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June 2, 2014

Supreme Court Rejects Federal Circuit's Indefiniteness Standard in *Nautilus v. Biosig*

By Richard S.J. Hung and Kirk A. Sigmon

On June 2, 2014, the Supreme Court unanimously ruled in *Nautilus, Inc. v. Biosig Instruments, Inc.*, No. 13-369 (June 2, 2014) ("*Nautilus*"), that a patent is invalid for indefiniteness "if its claims, read in light of the specification delineating the patent, and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention."¹ The Supreme Court has thus rejected the Federal Circuit's "insolubly ambiguous" standard, and has lowered the bar for invalidating patents for indefiniteness.

THE FEDERAL CIRCUIT'S OLD STANDARD

Section 112(b) of the Patent Act, as amended, requires that a patent "conclude with one or more claims that particularly point[] out and distinctly claim[] the subject matter which the inventor or joint inventor regards as the invention."² A claim that is not definite may be held invalid as indefinite.

Prior to the Supreme Court's decision in *Nautilus*, the Federal Circuit held that a claim is indefinite "only when it is 'not amenable to construction' or 'insolubly ambiguous.'"³ This high bar for indefiniteness was used to "accord respect to the statutory presumption of patent validity."⁴

Nautilus called into question the Federal Circuit's "insolubly ambiguous" standard. The parties in *Nautilus* disputed the definition of the phrase "spaced relationship" as it related to heart rate-monitoring electrodes. While the District Court held that "spaced relationship" did not "tell [the court] or anyone what precisely the space should be," the Federal Circuit reversed and ruled that the meaning of "spaced relationship" could be determined through "certain inherent parameters of the claimed invention."⁵ For example, according to the Federal Circuit, the fact that the electrodes had to be held in a user's hands meant that the space could not be "infinitesimally small, effectively merging [the electrodes] into a single electrode with one detection point."⁶

THE SUPREME COURT'S NEW STANDARD

In its opinion, the Court recognized that "[t]he definiteness requirement . . . mandates clarity, while recognizing that absolute precision is unattainable."⁷ But according to the Court, the Federal Circuit's standard "[left] courts and the patent bar at sea without a reliable compass."⁸ Noting that the Federal Circuit's "insolubly ambiguous"

¹ *Nautilus*, No. 13-369, slip op. at 11 (June 2, 2014).

² 35 U.S.C. § 112(b).

³ *Datamize, LLC v. Plumtree Software, Inc.*, 417 F.3d 1342, 1347 (CA Fed. 2005).

⁴ *Exxon Research & Eng'g Co. v. United States*, 265 F.3d 1371, 1375 (Fed. Cir. 2001).

⁵ *Nautilus*, No. 13-369, slip op. at 6-7 (June 2, 2014).

⁶ *Biosig Instruments, Inc. v. Nautilus, Inc.*, 715 F.3d 891, 899 (Fed. Cir. 2013).

⁷ *Nautilus*, No. 13-369, slip op. at 11 (June 2, 2014).

⁸ *Id.* at 13.

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standard could “breed lower court confusion,”⁹ the Court stated that “[t]o tolerate 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’ [*United Carbon Co. v. Binney & Smith Co.*, 317 U.S. 227, 236 (1942)], against which this Court has warned.”¹⁰

The Court’s unanimous decision replaced the Federal Circuit’s standard with a new one: a patent is “invalid for indefiniteness if its claims, read in light of the specification delineating the patent, and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention.”¹¹ This standard, according to the Court, “[e]liminat[es] th[e] temptation” to “inject ambiguity” into claims.¹² Such ambiguity was a common problem addressed by various *amici* briefs by companies such as Google and nonprofits such as the Electronic Frontier Foundation.¹³

The Federal Circuit’s judgment in *Nautilus* has been vacated, and the case has been remanded for further proceedings.

RAMIFICATIONS

Inventors and patent agents must now carefully draft claims to avoid indefiniteness. The same day *Nautilus* was decided, the United States Patent and Trademark Office (PTO) instituted a pilot program to “enhance patent quality and improve the clarity of patent claims.”¹⁴ The PTO’s Glossary Pilot Program, which allows patent applications to include a glossary in the specification of a patent, is effective June 2, 2014 and will run until December 31, 2014.¹⁵ This program will likely be useful for applicants seeking claims relating to complex or easily contested subject matter.

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⁹ *Id.* at 11.

¹⁰ *Id.* at 12.

¹¹ *Id.* at 1.

¹² *Id.* at 10.

¹³ See Brief of Amazon.com, Inc., et al. as *Amici Curiae*, *Nautilus, Inc. v. Biosig Instruments, Inc.*, No. 13-369 (Jan. 10, 2014), available at <http://sblog.s3.amazonaws.com/wp-content/uploads/2013/12/131023Nautilus-amicus-brief.pdf>; Brief of Public Knowledge and the Electronic Frontier Foundation as *Amici Curiae*, *Nautilus, Inc. v. Biosig Instruments, Inc.*, No. 13-369 (Jan. 10, 2014), available at <http://sblog.s3.amazonaws.com/wp-content/uploads/2013/12/13-369-BRIEF-OF-EFF-AND-PK-IN-NAUTILUS-v-BIOSIG.pdf>.

¹⁴ 79 Fed. Reg. 17137 (Mar. 27, 2014).

¹⁵ *Id.*

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