

Whose Line is it Anyway?

PTAB, CAFC, and CAFC Clash, Again, Over Claim Construction

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In *SIPCO, LLC v. Emerson Elec. Co.*, the Federal Circuit reversed the Patent Trial and Appeal Board's construction of a claim term critical to determining whether SIPCO's patent concerning wireless inter-device communication qualified for review as a covered business method ("CBM") patent, remanding to the Board for further consideration concerning whether the patent claims a "technological invention." Case No. 2018-1635, ___ F.3d ___, 2019 WL 4656205 (Fed. Cir. Sep. 25, 2019). This divided decision highlights the cracks in the infamously vague line between "construing claim terms in light of the specification" and "one of the cardinal sins of patent law—reading a limitation from the written description into the claims." *Id.* at *11 (Reyna, J., dissenting).

SIPCO places the spotlight squarely on the construction of a single claim term, "low-power transceiver." The majority held that that the Board erred in its determination that the plain and ordinary meaning of "low-power transceiver" was a transceiver that consumes less power, rather than a transmitter with short range. *Id.* at *4-6. To support its decision, the majority relies exclusively upon the specification, which makes clear that one byproduct of using a low-power transceiver is a short transmission range, which results in the patent's identified benefits of limiting the risk of unlawful interception, interference between devices, and contention for priority between devices. *Id.* at *1-2. The dissent, focusing on only this claim construction issue, concluded the opposite—that the term low-power transceiver meant "a transmitter that that consumes less power," *id.* at *13 (Reyna, J., *dissenting*), and that importing any further implications into the claim read a specific—and vague—characteristic of a single embodiment into the claims. *Id.* at *11.

The majority recites that the distinction between reading the claims in light of the specification and improper importation and can be made reasonably clear by viewing the specification as it would be understood by a person of ordinary skill in the art, *id.* at *5 (quoting *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc)). Yet, it did not rely upon testimony to support its holding, instead finding "the intrinsic evidence . . . sufficiently clear . . . such that consulting extrinsic evidence is unnecessary." *Id.* This reliance directly on the patent specification, and concomitant dismissal of record evidence on which the Board relied gives rise to the dissent's second assertion of error: the majority's failure to defer to the Board's factual determinations. *Id.* at *13 (Reyna, J., *dissenting*). The majority appears to circumvent this issue via its suggestion that the Board's factual findings relied upon the testimony of Emerson's experts, which it need not consider. *See id.* at *5.

The simultaneously reassuring, troubling, and perhaps unsatisfying takeaway from *SIPCO* seems to be that, at least before the Federal Circuit, where common sense and precise legal gymnastics clash, common sense is likely to prevail. And although the line between improper importation and construction in light of the specification remains a blur, at least the academically curious us may finally learn—less than a year before the CBM process expires—whether the term "unobvious" under Part One of the test for whether a patent claims a "technological invention" under of 37 C.F.R. § 42.301(b) in fact means the same thing as obviousness under 35 U.S.C. § 103.