FLETCHER YODER

Keywords: Patents; Standing; Expired Patent; Means-plus-function

General: The patentee has a right to defend its patent against cancellation by the USPTO even after expiration — and up to the six-year timeline for back-damages. Means-plus-function language can be interpreted as being directed to software if an algorithm is described in the specification and hardware is not fully described.

Sony Corp. v. Iancu
United States Court of Appeals for the Federal Circuit
No. 2018-1172
Decided May 22, 2019

I.   Facts

Sony Corp. owns U.S. Patent No. 6,097,676 ("the '676 patent") directed to multiplex audio recordings with each channel having a different language translation. In 2015, Sony sued Arris for infringing the '676 patent (one of several infringement lawsuits between the companies). In 2016, Arris filed for inter-partes-review (IPR). As a result, the PTAB instituted proceedings on the '676 patent as to claims 5 & 8 and found them unpatentable as obvious. The decision was issued in September 2017 after expiration of the patent in August 2017. Subsequently, Arris and Sony settled their ongoing litigation in November 2017. Thereafter, appealed the decision of the PTAB.
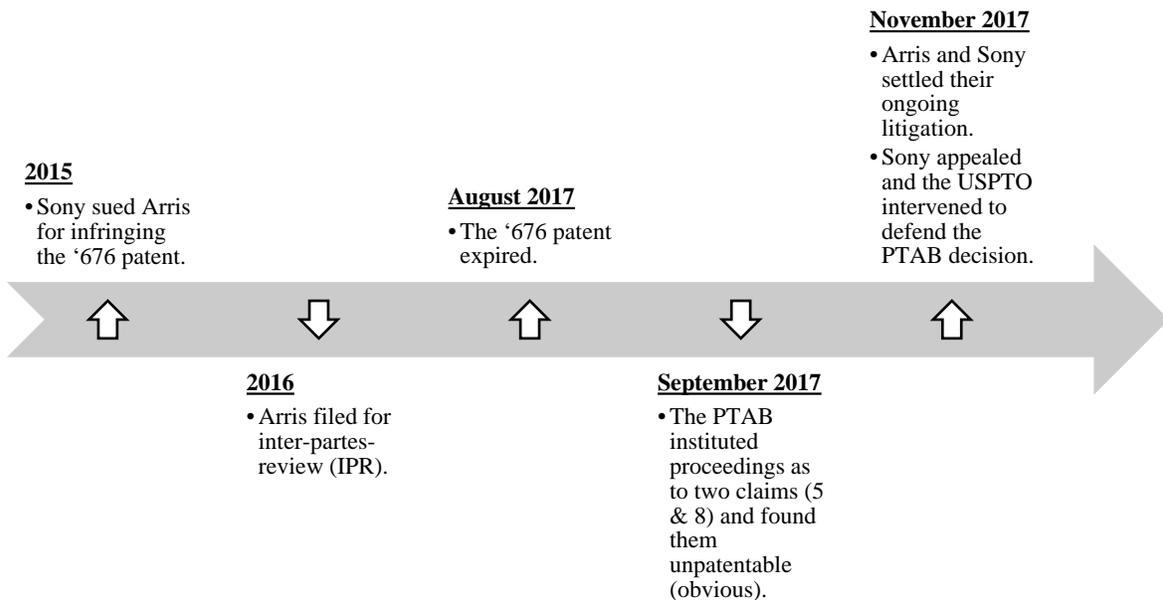

Figure 1: Timeline of Disputes over Sony's '676 Patent

II.   Issues

A) Does a patent owner still standing to defend the patentability of their patent once it has expired?

B) Did the PTAB err in construing the "reproducing means" limitation in claims 5 and 8?

III. Discussion

A) Yes. The panel determined that that Sony had standing to defend the patentability of their expired patent. On appeal, the majority and dissent argued over standing — whether there was any ongoing case-or-controversy since the patent expired in 2017 and Sony and Arris had already settled. Judge Newman in dissent argued that the court lacked jurisdiction:

There is no interest, neither private interest nor public interest, in the fate of this patent. There appears to be no consequence of either our appellate decision today or the potential PTAB decision on the remand now ordered by the court.

The majority opinion authored by Judge Dyk and joined by Chief Judge Prost held otherwise:

It is well-established that our decision (and the Board's decision on remand) would have a consequence on any infringement that occurred during the life of the '676 patent.

B) Yes. On the merits, the panel agreed with the patentee Sony's original argument before the Board in determining that the PTAB had erred in claim construction. Sony had argued that the "reproducing means" limitation is implemented on a computer and thus, requires an algorithm to carry out the claimed function. The Board had held that the limitation is implemented in hardware and accordingly does not require an algorithm.

The panel noted that that specification of the '676 patent states that the reproducing means comprises a synthesizer 11 and a controller 13. The specification further explains that in reproducing a recording medium by using the reproducing device of the present invention, the processing as shown in FIG. 16 is executed (FIG. 16 discloses an algorithm in the form of a flowchart).

The panel found that if the controller of the reproducing means were implemented in hardware, the patent should describe or refer to the circuitry of the controller that would be required for a hardware controller to perform the claimed function, which the '676 patent fails to do. Therefore, the panel held that the reproducing means in claims 5 and 8 is necessarily construed as computer-implemented and accordingly the corresponding structure must include an algorithm (i.e., the flowchart algorithm of FIG. 16).

Because the "reproducing means" limitation of claims 5 and 8 of the '676 patent is construed as computer-implemented whereby the corresponding structure is a synthesizer and controller that performs the algorithm described in the specification, and because the Board did not reach the question of whether the prior art teaching of hardware (i.e., a system controller) disclosed the algorithm of the '676 patent, the decision of the Board was vacated and the case was remanded for reconsideration as to whether the prior art discloses a synthesizer and controller that performs the algorithm disclosed in the '676 patent or whether the claims would have been obvious over the prior art given the claim construction of the term "reproducing means."

IV. Conclusion

The Federal Court determined that a patentee has a right to defend its patent against cancellation by the USPTO even after expiration — and up to the six-year timeline for back-damages. Means-plus-function language can be interpreted as being directed to software if an algorithm is particularly described in the specification while hardware only generally described.

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