

Two “Ands” Do Not Make An “Or”

SIMO Holdings Inc. v. Hong Kong uCloudlink Network Tech. Ltd.
No. 2019-2411, 2021 WL 28210 (Fed. Cir. Jan. 5, 2021)

By: Ifiti Zaim & Manon Burns | January 18, 2021

The Court of Appeals for the Federal Circuit (“CAFC”) reversed a summary judgment ruling that uCloudlink infringed Plaintiff SIMO’s patent on cell phone virtual SIM technology, finding the Southern District of New York erred in construing the term “and” to mean “and/or” to make a claim cover a disclosed embodiment. Consequently, the CAFC also reversed the District Court’s \$8MM patent infringement damages award to SIMO. This decision underscores the hazards of relying on suggestions in the specification to bend the plain grammatical meaning of claim terms.

Ordinarily, a cell phone uses authentication credentials stored on a physical SIM—“Subscriber Identity Module”—to connect to cellular service networks. SIMs are keyed to the local cellular network to which the user is subscribed. When operating outside that local network’s service area, such as in a distant country, the phone may be able to connect to a “foreign” cellular network, but would incur “roaming” fees because it is not subscribed to that foreign network. SIMO’s U.S. Patent No. 9,736,689 (“the ’689 Patent”) covers technology for downloading a virtual SIM containing authentication credentials for a foreign network to the phone, allowing connection as a local subscriber to the foreign network, thus avoiding roaming charges.

SIMO asserted only a single independent claim of the ’689 Patent: Claim 8, an apparatus claim. The preamble of the claim contained all of the claim’s “structural” limitations (identifying what the apparatus is), whereas the claim body contained only “functional” limitations (identifying what the apparatus must do). The district court determined that the preamble was limiting, and CAFC agreed because the body of the claim “did not define a structurally complete invention,” the preamble supplied “essential structure,” and further, provided “an antecedent basis for terms in the body.”

The preamble required “a plurality of” a list of six types of structural components, which it joined with the “and” operator. One such structural component was a “non-local calls database,” but the accused product did not have one. Because the specification described non-local calls database as optional, the District Court found that “and” in the list should be treated as “and/or,” as a “reasonable alternative interpretation” that avoided excluding an embodiment. The CAFC disagreed, holding that the phrase “a plurality of” at the beginning of an and-joined list “applied to each item in the list, not to the list considered as a whole,” and thus requiring two or more of *each* listed item. Decisively, the claim’s very next phrase supported this construction by referencing “the plurality” of one of the listed components. Further, the CAFC rejected the District Court’s rationale that the narrower construction would exclude an embodiment, finding that the clear language in the claim outweighed any embodiments that may have excluded, especially since no *preferred* embodiment was identified in the specification. Rather, it should be construed to capture one possible embodiment of the invention, even if the specification described others.

This case is a lesson in the importance of precise claim drafting and understanding canons of patent claim construction. Claims are typically construed to mean what they say, and when a critical claim’s meaning becomes muddled, it can defeat the inventor’s intentions and, in the process, substantially escalate litigation costs on both sides. Here, the difference between an “and” and an “or” may have been \$8MM.