

PTAB Cannot Cancel Claims for Indefiniteness in IPR Proceedings

Samsung Elecs. Am., Inc. v. Prisia Eng'g Corp., No. 2019-1169, 2020 WL 543427 (Fed. Cir. Feb. 4, 2020)

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The Federal Circuit recently ruled the Patent Trial and Appeal Board (“the PTAB”) may not cancel claims for indefiniteness in an *inter partes* review (“IPR”) proceeding.^[1] The Federal Circuit concluded while an IPR petition defines the scope of an IPR proceeding, the Board may not exceed its governing statutory provisions which limit the scope of an IPR to arguments raised under Section 102 (“anticipation”) or 103 (“obviousness”) grounds.

Prisia Engineering Corp. (“Prisia”) owns U.S. patent 8,650,591 (“the ‘591 patent”) relating to apparatuses and methods for “generating a displayable edited video data stream from an original video data stream.”^[2] After Prisia accused Samsung Electronics America, Inc. (“Samsung”) of infringement, Samsung petitioned the PTAB to institute an IPR on the ‘591 patent. The PTAB, in its final written decision, found claim 11 unpatentable based on obviousness; but the PTAB did not analyze the patentability of claims 1–4 and 8 under anticipation or obviousness grounds because “the [PTAB] could not apply the prior art to the [indefinite] claims,”^[3] and, as such, the PTAB held that Samsung had not established that these indefinite claims were unpatentable under any of Samsung’s asserted grounds.

Samsung, on appeal, argued that the PTAB should have cancelled claims 1–4 and 8 for indefiniteness. The Federal Circuit rejected Samsung’s appeal, in light of the governing statutory provisions and the Supreme Court’s decision in *Cuozzo*, and determined that the PTAB may not exceed its statutory limits by “cancelling a patent claim for indefiniteness.”^[4] Samsung further asserted that post-institution the PTAB could hold claims indefinite based on the broad wording of Section 318(a) which directs the PTAB to “issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 316(d).” The Federal Circuit also found this argument unpersuasive—Section 318(a), in the context of the other IPR statutory provisions, only allows for the PTAB to issue a final written decision on grounds upon which a petitioner may request institution. The court further explained that if the PTAB cannot determine a claim’s scope, the PTAB should either decline institution or conclude a decision could not be reached on the merits.

Petitioners filing IPRs must now account for the possibility of losing because claim terms are deemed indefinite by the PTAB, thereby leaving the prior art based patentability challenge unresolved.