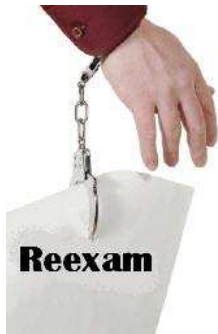


Patent Reexamination Statements Hamper Katz Portfolio



Infamous Katz Portfolio Withers Under Pressure of Patent Reexamination

[USPTO empirical data](#) is quite helpful for determining the frequency by which claims are amended, cancelled, or confirmed in patent reexamination. Yet, when it comes to the overall efficacy of patent reexamination, USPTO statistics only tell part of the story.

A successful reexamination from an infringer's perspective does not always result in an overt claim change or cancellation. In other words, even where claims are confirmed, statements in the reexamination record that are inconsistent with arguments made in a concurrent litigation, or that rise to the level of an outright disclaimer may provide new, non-infringement positions to defendants. Likewise, such statements may limit the Patentee's ability to distinguish the prior art.

In the ongoing patent reexaminations of the [Katz portfolio](#), [there have been significant victories for challengers](#). However, as made clear by the CAFC last week ([In re Katz Interactive Call Processing Patent Litigation](#)) not every victory shows up in USPTO statistics as cancelled/amended claims.

In affirming a district court's claim construction of U.S. Patents 5,684,862 and 6,292,547, the CAFC noted:

Based on an argument Katz made during reexamination to avoid prior art, the district court construed the term "personal identification data" to have a meaning distinct from passwords and PIN numbers. From the Statistical Interface group, claim 43 of the '863 patent and claim 18 of the '547 patent cover the use of "personal identification data." In response to the examiner's rejection on reexamination based on Yoshizawa's use of a password as the "personal identification data," Katz explained:

Although the Examiner alleges that the password entered by a subscriber satisfies the "one other distinct identification data element," the Patentee respectfully submits that the claim requires that "one other distinct identification data element" to be "personal identification data" of the caller. A password that is composed (and frequently changed) serves as an access code or PIN, rather than personal identification data. . . . [S]everal examples of personal identification data [include] a caller's name, address, telephone number, ini-tials, age, etc.

On appeal, Katz argues that the distinction it proffered in reexamination did not have the effect of disclaiming all passwords or PINs, particularly those that are not arbitrarily composed and are not frequently changed. We reject that argument. Katz's disclaimer distinguished "personal identification data" from all composed passwords, not just arbitrarily composed passwords. . . .

We therefore find no error in the district court's claim construction of "personal identification data."

The Katz patent portfolio, while still sizable, has lost quite a few battles as of late. A string of recent BPAI decisions in patent reexamination have gone against Katz. As illustrated above, even when winning a battle at the USPTO in patent reexamination, the creation of additional prosecution history may ultimately lose the war outside of the Office.