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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

Koninklijke Philips Electronics NV,

Plaintiff,

v.

Cardiac Science Operating Company,

Defendant.

Case No. C08-543 MJP

ORDER DENYING
PLAINTIFF’S MOTION
REQUESTING CLAIM
CONSTRUCTION AND ORDER
OF DISMISSAL

This matter comes before the Court on Plaintiff’s motion for the Court to schedule a claim construction hearing. (Dkt. No. 15.) After reviewing the motion, Defendant’s response (Dkt. No. 20), Plaintiff’s reply (Dkt. No. 22), additional briefing submitted by both parties (Dkt. Nos. 27 &28), the balance of the record, and after having heard oral argument from the parties, the Court DENIES the motion and DISMISSES the matter for the reasons set forth below.

Background

This action arises out of an Interference Proceeding before the Board of Patent Appeals and Interferences (the “Board”) involving the Morgan U.S. Patent No. 6,241,751, assigned to Philips, and the pending Owen application, Serial No. 10/159,806, assigned to Cardiac Science. Philips’ patent and Cardiac Science’s patent application contained interfering subject matter in the form of an identical claim, found at claim 15 of each. This claim constituted the single Count of the interference proceeding and read:

1 A method for delivering an impedance-compensated defibrillation pulse to a
2 patient, comprising: measuring a patient impedance of said patient; selecting
3 from a set of configurations in an energy storage capacitor network to deliver
4 an impedance-compensated defibrillation pulse to said patient responsive to
5 said patient impedance; and delivering said impedance-compensated
6 defibrillation pulse to said patient.

7 The Board was charged with determining which party had first invented the interfering subject
8 matter and was not required to reach issues of patentability. See 35 U.S.C. § 135(a). Philips
9 bore the burden of proof on the issue of priority.

10 The proceeding was conducted in two phases: (1) a preliminary motions phase; and (2) a
11 priority phase. The Board determined that Cardiac Science had priority. Phillips' current action,
12 brought pursuant to 35 U.S.C. § 146, alleges that a number of the Board's decisions were
13 erroneous.

14 **Analysis**

15 35 U.S.C. § 146 grants this Court authority to review an interference decision. A section
16 146 proceeding is "a hybrid of an appeal and a trial de novo." Estee Lauder Inc. v. L'Oreal,
17 S.A., 129 F.3d 588, 592 (Fed. Cir. 1997). Plaintiff bears the burden and must establish error by
18 the Board. Andrew Corp. v. Gabriel Electronics, Inc., 782 F. Supp. 149, 150-151 (D. Me. 1992).

19 The issue presented by this motion is whether the Board erred in failing to construe the
20 claim "impedance-compensated defibrillation pulse." The Board never made a single decision
21 not to construe the claim, but instead determined that claim construction was not necessary to
22 resolve Philips' preliminary motions. No authority suggests that the Board is required to
23 perform claim construction when it is not necessary to decide an issue presented in a party's
24 motion.

25 The Board's reasons for denying or dismissing each motion were grounded in the
26 application of the Board's own procedures and regulations. The Court reviews these decisions,
27 made pursuant to the permissive rules governing a patent interference proceeding, for abuse of
discretion. Eli Lilly & Co. v. Bd. of Regents, 334 F.3d 1264, 1266 (Fed. Cir. 2003). An abuse
of discretion exists if the Board's decision is clearly unreasonable or arbitrary, or if the decision

1 is based on an erroneous conclusion of law, clearly erroneous factual findings, or on a factual
2 record that does not support the Board’s conclusion. Id.

3 I. Review of the Board’s Decisions

4 Philips brought five motions in the preliminary phase of the proceeding and made a late
5 request to file a motion for a judgment of no interference-in-fact. Philips alleges that the Board
6 erred in its decision denying leave to file the late motion and in the decisions on Philips’
7 preliminary motions 3, 4, and 5. Because the Board provided procedural grounds for each denial
8 or dismissal, the Court reviews these decisions for abuse of discretion.

9 1. Board Denied Leave to File a No Interference-In-Fact Motion

10 On September 14, 2006, one day after the deadline for submitting motions, Philips
11 requested leave to file an additional motion for judgment of no interference-in-fact. (Dkt. No.
12 16-7 at 3.) In its request, Philips explained that it had just discovered the possibility that the
13 claim in the Owen application and the claim in the Morgan patent could be construed differently.
14 (Id. at 3.) The Board denied Philips’ request, stating:

15 The basis for the request, explained by counsel for Morgan, is that he did not
16 realize, until several days ago in a different conference call with the patent
17 judge in another interference, that each party’s claims are construed in the
18 context of the respective application or patent in which they appear, even for
19 an applicant’s claims which are copied from a patentee. But that rule of
20 construction should not be unknown or unexpected to Morgan’s counsel. It has
21 been more than 10 years since the interference rules have been amended to state
22 so explicitly.

23 (Dkt. No. 21-11 at 2 (citations omitted).) The Board justified its denial on multiple grounds: (1)
24 Philips’ mistake of law was inexcusable and Philips had not demonstrated excusable neglect; (2)
25 Philips made its request two months after the deadline for identifying motions, thereby
26 prejudicing Cardiac Science; and (3) the Board intended to enforce the motions list requirement
27 as part of the “orderly and efficient administration of interference proceedings.” (Id. at 2-4.)

The Board’s denial is a clear application of its own rules of procedure. Phillips made the
request to file a no interference-in-fact motion two months after it was required to submit a list
of proposed motions. Given the Board’s interest in preserving the integrity of its own procedural

1 process, the Court does not find that the Board abused its discretion in denying that request.

2 2. Philips Motion No. 3

3 In this motion, Philips alleged that some of its claims did not correspond to the identified
4 Count. Philips attempted to insert a no interference-in-fact argument into the motion by
5 claiming that a broad interpretation of the Count would leave no interfering subject matter.
6 Alternatively, Philips stated that it would withdraw its motion if the Board adopted a narrow
7 interpretation of the Count. (Dkt. No. 16-8 at 6.) The Board addressed this argument, stating:

8 [w]hether there is interference-in-fact, of course, is a question far different from
9 the one with which Morgan’s Motion 3 is involved, i.e., whether certain Morgan
10 claims should be designated as not corresponding to the count. Morgan was not
11 authorized to file a motion alleging no-interference-in-fact and did not file a
12 motion alleging no interference-in-fact. The reference to no interference-in-fact
13 obfuscates and detracts from the real issues.

14 (Dkt. No. 16-20 at 6.)

15 Philips offers no persuasive reason why claim construction would be required to resolve
16 the issue addressed by the motion – whether the Philips’ claims properly corresponded to the
17 Count. Ultimately, either of the proposed claim constructions would have resulted in dismissal
18 of the motion. If the Board interpreted the claim narrowly, Philips would have withdrawn the
19 motion; if the Board interpreted the claim broadly, the Board would have reiterated its ruling that
20 Philips was not authorized to bring a no interference-in-fact motion. When all proposed
21 interpretations would yield the same result, there is no error in failing to construe the claim. Eli
22 Lilly, 334 F.3d at 1272 (upholding Board’s decision because Board tested both of the claim
23 constructions proposed by the plaintiff and determined that both would yield the same result).

24 Philips also takes issue with the Board’s allocation of the burden of proof. (Dkt. No. 22
25 at 9.) The Board acknowledged Philips’ differing interpretations of the Count, but held that
26 Philips had not met its burden “to establish and demonstrate the interpretation that it seeks for
27 each alternatives [sic] of the count.” (Dkt. No. 16-20 at 7.) In a later decision denying Philips’
28 motion for a rehearing on Motion No. 3, the Board further articulated that burden. The Board
29 acknowledged that Philips described two interpretations of the count, one narrow and one broad,

1 but stated that Philips:

2 did not attempt to establish one interpretation over the other. Without
3 committing to either position, Morgan invited the Board to interpret the
4 claims which define the count and simply urged the consequence
5 corresponding to either interpretation[: if narrow, then Morgan would
6 withdraw the motion; if broad, then there would be no interference-in-fact].
7 We declined to take on that task without Morgan's taking on its own burden
8 of proof. Morgan's describing two possibilities, either of which evidently
9 was acceptable to Morgan, did not persuade us one way or the other.
10 (Dkt. No. 21-6 at 3.) Phillips' argument that this decision was erroneous is unconvincing.

11 Phillips relies on authority stating that courts do not apply burdens of proof when performing
12 claim construction in an infringement action. See Level One Communs. v. Seeq Tech., 987 F.
13 Supp. 1191, 1196 (N.D. Cal. 1997). However, the Board's discussion of Philip's burden relates
14 only to Philip's burden of proof on the motion itself and makes no reference to a burden of proof
15 during any claim construction process.

16 3. Philips Motion No. 4

17 In Motion No. 4, Philips alleged that claims in the Owen application were not sufficiently
18 supported by written description and were therefore unpatentable under 35 U.S.C. § 112.
19 Because this motion addresses only the claim in the Owens application, comparative claim
20 construction of the contested term is not relevant to the analysis. As the Board stated:

21 [h]ow a term in 'Owen's claims' is specially defined in the moving party
22 'Morgan's specification' has no relevance in the context of Morgan's assertion
23 that Owen's specification provides no written description support for Owen's
24 claims. Under the patent statute, 35 U.S.C. § 112, first paragraph, Owen's
25 application has to provide a written description for the invention Owen claims,
26 not for an invention someone else claims.
27 (Dkt. No. 16-20 at 12.) Nonetheless, Philips again attempted to insert a no interference-in-fact

argument into the motion and asserted that a broad construction of the term in the Owen
application and a narrow construction of the term in the Morgan patent would result in no
interfering subject matter. The Board responded to this argument with the following:

assuming that the two interpretations would lead to a finding of no interference-in-
fact, that would mean only that a motion alleging no interference-in-fact would
have been successful, but Morgan filed no such motion. Morgan chose a litigation
strategy which pursued a motion alleging lack of written description rather than no
interference-in-fact.

(Id. at 14.)

1 The Court does not find that the Board’s decision on this motion was in error. The Board
2 was within the bounds of its own discretion in refusing to reach the no interference-in-fact issue,
3 thereby enforcing its previous order denying Philips leave to bring such a motion.

4 4. Philips Contingent Motion No. 5

5 This motion, alleging that the Owen application was unpatentable over prior art, was
6 contingent on a specific interpretation of the contested claim. Because none of the preliminary
7 motions required claim construction, the Board had not previously construed the contested claim
8 and had not assigned it an interpretation. The Board therefore dismissed the contingent motion
9 without reaching the merits.

10 The Board did not err in dismissing the motion because the contingency on which it was
11 premised never arose. (Dkt. No. 16-20 at 17 (“The motion is expressly contingent upon the
12 Board’s actually having ruled that the claim term ‘impedance compensated defibrillation pulse’
13 in Owen’s claims allows capacitor configuration on the basis of patient impedance alone[.]”))
14 As discussed above, the Board determined that claim construction was not necessary to resolve
15 Phillips’ preliminary motions. Again, the Board has discretion to establish and enforce its own
16 procedural rules and has chosen to allow parties to file contingent motions. Having filed such a
17 motion, Phillips cannot convincingly argue that the Board erred when it declined to reach the
18 merits of that motion because the contingency, claim construction, was not necessitated by the
19 other motions it filed.

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Conclusion

Because the Board did not err in failing to construe the contested claim, the Court denies Plaintiff's current motion. Further, the issues presented in Plaintiff's motion address all the claims set forth in Plaintiff's complaint and leave no issue for this Court to resolve.¹ Plaintiff's motion is hereby DENIED and the case is hereby DISMISSED with prejudice.

The Clerk is directed to send a copy of this order to all counsel of record.

Dated: September 23, 2008.



Marsha J. Pechman
U.S. District Judge

¹In additional briefing submitted on September 9, 2008, Plaintiff argued that the current motion reaches “every claim set forth in Philips’ complaint except one – that the APJ erred in refusing to permit Philips to file a motion for ‘no interference-in-fact.’” (Dkt. No. 27 at 4.) The Court disagrees and believes that issue was presented in Plaintiff’s motion. (See Dkt. No. 15 at 10; Dkt. No. 22 at 10-11.) As discussed above, the Court finds no abuse of discretion in the Board’s denial of Philips’ request to file a no interference-in-fact motion.