Algorithm Required Where Corresponding Structure To Means-Plus-Function Term Is Computer-Implemented

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The US Court of Appeals vacated a Patent Trial and Appeal Board (PTAB) obviousness decision, finding that the disputed means-plus-function term was computer-implemented and therefore required the corresponding structure to include an algorithm. *Sony Corp. v. Iancu*, Case No. 18-1172 (Fed. Cir. May 22, 2019) (Dyk, J) (Newman, J, dissenting).

Sony owns a patent directed to an information recording medium (e.g., compact disc, video disc, magneto optical disc) that can store audio data having multiple channels. The patent claims require a “reproducing means for reproducing the audio data of the channel designated by the default value stored in the storing means.” The PTAB instituted inter partes review (IPR). The parties agreed that the “reproducing means” limitation is a means-plus-function limitation, invoking 35 USC § 112 ¶ 6, and that the function performed is “reproducing the audio data of the channel designated by the default value stored in the storing means.” The parties, however, disagreed as to the disclosed corresponding structure.

Before the PTAB, Sony argued that the “reproducing means” limitation is implemented on a computer and thus requires an algorithm to carry out the claimed function. Despite recognizing that “the specification of the [asserted patent] includes steps that could be termed an algorithm and that could be implemented on a computer,” the PTAB disagreed with Sony, concluding that the corresponding structure of the reproducing means is “a controller and a synthesizer, or the equivalent,” and “agree[d] with Petitioner that does not mean that the controller is ‘computer-implemented’ or require that the construction must include the algorithm.” Based on this finding, the PTAB concluded that the asserted prior art taught the “reproducing means” limitation. Sony appealed.

Sony argued that the PTAB erred in construing the “reproducing means.” The Federal Circuit acknowledged that the parties agreed that the specification contemplated a hardware implementation of the reproducing means, but addressed Sony’s earlier position that the means-plus-function limitation required an algorithm, noting that the Court is not bound by the parties’ arguments as to claim construction, as “the [Court] has an independent obligation to determine the meaning of the claims, notwithstanding the views asserted by the adversary parties.” Turning to the merits, the Court found that “[o]n its face, the [asserted patent] refers to a computer-implementation of the reproducing means.” The Court did not find “the patent to describe or refer to the circuitry of the controller that would be required for a hardware controller to perform the claimed function.” Accordingly, the Court construed the means-plus-function term as computer implementation requiring an algorithm, vacated the PTAB’s decision and remanded for the PTAB to consider whether the prior art reference disclosed such an algorithm.

Judge Newman’s dissent focused on her belief that the case should be dismissed for failing to meet the threshold question of appellate jurisdiction: whether there is a live case or controversy sufficient to satisfy Article III. The asserted patent had expired, the IPR petitioner declined to defend its PTAB victory, and the parties had settled the infringement suit in district court. Judge Newman noted that although “a patentee has an indisputable interest in the validity of its patent,” Sony stated that it was unaware of any other pending case that the Court’s decision would affect, and had not provided any other consequence of appealing the decision on the expired patent.

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Accordingly, Judge Newman found no interest, public or private, in the asserted patent’s fate, and no consequence of either the Court’s decision to vacate or the potential PTAB decision on remand it now ordered, believing that this reduced the Court’s opinion to an impermissible advisory opinion.

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