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Declined to Extend by [In re Katz Interactive Call Processing Patent Litigation](#), C.D.Cal., August 14, 2009

522 F.3d 1299

United States Court of Appeals,
Federal Circuit.

POWEROASIS, INC. and PowerOasis
Networks, LLC, Plaintiffs–Appellants,

v.

T–MOBILE USA, INC., Defendant–Appellee.

No. 2007–1265.

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April 11, 2008.

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Rehearing and Rehearing En
Banc Denied Aug. 13, 2008.

Synopsis

Background: Patent owner brought action against competitor alleging infringement of patents directed toward vending machines that sold telecommunications access. The United States District Court for the District of New Hampshire, [Paul Barbadoro, J.](#), [2007 WL 962937](#), granted competitor's motion for summary judgment of invalidity. Owner appealed.

Holdings: The Court of Appeals, [Moore](#), Circuit Judge, held that:

[1] owner had burden to come forward with evidence to prove entitlement to claim priority to earlier filing date;

[2] asserted claims in continuation-in-part (CIP) application that added language describing vending machine with user interface located remotely from vending machine, such as on user's laptop, were not entitled to effective filing date of original application that claimed user interface that was part of unitary vending machine;

[3] expert did not demonstrate at time of filing date of original application how applicant was in possession of claimed invention either expressly or inherently; and

[4] owner was not entitled to broad claim construction for purposes of infringement and different narrower claim construction for purposes of validity.

Affirmed.

Attorneys and Law Firms

*1301 [Sibley P. Reppert](#), Lahive & Cockfield LLP, of Boston, Massachusetts, argued for plaintiffs-appellants. With him on the brief was [William A. Scofield, Jr.](#)

[William F. Lee](#), Wilmer Cutler Pickering Hale and Dorr LLP, of Boston, Massachusetts, argued for defendant-appellee. With him on the brief were [David B. Bassett](#) and [Amr O. Aly](#), of New York, New York.

Before [NEWMAN](#), [SCHALL](#), and [MOORE](#), Circuit Judges.

Opinion

[MOORE](#), Circuit Judge.

PowerOasis, Inc. and PowerOasis Networks, LLC (PowerOasis) appeal the United States District Court for the District of New Hampshire's grant of summary judgment that claims 15, 18, 31, 35, 38, 40, and 49 (asserted claims) of [U.S. Patent Nos. 6,466,658 \('658 patent\)](#) and [6,721,400 \('400 patent\)](#) are invalid as anticipated under [35 U.S.C. § 102\(b\)](#). In reaching its decision, the district court concluded that none of the asserted claims of the two patents were entitled, under [35 U.S.C. § 120](#), to the benefit of the filing date of PowerOasis's original application because the earlier application did not provide a written description of the invention claimed in the asserted patents, as required by [35 U.S.C. § 112](#). We affirm the grant of summary judgment of invalidity with respect to all asserted claims.

BACKGROUND

The two PowerOasis patents at issue, the [#658 patent](#) and the [#400 patent](#) (PowerOasis patents), are directed to vending machines that sell telecommunications access. The PowerOasis patents contain virtually identical specifications. The stated purpose of the PowerOasis patents is to provide a “vending machine” that enables

a customer to connect a laptop to a telecommunications channel. The #658 and #400 patents list filing dates of November 6, 2001 and October 15, 2002, respectively. The #658 and #400 patents stem from a series of continuation and continuation-in-part applications. The first application in the patent chain (Original Application) was filed on February 6, 1997 and ultimately issued as [U.S. Patent No. 5,812,643 \('643 patent\)](#). PowerOasis does not assert the #643 patent in this litigation.

PowerOasis filed a continuation application on September 18, 1998 (which was later abandoned), and on June 15, 2000, it filed a continuation-in-part application (2000 CIP Application), which issued as [U.S. Patent No. 6,314,169 \('169 patent\)](#). The #169 patent is not asserted by PowerOasis in this litigation. The 2000 CIP Application added considerable new language to the specification, which the district court characterized as “substantial new matter.” [PowerOasis, Inc. v. T-Mobile *1302 USA, Inc., No. 05-cv-42-PB, 2007 WL 962937, at *2 \(D.N.H. Mar. 30, 2007\)](#).

PowerOasis subsequently filed the two applications that led directly to the two patents asserted in this suit: first the #658 patent, then the #400 patent. PowerOasis sued T-Mobile for patent infringement alleging that T-Mobile's wireless “HotSpot Network”¹ infringes claims 15, 18, 31, 35, 38, 40, and 49 of both PowerOasis patents. Each of the asserted claims depends from independent claim 1, which is not asserted by PowerOasis. Except for minor variations in the language of the independent claims that do not relate to the issues on appeal, the language of the asserted claims is identical in both PowerOasis patents. Independent claim 1 recites:

¹ The relevant features of the T-Mobile HotSpot Network are undisputed. Unlike a stand-alone vending machine that vends telecommunications access, the T-Mobile HotSpot Network consists of several main components that are geographically distributed throughout the United States. These components work together to enable users to access Internet services. Multiple users can simultaneously access the T-Mobile HotSpot Network.

1. A vending machine for vending telecommunications channel access to a customer, said vending machine comprising:

a payment mechanism for obtaining information from the customer to initiate a vending transaction;

a customer interface for indicating the status of said vending machine;

an electronic circuit for determining when the vending transaction is completed;

a telecommunications channel access circuit adapted to be connected to at least one external telecommunications channel for enabling access to the at least one external telecommunications channel at the beginning of a vending transaction and disabling access at the end of the vending transaction;

a telecommunications channel access connector connected to said telecommunications channel access circuit for enabling connection to an external telecommunications device of the customer; and

a control unit having a device for receiving payment information from the customer and for controlling said electronic circuit and said telecommunications channel access circuit.

The parties had agreed that “customer interface” is “an interface that enables information to be passed between a human user and hardware or software components of a system,” but disagreed about the location of the customer interface. PowerOasis argued that the “customer interface” may occur on a customer's laptop. T-Mobile argued that the customer interface must be located on the vending machine itself. Relying entirely on new language added to the 2000 CIP application, the district court adopted PowerOasis's proposed construction that the claim term “customer interface” encompasses an interface that is located on the customer's laptop.

In light of the district court's construction of “customer interface,” T-Mobile filed a motion for summary judgment that the asserted claims were anticipated by the MobileStar Network. It is undisputed that prior to June 15, 1999, MobileStar Networks, Inc. (a company acquired by T-Mobile in 2002) developed, deployed, publicly used, and offered for sale the MobileStar Network, which was a high-speed wireless data network that connected users to the Internet. It is also undisputed that prior to June

15, 1999, the MobileStar Network contained all of the same *1303 features that form the basis of PowerOasis's allegation that the T-Mobile HotSpot Network infringes its patents. T-Mobile argued, therefore, that this public use, sale, and offer for sale more than one year prior to the June 15, 2000 filing date of the 2000 CIP Application² constituted § 102(b) prior art which anticipated the PowerOasis patents. 35 U.S.C. § 102(b). PowerOasis responded by claiming its asserted claims should have the benefit of priority going all the way back to the filing date of its Original Application (February 6, 1997) which would antedate the MobileStar Network.

² T-Mobile does not dispute that the #658 and #400 patents are at least entitled to the effective filing date of the 2000 CIP Application, June 15, 2000.

On summary judgment, the district court determined that the asserted claims were not entitled to the priority date of the Original Application because the written description of the Original Application did not support the later issued claims. The district court noted that, to arrive at the broad construction it accorded the “customer interface,” it relied “exclusively” on the new matter that was added to the 2000 CIP Application. *PowerOasis*, 2007 WL 962937, at *8. Because the district court concluded that the #658 and #400 patents are not entitled to the effective filing date of the Original Application, the district court granted the motion for summary judgment of invalidity. This appeal followed.

DISCUSSION

We review the grant of summary judgment de novo. *Liebel-Flarsheim Co. v. Medrad, Inc.*, 481 F.3d 1371, 1377 (Fed.Cir.2007). Summary judgment is not appropriate if the dispute about a material fact is “genuine,” that is, if the evidence is such that a reasonable jury could return a verdict for the non-moving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986).

PowerOasis appeals two aspects of the district court's summary judgment determination. First, PowerOasis argues that the district court erred when it placed the burden of proof on PowerOasis to show that it is entitled to the priority date of the Original Application. Second, PowerOasis argues that the district court erred in

concluding that the disclosure of the Original Application does not provide a written description adequate to support the asserted claims of the #658 and #400 patents. See 35 U.S.C. § 112¶ 1. PowerOasis contends that, at a minimum, there is a genuine issue of material fact which prevents summary judgment of invalidity. We consider each issue in turn.

I. Burden of Proof

[1] [2] It is well established that a patent is presumed valid, and “the burden of persuasion to the contrary is and remains on the party asserting invalidity.” *Ralston Purina Co. v. Far-Mar-Co, Inc.*, 772 F.2d 1570, 1573 (Fed.Cir.1985). The district court acknowledged a challenged patent is entitled to a presumption of validity, but questioned whether the presumption of validity extends to the question of priority. The district court concluded that “when a dispute arises concerning whether a CIP patent is entitled to priority to the date of the original application and the Patent Office has not addressed the issue, the burden of proof ordinarily should rest with the party claiming priority to the date of the original application.” *PowerOasis*, 2007 WL 962937, at *8. Accordingly, the district court held that PowerOasis had the burden of proving that it is entitled to claim priority to the filing date of the Original Application. *Id.*

*1304 [3] PowerOasis contends that the party asserting invalidity must always bear the burden of proof as to whether claims in a patent application are entitled to the priority date of a parent application. PowerOasis relies on this court's decision in *Ralston* for support of its position that the party attacking validity bears the burden to show that claims stemming from a CIP application are not entitled to an earlier filing date. In short, PowerOasis argues the presumption of validity should include a presumption that claims in a CIP are all entitled to the earliest effective filing date.³ In *Ralston*, both the U.S. Patent and Trademark Office (PTO) and the Board of Patent Appeals and Interferences (Board) made a priority determination. *Ralston Purina Co. v. Far-Mar-Co., Inc.*, 586 F.Supp. 1176, 1189, 1212 (D.Kan.1984). *Ralston* involved an appeal related to U.S. Patent No. 3,940,495, which issued from a continuation of application Serial No. 600,471, filed December 9, 1966 (1966 CIP application), which was a continuation-in-part of application Serial No. 381,853, filed July 10, 1964. *Id.* at 1185. In *Ralston*,

the 1966 CIP application had been the subject of an interference, which awarded the inventor the benefit of his earliest application in a detailed opinion by the Board. *Id.* at 1189, 1213. The district court in *Ralston* properly accorded deference to the Board's decision on priority. *See id.* at 1213.

³ A “CIP” application is a continuation-in-part application containing a portion or all of the disclosure of an earlier application together with added matter not present in that earlier application. *Transco Prods., Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 555 (Fed.Cir.1994) (citing *M.P.E.P. § 201.08*). While the PTO has noted that the expressions “continuation,” “divisional,” and “continuation-in-part” are merely terms used for administrative convenience, *id.*, the quintessential difference between a continuation and a continuation-in-part is the addition of new matter.

Generally, a CIP adds new matter on which at least one claim relies for support.

Additionally, the § 102(a) prior art on which the defendant in *Ralston* relied was brought to the attention of the examiner during prosecution. *See id.* at 1212. “When an attacker simply goes over the same ground travelled [sic] by the PTO, part of the *burden* is to show that the PTO was wrong in its decision to grant the patent.” *Am. Hoist & Derrick Co. v. Sowa & Sons*, 725 F.2d 1350, 1360 (Fed.Cir.1984) (emphasis in original). This court has explained that:

When no prior art other than that which was considered by the PTO examiner is relied on by the attacker, he has the added burden of overcoming the deference that is due to a qualified government agency presumed to have properly done its job, which includes one or more examiners who are assumed to have some expertise in interpreting the references and to be familiar from their work with the level of skill in the art and whose duty it is to issue only valid patents.

Id. at 1359. In *Ralston*, accordingly, the defendant had the added burden of overcoming the deference due to the PTO.

In contrast to *Ralston*, in this case, the PTO did not, at any point, make any determination with regard to the priority date of the various claims of the asserted patents. There was no interference in this case related to the asserted patents or the 2000 CIP Application that awarded PowerOasis the benefit of priority for its Original Application nor was there any determination of priority during prosecution incident to a rejection. The MobileStar Network prior art was never considered by the examiner. In fact, in this case the PTO did not make a determination regarding the priority date for the asserted claims with respect to *any* reference.

*1305 In the absence of an interference or rejection which would require the PTO to make a determination of priority, the PTO does not make such findings as a matter of course in prosecution.⁴ The PTO's own procedures indicate that examiners do not make priority determinations except where necessary:

⁴ Determining the effective filing date each claim in a CIP application is entitled to can be quite complex. Since CIPs generally add new matter, the claims may be fully supported by the parent application or they may rely on the new matter for support. *See* Michael J. Meurer & Craig Allen Nard, *Invention, Refinement and Patent Claim Scope: A New Perspective on the Doctrine of Equivalents*, 93 *Geo. L.J.* 1947, 2012 n. 24 (2005) (noting “[u]nder the new matter doctrine, revisions to the written description that occur after an application is filed may jeopardize the priority date derived from that application”). In fact, a CIP could contain different claims entitled to receive different effective filing dates in the same patent. There would be no reason for the PTO to undertake what could be a very time consuming written description analysis simply to pronounce the effective filing date of each claim, absent some dispute over it during prosecution.

Unless the filing date of the earlier nonprovisional application is actually needed, for example, in the case of an interference or to overcome a reference, there is no need for the Office to make a determination as to whether the requirement of 35 U.S.C. § 120, that the earlier nonprovisional application discloses the invention of the second application in the manner provided by the first paragraph of 35 U.S.C. § 112, is met and whether a substantial portion for all of the earlier nonprovisional application is repeated in the second application in a continuation-in-part.

M.P.E.P., Seventh Ed. (July 1998), at § 201.08. 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.

Of course, the fact that the MobileStar Network prior art was never before the PTO does not change the presumption of validity or who has the burden of proof with respect to the prima facie case of invalidity. *See Am. Hoist*, 725 F.2d at 1360. T-Mobile, the party asserting invalidity, must still show by clear and convincing evidence that the asserted patent is invalid. Once it has established a prima facie case of invalidity and its burden is met, “the party relying on validity is then obligated to come forward with evidence to the contrary.” *Ralston*, 772 F.2d at 1573.

T-Mobile established its prima facie case of invalidity with respect to the asserted claims. It is undisputed that the MobileStar Network was in public use more than one year prior to the June 15, 2000 filing date of the CIP Application. PowerOasis conceded that the MobileStar Network would infringe the claims of the #658 and #400 patents if it were in operation today. “[T]hat which would literally infringe if later in time anticipates if earlier.” *Schering Corp. v. Geneva Pharms., Inc.*, 339 F.3d 1373, 1379 (Fed.Cir.2003) (internal citation omitted). Accordingly, PowerOasis has conceded that unless the asserted claims are accorded an *earlier* filing date than the 2000 CIP Application, the MobileStar Network is § 102(b) prior art. Once T-Mobile established by clear and convincing evidence that the MobileStar Network was § 102(b) prior art to the asserted claims of the #658 and #400 patents, the burden was on PowerOasis to come forward with evidence to the contrary. The district court therefore correctly placed the burden on PowerOasis to come forward with evidence to prove entitlement *1306 to claim priority to an earlier filing date.

II. Written Description Requirement

[4] [5] Application of the written description requirement is central to the resolution of this appeal. “It is elementary patent law that a patent application is entitled to the benefit of the filing date of an earlier

filed application only if the disclosure of the earlier application provides support for the claims of the later application, as required by 35 U.S.C. § 112.” *In re Chu*, 66 F.3d 292, 297 (Fed.Cir.1995); *see also Augustine Med., Inc. v. Gaymar Indus., Inc.*, 181 F.3d 1291, 1302–03 (Fed.Cir.1999) (“Different claims of [a CIP] application may therefore receive different effective filing dates.... Subject matter that arises for the first time in [a] CIP application does not receive the benefit of the filing date of the parent application.”).

[6] [7] [8] [9] [10] To satisfy the written description requirement the disclosure of the prior application must “convey with reasonable clarity to those skilled in the art that, as of the filing date sought, [the inventor] was in possession of the invention.” *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563–64 (Fed.Cir.1991) (emphasis in original). While a prior application need not contain precisely the same words as are found in the asserted claims, *see Eiselstein v. Frank*, 52 F.3d 1035, 1038 (Fed.Cir.1995); *Purdue Pharma LP v. Faulding Inc.*, 230 F.3d 1320, 1323 (Fed.Cir.2000) (holding that the disclosure does not have to provide *in haec verba* support in order to satisfy the written description requirement), the prior application must indicate to a person skilled in the art that the inventor was “in possession” of the invention as later claimed. *Ralston*, 772 F.2d at 1575; *see also* Janice M. Mueller, *Patent Misuse Through the Capture of Industry Standards*, 17 Berkeley Tech. L.J. 623, 638 (2002) (“The [written description] requirement operates as a timing mechanism to ensure fair play in the presentation of claims after the original filing date and to guard against manipulation of that process by the patent applicant.”). “Entitlement 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) (quoting *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1571–72 (Fed.Cir.1997)). In *Lockwood*, we held:

While the meaning of terms, phrases, or diagrams in a disclosure is to be explained or interpreted from the vantage point of one skilled in the art, all the limitations must appear in the specification. The question is not whether a claimed invention is an obvious variant of that which is disclosed in the specification. Rather, a prior

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