

# Litigation Alert: Supreme Court Redefines the Standard for Indefiniteness in Patent Cases

JUNE 3, 2014

Fenwick  
FENWICK & WEST LLP

In *Nautilus, Inc. v. Biosig Instruments, Inc.*, a unanimous Supreme Court reversed the Federal Circuit and redefined the standard for indefiniteness under Section 112, ¶ 2. No. 13-369, 572 U.S. \_\_\_\_ (2014) (“Slip Op.”). The Court found that the Federal Circuit’s previous indefiniteness standard, under which a claim was indefinite only if it was either “not amenable to construction” or was “insolubly ambiguous” (see *Datamize, LLC v. Plumtree Software, Inc.*, 417 F.3d 1342, 1347 (Fed. Cir. 2005)), “lack[ed] the precision § 112, ¶2 demands,” and could “breed lower court confusion.” Slip Op. at 11-12. Under the new standard articulated by the Court, the definiteness requirement of § 112, ¶ 2 “require[s] that a patent’s claims, viewed in light of the specification and prosecution history, inform those skilled in the art about the scope of the invention with reasonable certainty.” Slip Op. at 11.

## Section 112 and the Federal Circuit’s Indefiniteness Standard

35 U.S.C. 112, ¶ 2 requires that “[t]he specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.”<sup>1</sup> Patents or patent claims that fail to meet this “definiteness” standard of Section 112 are invalid. 35 U.S.C. § 282.

Under the Federal Circuit’s prior interpretation of these statutes, “[o]nly claims ‘not amenable to construction’ or ‘insolubly ambiguous’” are indefinite—in other words, “the definiteness of claim terms depends on whether those terms can be given any reasonable meaning.” *Datamize*, 417 F.3d at 1347. Under the prior standard, “claims [need not] be plain on their face in order to avoid condemnation for indefiniteness[.]” *Exxon Research & Eng’g Co. v. United States*, 265 F.3d 1371, 1375 (Fed. Cir. 2001). “If the meaning of the claim is discernible, even though the task may be

formidable and the conclusion may be one over which reasonable persons will disagree, . . . the claim [is] sufficiently clear to avoid invalidity on indefiniteness grounds. *Id.*

## Background on Patent and Opinions Below

In the case below, Biosig filed suit against Nautilus accusing it of infringement of U.S. Patent No. 5,337,753 (the “’753 patent”), which relates to monitoring of heart rate during exercise. *Biosig Instruments, Inc. v. Nautilus, Inc.*, 715 F.3d 891, 893-94 (Fed. Cir. 2013). According to the Biosig patent, previous methods of heart rate measurement were often inaccurate, because these prior art monitors, in measuring signals generated by the heart (electrocardiograph or ECG signals), failed to eliminate or account for signals generated by skeletal muscles (electromyogram or EMG signals). *Id.* The patent purported to solve the problem of imprecision in prior art heartbeat monitors by taking advantage of a difference in the EMG and ECG signals—namely, that ECG (heartbeat) signals in each hand have *opposite* polarities, while EMG (skeletal muscle) signals have the same polarity. Slip Op. at 4. The claimed invention, an elongated cylinder on which users place their hands during exercise, measures equalized EMG signals at each hand and then subtracts the identical EMG signals from each other, thus filtering out any EMG interference. *Id.*

Representative Claim 1 of the ’753 patent discloses “a first live electrode mounted on said first half in *spaced relationship* with each other” and “a second live electrode mounted on said second half in *spaced relationship* with each other.” ’753 patent (emphasis added). The indefiniteness inquiry centered on the term “spaced relationship.”

The district court construed the term “spaced relationship” to mean “there is a defined relationship between the live electrode and the common electrode on one side of the cylindrical bar and the same or a different defined relationship between the live electrode and the common electrode on the other side of the cylindrical bar.” Slip Op. at 6. But,

<sup>1</sup> As amended under the Leahy-Smith America Invents Act, enacted in 2011, the definiteness requirement now falls under 35 U.S.C. § 112(b), which provides that “[t]he specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the inventor or a joint inventor regards as the invention.”

the construction did not include any fixed width or relationship between the live and common electrodes (*e.g.* whether the space between electrodes is one, two or three inches apart). Defendant Nautilus moved for, and the district court granted, summary judgment of invalidity based on indefiniteness of the spaced relationship term. The district court found that the patent “did not tell [the court] or anyone what precisely the space should be” or even supply “any parameters” for determining the appropriate spacing. *Id.*

The Court of Appeals for the Federal Circuit (“CAFC”) reversed, finding that, contrary to the district court’s holding, “the claims provide inherent parameters sufficient for a skilled artisan to understand the bounds of ‘spaced relationship,’” and that “a skilled artisan could apply a test and determine the ‘spaced relationship’ as pertaining to the function of substantially removing the EMG signals.” *Nautilus*, 715 F.3d at 901. The CAFC held that the patent inherently disclosed bounds for the “spaced relationship” claim element. Specifically, the CAFC found that the distance between the live and common electrodes could not be further apart than the length of the user’s hands (since claim 1 requires the live and common electrodes to independently detect electrical signals at two distinct points of a hand), while the distance could also not be “infinitesimally small, effectively merging the live and common electrodes into a single detection point.” *Id.* at 899. The CAFC further found that a skilled artisan, through testing and “trial and error,” could calculate the proper distance between the electrodes. *Id.* at 901. Thus, the CAFC found that the term “spaced relationship” was not insolubly ambiguous, and, since the district court was able to construe the term, found that the claims were not indefinite.

### Supreme Court Opinion

On appeal to the Supreme Court, the parties articulated competing views of “how much imprecision §112, ¶2 tolerates”— accused infringer Nautilus contended that “a patent is invalid when a claim is ‘ambiguous, such that readers could reasonably interpret the claim’s scope differently,’” while patent holder Biosig and the Solicitor General contended that the statute “require[s] only that the patent provide reasonable notice of the scope of the claimed invention.” Slip Op. at 9.

The Court described the “delicate balance” required in interpreting Section 112. *Id.* “On the one hand, the definiteness requirement must take into account the inherent limitations of language . . . [and] [s]ome modicum of uncertainty . . . is the ‘price of ensuring the appropriate incentives for innovation.’” *Id.* (quoting *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 731 (2002)). On the other hand, “a patent must be precise enough to afford clear notice of what is claimed, thereby ‘appris[ing] the public of what is still open to them,’” and, “absent a meaningful definiteness check . . . patent applicants [would] face powerful incentives to inject ambiguity into their claims.” *Id.* (citation omitted).

In balancing these concerns, the Court articulated a new standard for definiteness under Section 112, ¶2, “requir[ing] that a patent’s claims, viewed in light of the specification and prosecution history, inform those skilled in the art about the scope of the invention with reasonable certainty.” *Id.* at 11. In doing so, the Court criticized the CAFC’s “amenable to construction” and “insolubly ambiguous” standards as “breed[ing] lower court confusion” and “lack[ing] the precision §112, ¶2 demands.” *Id.* at 11-12. As evidence of the confusion, the Court pointed to a recent district court case, *Every Penny Counts, Inc. v. Wells Fargo Bank, N.A.*, \_\_\_ F.Supp. 2d \_\_\_, 2014 WL 869092, \*4 (M.D. Fla., Mar. 5, 2014), in which a court found a claim term to “lack[] definiteness,” yet found “the extent of the indefiniteness” fell short of the “insolubly ambiguous” standard. *Id.* at 10. The Court noted that the fact that a court *post hoc* could ascribe *some* meaning to a claim term/phrase was not sufficient to escape indefiniteness if a person of ordinary skill in the art at the time the patent was filed could not ascertain the scope of the invention with reasonable certainty. *Id.* at 11.

The Court, however, did not complete its analysis by actually applying the new standard to the facts in *Nautilus*, choosing instead to remand the matter to the CAFC for further proceedings in light of the opinion.

### Implications

*Nautilus* has obvious implications for cases in which patent claims contain terms that may be lacking in precision. Because under the new standard, the scope of the claims must be discernible with “reasonable certainty,” whereas before, patents tended to be upheld unless “not amenable to construction” or

“insolubly ambiguous,” the Court appears to have raised the standard for definiteness (and, in turn, lowered the bar for indefiniteness challenges). But how this will play out in the CAFC and in district courts remains to be seen. For example, one can envision an argument under the new standard that the “spaced relationship” of the electrodes in the ’753 patent is discernible with reasonable certainty because it inherently falls into a range between infinitesimally small and the width of a human hand. Conversely, the term may be argued to lack precision because of the variance in human hand width. At what point does one disregard the outlier subject whose hands are extraordinarily wide? Or narrow? The standard will likely come into clearer focus after the CAFC applies the *Nautilus* standard on remand.

---

*For more information please contact:*

*Darryl M. Woo*, 415.875.2368; [dwoo@fenwick.com](mailto:dwoo@fenwick.com)

*Ravi Ranganath*, 415.875.2443; [rranganath@fenwick.com](mailto:rranganath@fenwick.com)

---

©2014 Fenwick & West LLP. All Rights Reserved.

---

THE VIEWS EXPRESSED IN THIS PUBLICATION ARE SOLELY THOSE OF THE AUTHOR, AND DO NOT NECESSARILY REFLECT THE VIEWS OF FENWICK & WEST LLP OR ITS CLIENTS. THE CONTENT OF THE PUBLICATION (“CONTENT”) SHOULD NOT BE REGARDED AS ADVERTISING, SOLICITATION, LEGAL ADVICE OR ANY OTHER ADVICE ON ANY PARTICULAR MATTER. THE PUBLICATION OF ANY CONTENT IS NOT INTENDED TO CREATE AND DOES NOT CONSTITUTE AN ATTORNEY-CLIENT RELATIONSHIP BETWEEN YOU AND FENWICK & WEST LLP. YOU SHOULD NOT ACT OR REFRAIN FROM ACTING ON THE BASIS OF ANY CONTENT INCLUDED IN THE PUBLICATION WITHOUT SEEKING THE APPROPRIATE LEGAL OR PROFESSIONAL ADVICE ON THE PARTICULAR FACTS AND CIRCUMSTANCES AT ISSUE.