

In *Sony v. Iancu*, Fed. Cir. Finds Everybody Wrong

PTAB's Unpatentability Determination Vacated for Misidentifying the Structure Corresponding to Challenged Means-Plus-Function Claims

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On May 22, 2019, a divided panel of the Federal Circuit Court of Appeals demonstrated the true meaning of *de novo* review, vacating a Final Written Decision (the “Decision”) issued upon *Inter Partes* Review by the Patent Trial and Appeal Board (the “Board”) invalidating certain claims of U.S. Patent No. 6,097,676 (“the ‘676 Patent”) concerning automated selection of an audio channel on multichannel audiovisual media (e.g., a movie comprising audio tracks in multiple languages). *Sony Corp. v. Andrei Iancu, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office*, No. 2018-1172 (Fed. Cir. 2019). The Federal Circuit held that the challenged means-plus-function claims were computer-implemented, reversing the Board’s prior determination that they were hardware-implemented, thus subverting the Board’s invalidity determination.

The rift between the Board and the Federal Circuit relates to the “[audiovisual media] reproducing means” limitation of the challenged claims, which performed the function of “reproducing the audio data of the channel designated by the default value stored in the storing means.” *Id.* at 4. Sony had previously contended before the Board that the “reproducing means” limitation was computer-implemented, and thus, the corresponding structure should be the disclosed algorithm. *Id.* at 7. The Board rejected this argument, determining that the “reproducing means” was implemented in hardware, and that the corresponding structure was the synthesizer and controller “shown and described in the ‘676 Patent as discrete hardware elements.” *Id.* at 7–8. Sony and the USPTO as intervenor (the petitioner, Arris Int’l PLC, declined to participate in the appeal) “appear[ed] to agree on appeal that the specification contemplates a hardware-implementation of the reproducing means.” *Id.* at 7–8. Yet, the Federal Circuit revived Sony’s prior argument *sua sponte*, determining that “the reproducing means” was computer-implemented. *Id.* at 8. As such, because the Board had never reached the question of whether the invalidating reference disclosed or rendered obvious that its controller performed the algorithm set forth in the ‘676 Patent or an equivalent thereof, the Federal Circuit vacated its determination of unpatentability for remanded for further consideration.

There are at least three lessons to be learned from the Federal Circuit’s decision in *Sony*. **First**, the requirement that a patent comprising a computer-implemented means-plus-function claim disclose a corresponding algorithm is not a formalistic prerequisite; the scope of a computer-implemented means-plus-function claim is limited to the “special purpose computer” formed by carrying out the disclosed algorithm on a processor. *WMS Gaming, Inc. v. Int’l Game Tech.*, 184 F.3d 1339, 1348–49 (Fed. Cir. 1999). That “special purpose computer” defines the scope of the claim not only for infringement, but also invalidity: the prior art must disclose or render obvious that specific special purpose computer. **Second**, appellants should appreciate the full extent of the Federal Circuit’s authority to review claim constructions. The Court can not only revive seemingly abandoned positions, as here, but even apply new constructions never asserted by either adversary. *Sony*, at 8. **Third**, one should *never* bet against finding Judge Newman in forceful dissent from the panel.