

## Supreme Court Relaxes Standard for Patent Indefiniteness

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In a decision issued on June 2, 2014, the U.S. Supreme Court lowered the bar for parties arguing patent indefiniteness under 35 U.S.C. § 112. *Nautilus, Inc. v. Biosig Instruments, Inc.*, No. 13-369 (U.S. June 2, 2014). The unanimous decision, authored by Justice Ruth Bader Ginsburg, rejected the standard promulgated by the U.S. Court of Appeals for the Federal Circuit that a patent claim is indefinite “only when it is ‘not amenable to construction’ or ‘insolubly ambiguous.’” 715 F.3d 891, 899 (Fed. Cir. Apr. 26, 2013). Instead, the Supreme Court ruled that a patent claim is invalid where it fails to “inform those skilled in the art about the scope of the invention with reasonable clarity.” *Nautilus, Inc.*, No. 13-369 at 11. Though the precise contours of the new “reasonable clarity” standard remain uncertain, this decision will allow parties to more easily challenge the validity of vague or ambiguous patent claims.

### Summary of the *Nautilus* Case

Patent assignee Biosig Instruments, Inc. (Biosig) filed suit against Nautilus, Inc. (Nautilus) in the United States District Court for the Southern District of New York in 2004 alleging infringement of U.S. Patent No. 5,337,753 (the ‘753 patent) by the heart monitors in certain of Nautilus’ StairMaster exercise machines. The ‘753 patent claims a heart monitor apparatus comprising a bar with two hand grips, each of which contain two electrodes. The claim language at issue states that each pair of electrodes is “in a spaced relationship with each other.”

After construing this claim term to mean that “there is a defined relationship between the [electrodes in each pair],” the district court nevertheless granted summary judgment in Nautilus’ favor that the term “spaced relationship” was indefinite as construed. *Nautilus, Inc.*, No. 13-369 at 6. Specifically, the district court concluded that the construction failed to explain “‘what precisely the space should be,’ or even supply ‘any parameters’ for determining the appropriate spacing.” *Nautilus, Inc.*, No. 13-369 at 6-7.

On appeal, the Federal Circuit reversed, reasoning that a skilled artisan could infer from the claim language, specification and prosecution history certain limitations on the spaced relationship necessary to maintain the heart monitoring functionality. *Nautilus, Inc.*, No. 13-369 at 7. For instance, the space between the electrodes must be shorter than the width of a user’s hand to enable the user to simultaneously grip both electrodes. *Nautilus, Inc.*, No. 13-369 at 7. Similarly, the space between the electrodes must not be zero, or the electrodes would come into electrical contact with each other. *Nautilus, Inc.*, No. 13-369 at 7. Because these inferences place an outer limit on the “spaced relationship,” the Federal Circuit reasoned that the claim language was not “insolubly ambiguous,” and therefore not indefinite. *Nautilus, Inc.*, No. 13-369 at 7-8.

### Summary of the Supreme Court’s Decision

In the *Nautilus* decision, the Supreme Court ruled that 35 U.S.C. § 112 requires that “a patent’s claims, viewed in the light of the specification and the prosecution history, inform those skilled in the art about the scope of the invention with reasonable certainty.” *Nautilus, Inc.*, No. 13-369 at 11. In formulating this relaxed standard, the

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Court attempted to maintain a “delicate balance” between “the inherent limitations of language” and the need to “apprise the public of what is still open to them.” *Nautilus, Inc.*, No. 13-369 at 9-10 (internal quotations omitted). In particular, the Court appeared to give credence to warnings that “absent a meaningful definiteness check ... patent applicants face powerful incentives to inject ambiguity into their claims.” *Nautilus, Inc.*, No. 13-369 at 10. Partly because “the patent drafter is in the best position to resolve the ambiguity,” the Court shifted the balance in favor of defendants. *Nautilus, Inc.*, No. 13-369 at 10-11. As Justice Ginsburg explained, the “reasonable certainty” standard aims to reconcile the competing concerns by “mandating clarity, while recognizing that absolute precision is unattainable.” *Nautilus, Inc.*, No. 13-369 at 11.

The Court further explained that the “insolubly ambiguous” standard was “more amorphous than the statutory definiteness requirement allows.” *Nautilus, Inc.*, No. 13-369 at 14. For instance, the Court noted that the “insolubly ambiguous” standard had “bred lower court confusion,” such as rulings that terms amenable to multiple plausible constructions, though ambiguous, were not *insolubly* ambiguous. *Nautilus, Inc.*, No. 13-369 at 11, n.8. Because “tolerating 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,’” the Court reasoned that the Federal Circuit’s standard was inappropriate.

Though the Court clearly articulated the policy rationale for its decision, it declined to apply the “reasonable certainty” standard to the ’753 patent and instead remanded to the Federal Circuit for reconsideration. Thus, while it is clear that the Supreme Court relaxed the standard for establishing indefiniteness, it did not provide a tangible example of the new standard in action. Moreover, the Court left open the possibility that this standard is not drastically different than its predecessor by hinting that, while the phrase “insolubly ambiguous” is deficient, the Federal Circuit’s *application* of the “insolubly ambiguous” standard may be acceptable. *Nautilus, Inc.*, No. 13-369 at 12 (“The Federal Circuit’s fuller explications of the term ‘insolubly ambiguous,’ we recognize, may come closer to tracking the statutory prescription.”).

### Implications for Patent Litigants

Although it remains to be seen how district courts and the Federal Circuit will apply this decision, it will surely lead to greater scrutiny of arguably unclear claim terms:

- Litigants should reevaluate any pending actions involving arguably indefinite claim terms, even claims amenable to some construction, and especially claim terms amenable to multiple competing constructions.
- Litigants should monitor the Federal Circuit’s decision on remand, as it will begin to build a tangible framework around the “reasonable certainty” standard absent from the Supreme Court’s decision.
- The Supreme Court declined to consider “whether factual findings subsidiary to the ultimate question of definiteness trigger the clear-and-convincing evidence standard.” *Nautilus, Inc.*, No. 13-369 at 13, n.10. In the absence of a ruling on this issue, plaintiffs likely will continue to marshal the “clear-and-convincing” burden of proof to counteract the newly articulated standard for establishing indefiniteness.

The Supreme Court is expected to issue a ruling soon on the last pending patent case of the term, *Alice Corp. Pty. Ltd. v. CLS Bank International*.

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