definiteness command,”

*Nautilus*, 134 S. Ct. at 2129, will be rendered a nullity in view of an appellate court that is bent on reading this Court's decision as "change without change," Rantanen, *supra*, at 433. Certiorari is necessary to correct these substantial errors.

## II. THIS COURT SHOULD REVIEW WHETHER DEFINITENESS CAN BE BASED ON SELF-SERVING STATEMENTS BY THE INVENTOR MADE LONG AFTER ISSUANCE OF THE PATENT

*Nautilus* held that "the definiteness inquiry trains on the understanding of a skilled artisan at the time of the patent application." 134 S. Ct. at 2130. Despite this requirement, the Court of Appeals treated a declaration of the named inventor filed during reexamination, fifteen years after issuance of the patent, as intrinsic evidence heavily weighing in favor of definiteness. *Biosig*, No. 12-1289, slip op. at 17-18.<sup>3</sup>

There are serious concerns with the Federal Circuit's approach. It is unclear how a declaration filed fifteen years after the close of the original prosecution 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 this Court's prohibition on using *post hoc* rationalization to explain the

---

<sup>3</sup>The case that the Federal Circuit 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. LogMeIn, Inc.*, 687 F.3d 1292, 1298 (Fed. Cir. 2012), whereas here the reexamination statement is self-serving and used for definiteness purposes.

meanings of claim terms. *See id.* at 2130. Finally, it is unclear how the Federal Circuit concluded that claims that were perhaps indefinite prior to reexamination could become definite thereafter, particularly in view of the Federal Circuit’s own 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).<sup>4</sup>

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)).

Accordingly, by treating statements in a reexamination history as intrinsic evidence for definiteness purposes, the Federal Circuit remand opinion was inconsistent with both this Court’s pronouncements in *Nautilus* and this Court’s own precedents. Certiorari is necessary to correct these defects.

---

<sup>4</sup>*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 . . .”).

**III. THE FEDERAL CIRCUIT’S REMAND DECISION,  
LEFT UNCHALLENGED, WILL CREATE THE  
EXACT PUBLIC HARMS THAT THIS COURT  
SOUGHT TO AVOID IN NAUTILUS**

The errors in the Federal Circuit’s remand decision are serious and merit this Court’s review on a writ of certiorari, because those errors will saddle the public with problematically indefinite patents.

*Amici* previously argued before this Court that the indefinite patents borne out of the Federal Circuit’s lax “insolubly ambiguous” standard have had “practical effects that have distorted the patent system, fostered abuse, and hampered innovation.” Brief of *Amici Curiae* Electronic Frontier Foundation and Public Knowledge in Support of Petitioner at 9, *Nautilus*, 134 S. Ct. 2120 (Mar. 3, 2014) (No. 13-369), available at URL *supra* p. iii. In particular, *amici* noted numerous studies from government and academia on how vagueness in patents has created “a business opportunity based on acquiring patents that can be read to cover existing technologies and asserting those patents.” *Id.* at 15–17; James Bessen et al., *The Private and Social Costs of Patent Trolls*, Regulation, Winter 2011–2012, at 26, at 34, URL *supra* p. iii; see also Michael Risch, *The Failure of Public Notice in Patent Prosecution*, 21 Harv. J.L. & Tech. 179, 180 (2007) (“Patent applicants have an incentive to keep issued patents vague because vagueness allows for ex post gaming”).

This Court agreed. Finding that “patent applicants face powerful incentives to inject ambiguity into their claims,” this Court enunciated its definiteness standard with an eye toward “[e]liminating that temptation” to inject ambiguity. *Nautilus*, 134 S. Ct. at 2129 (citing Fed. Trade Comm’n, *The Evolving IP Marketplace: Aligning*

*Patent Notice and Remedies with Competition* 85 (2011), available at URL *supra* p. iii).

The errors in the Federal Circuit's remand opinion, then, create those same bad incentives that this Court sought to avoid. First, by treating this Court's "reasonable certainty" standard as setting a bar no higher than the previous "insolubly ambiguous" test, the Federal Circuit encourages patent applicants to make no change in their patent prosecution habits, leaving those "powerful incentives to inject ambiguity" fully intact. And more worryingly, by finding a claim to be definite based on self-serving inventor statements in a reexamination fifteen years after issuance, the Federal Circuit effectively approves of a strategy in which applicants seek highly ambiguous claims, lay in wait for potential infringers, and then whitewash over those ambiguities through a later proceeding.

This sort of gamesmanship is what this Court sought to terminate. Yet the Court of Appeals all but lays out a roadmap for patent applicants and owners to follow to circumvent this Court's dictates and avail themselves of ambiguous patents. Certiorari is required to prevent the public harm that will result.

## CONCLUSION

For the foregoing reasons, the Court should grant the writ of certiorari.

Respectfully submitted,

CHARLES DUAN

*Counsel of Record*

PUBLIC KNOWLEDGE

1818 N Street NW, Suite 410

Washington, DC 20036

(202) 861-0020

[cduan@publicknowledge.org](mailto:cduan@publicknowledge.org)

*Counsel for amici curiae*

November 2015

**BLANK PAGE**