

Keywords: priority date; written description; CIP; invalidity

General: A patentee has the burden of proving priority to the filing date of an earlier application if priority was not considered during prosecution.

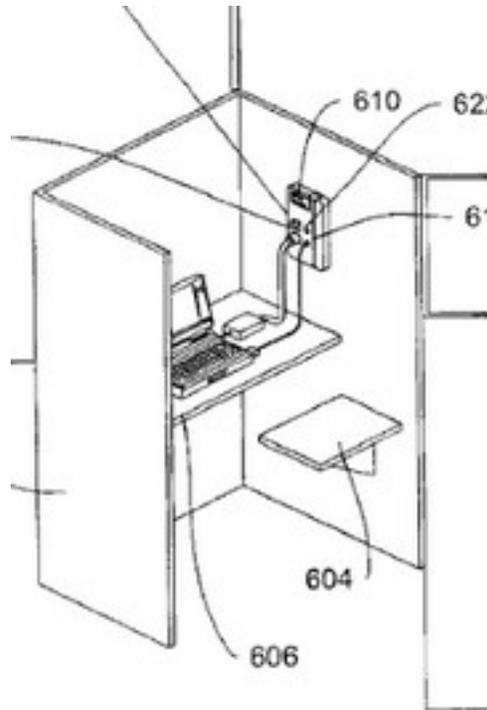
PowerOasis, Inc. and PowerOasis Networks, LLC v. T-Mobile USA, Inc.

No. 2007-1265 (Fed. Cir. 2008)

Decided April 11, 2008

I. Facts

PowerOasis Networks, LLC (PowerOasis) and PowerOasis, Inc. sued T-Mobile USA (T-Mobile) in the District Court of New Hampshire alleging infringement of U.S. Patent Nos. 6,466,658 (the '658 patent) and 6,721,400 (the '400 patent). The patents are directed to vending machines that sell telecommunication access.



Both patents are part of a family of patents involving several continuation applications and one continuation-in-part application (the 2000 CIP). The 2000 CIP application added new language to the specification, and the district court characterized the new language as “substantial new matter.” The patent family is summarized in the following table:

Patent Number	Date Filed	Type	Comments
5,812,643	2/6/97	Original application	Not asserted. Hereinafter referred to as the “Original Application.”
09/156,487	9/18/98	Continuation	Abandoned
6,314,169	6/15/00	CIP	New language added to specification. Hereinafter referred to as the “2000 CIP Application.”
6,466,658	11/6/01	Continuation	Includes asserted claims 15, 18, 31, 35, 38, 40, and 49.
6,271,400	10/15/02	Continuation	Includes asserted claims 15, 18, 31, 35, 38, 40, and 49.

Both the ‘658 patent and the ‘400 patent included an independent claim 1 to “a vending machine for vending telecommunications channel access to a customer” comprising, among other things, “a payment mechanism [and] a customer interface for indicating the status of said vending machine.” PowerOasis sued T-Mobile alleging that T-Mobile’s wireless HotSpot Network infringed claims depending from independent claim 1 in both patents.

The infringement question turned on the interpretation of the term “customer interface,” specifically the location of the customer interface. Both parties agreed that the term “customer interface” meant “an interface that enables information to be passed between a human user and hardware or software components of a system.” *PowerOasis*, slip op. at 3. However, PowerOasis argued that the customer interface might exist on a customer’s laptop, while T-Mobile asserted that the customer interface must be located on the vending machine. The district court adopted PowerOasis’s construction and in doing so relied entirely on the new language added to the 2000 CIP Application.

T-Mobile then moved for summary judgment asserting that the claims were invalid as anticipated under 35 U.S.C. Section 102(b) by the MobileStar Network. The parties agreed that more than a year before the 2000 CIP application was filed, the MobileStar Network was in public use and on sale. The parties also agreed that at that time the MobileStar Network possessed all of the features asserted by PowerOasis to establish infringement by T-Mobile’s wireless HotSpot network. Therefore, the grant or denial of the summary judgment motion turned on the priority date given to the PowerOasis claims. PowerOasis asserted that the claims should have priority going back to the Original Application filed on February 6, 1997, while T-Mobile asserted that the claims should only get priority back to the date of the 2000 CIP Application filed on June 15, 2000.

The district court granted summary judgment for T-Mobile, finding that the asserted claims were not entitled to the priority date of the Original Application because they were not supported by the written description. Indeed, the district court based its broad construction of the term “customer interface” entirely on the new language added to the 2000 CIP application.

II. Issues

- A. Did the district court err in placing the burden of proof on PowerOasis to show that it was entitled to the priority date of the Original Application?
- B. Did the district court err in concluding that the disclosure of the Original Application did not provide a written description adequate to support the asserted claims?

III. Discussion

- A. No. The presumption of validity does not extend to the question of priority when the USPTO has not addressed the issue. The Federal Circuit focused on the policy behind the presumption of validity, mainly giving deference to the findings of the USPTO. The Federal Circuit stated, “When neither the PTO nor the Board has previously considered priority, there is simply no reason to presume that claims in a CIP application are entitled to the effective filing date of an earlier filed application. Since the PTO did not make a determination regarding priority, there is no finding for the district court to defer to.” *Id.* at 9.

The Federal Circuit recognized the presumption of validity established in *Ralston Purina Co. v. Far-Mar-Co, Inc.*, 772 F.2d 1570, 1573 (Fed. Cir. 1985), and then went on to distinguish *Ralston* on two grounds: 1) in the *Ralston* application, the USPTO made a priority determination, and 2) in the *Ralston* application, the prior art was considered by the examiner during prosecution. First, in *Ralston*, the CIP application involved had been the subject of an interference, and thus, the district court gave the Board’s priority decision deference. In contrast, during prosecution of the 2000 CIP Application, the USPTO made no determination regarding the priority date of the claims. The Federal Circuit, citing M.P.E.P. Section 201.08, noted that under the USPTO procedures, examiners do not make priority determinations except when necessary. Two situations where the USPTO may need to determine a priority date are in an interference or when the date is needed to overcome a reference. However, neither of these situations existed in the present case. Because the USPTO had not determined a priority date, PowerOasis had the burden to prove that the claims were entitled to priority back to the date of the original application.

Second, the prior art that the defendant relied on in *Ralston* to assert invalidity had been reviewed by the examiner during prosecution. Thus, the defendant needed to overcome the deference given to the USPTO’s interpretation of the prior art. In the present case, the MobileStar Network was never before the USPTO. The Federal Circuit recognized that even though the prior art was not before the USPTO, T-Mobile still needed to establish invalidity by clear and convincing evidence. However, the burden was met fairly easily because PowerOasis conceded that 1) the MobileStar Network was in public use more than a year before the filing date of the CIP application and that 2) the MobileStar Network contained all the elements of the asserted claims. With these concessions, the Federal Circuit held that T-Mobile had established that the MobileStar Network was Section 102(b) prior art and that the burden shifted to PowerOasis.

- B. No. A patent application is only entitled to the benefit of the filing date of an earlier filed application if the prior application indicates to a person skilled in the art that the inventor was “in possession” of the invention as later claimed. *See PowerOasis*, slip op. at 10. The Federal Circuit recognized that while the Original Application disclosed a display or user interface on the vending machine, it did not specify that the display could be included on a customer’s laptop. At most, it may have been obvious to locate the display on a customer’s laptop. However, “[e]ntitlement to a filing date does not extend to subject matter which is not

disclosed, but would be obvious over what is expressly disclosed.” *In re Huston*, 308 F.3d 1267, 1277 (Fed. Cir. 2002) (citations omitted).

The Federal Circuit focused on the fact that although language describing a remote user interface was added to the 2000 CIP Application, no references in the Original Application were directed to a remote interface. The court noted that all of the embodiments in the Original Application described a display that was part of the vending machine. Furthermore, the court recognized that the specification provided alternate interfaces, such as a video display unit, or a keyboard; however, even the alternate interfaces were located on the vending machine. Indeed, to obtain the broad construction of the term “customer interface,” PowerOasis only cited to language first introduced in the 2000 CIP Application. Ironically, PowerOasis also tried to argue that a narrower construction of “customer interface” should be applied for determining validity.

The Federal Circuit also found that the declaration submitted by PowerOasis’s expert was not sufficient to raise a genuine issue of material fact. The court focused on the fact that the declaration did not point to any place in the Original Application where a customer interface was located on a customer’s laptop. The court recognized that this could be shown expressly or inherently, but found that the declaration failed to establish either express or inherent disclosure of a remote interface. The court recognized that at best the declaration’s assertion that it is “well known to those of ordinary skill as of February 6, 1997, that the functionality of providing information to a customer via a user interface can be provided by displaying information on a computer screen,” was a statement of obviousness instead of disclosure. *Id.* at 18.

IV. Conclusions

If the USPTO has not evaluated the priority date of claims in a continuation-in-part application, the patentee may have the burden of proving priority during later litigation. For a continuation-in-part application, the presumption of validity does not include a presumption of priority back to the date of a parent application.

Evaluate how a proposed claim construction will affect the priority date of claims in a continuation-in-part application. The claim construction given to claims in a CIP application must be supported by the disclosure of the parent application in order for the claims to receive priority back to the date of the parent application.