UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CAMBRIDGE MOBILE TELEMATICS, INC.
Petitioner

v.

SFARA, INC.
Patent Owner

IPR2024-00952

U.S. Patent No. 8,989,952

Issue Date: March 24, 2015

Title: SYSTEM AND METHOD FOR DETECTING VEHICLE CRASH

PETITIONER'S REQUEST FOR DIRECTOR REVIEW

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Petitioner Cambridge Mobile Telematics, Inc. ("CMT") requests Director Review of the Institution Decision, which denied institution based on an overly restrictive interpretation of 37 C.F.R. § 42.104(b)(3) that unduly limits the ability of petitioners to seek the Board's review of patents asserted in litigation.[1] CMT filed its Petition with a statement that the claims should be given their plain and ordinary meaning, consistent with Patent Owner's own arguments in parallel district court litigation. The majority opinion found this disclosure failed to satisfy 37 C.F.R. § 42.104(b)(3) because the majority believed that Petitioner was *required* to present *a means-plus-function* claim construction—even though Petitioner is not relying on such a construction for any invalidity grounds—because whether these claims are means-plus-function claims is a contested issue in the district court. As Judge Horvath noted in his concurring opinion, however, the Board's refusal to consider the merits of petitions based on 37 C.F.R. § 42.104(b)(3) has been inconsistent among panels. Director review is needed to resolve this important, disputed issue of law and policy, which in many instances has prevented fair access to Board review.

The Board routinely states, including in the Institution Decision here, that petitioners may present arguments to the Board that are inconsistent with positions

[1] The Board denied institution in IPR2024-00966 for substantially the same reason, and CMT is filing a parallel request in that proceeding.

taken in a parallel litigation. In practice, however, the Board's application of 37 C.F.R. § 42.104(b)(3) has made it impossible for petitioners to access Board review when the parties dispute whether a claim term should be construed as a means-plus-function limitation in the district court. Even where the absence of a "means" term makes means-plus-function analysis presumptively inapplicable, some panels of the Board treat the mere *presentation* of a means-plus-function construction by either party in the district court as a trigger to require the petitioner to brief a means-plus-function construction in the petition. Here, the challenged claims do not contain any "means for" language. CMT explicitly chose not to rely on the contested means-plus-function arguments for the invalidity positions presented in the Petition, aligning its arguments with the constructions for which Patent Owner is advocating. The majority found Petitioner's disclosures lacking even though the claims are not presumptively means-plus-function claims, CMT is not defending such a construction to the Board, and neither the district court nor the Board has affirmatively adopted that construction.

CMT requests that the Director grant Review of the Institution Decision and (1) clarify that 37 C.F.R. § 42.104(b)(3) requires only that the petition provide a statement regarding the claim constructions on which it relies, without requiring them to address any alternative constructions that have been proposed in parallel

litigation, and (2) reverse the panel's denial of institution so that the invalidity positions in the petition may be considered on their merits.

I. Application of 37 C.F.R. § 42.104(b)(3) Has Been Inconsistent

A. Some Panels Interpret 37 C.F.R. § 42.104(b)(3) to Require the Petitioner Only to Disclose the Claim Construction on Which it Will Rely Before the Board

In many instances, the Board has allowed petitioners to rely on patent owner's proposed construction to advance its invalidity positions. At least one panel confirmed that "37 C.F.R. § 42.104(b)(3) does not require Petitioner to express its subjective agreement regarding correctness of its proffered claim constructions or to take ownership of those constructions. Petitioner complies with [the] rules by identifying claim constructions it proposes as the basis for requesting review of the challenged claims." *Western Digit. Corp. v. Spex Techs., Inc.*, IPR2018-00084, Paper 14 at 11 (PTAB Apr. 25, 2018). In that case, the Board found that petitioner had satisfied § 42.104(b)(3) by stating that the petition "is based on the claim constructions urged by Patent Owner in related District Court litigation." *Id.* (internal citations and emphasis omitted).

Similarly, in *Samsung Elecs. Co., Ltd v. Cellect, LLC*, the Board confirmed that petitioners need not propose the same claim constructions that were presented to the district court. IPR2020-00476, Paper 14 at 12 (PTAB July 31, 2020) ("It is not a requirement of [rule] 104(b)(3) that for every term for which Petitioner has

proposed an express construction in related district court litigation, Petitioner must propose the same construction in the Petition."). In *Samsung*, the petitioner presented invalidity arguments based on constructions that were broader than those it presented in the district court. The Board granted institution and noted that "[i]f there is a dispute between the parties on how a claim term should be applied to the prior art, Patent Owner is free to propose its own construction to raise the issue for consideration." *Id.* at 12–13; *see also Glux Visual Effects Tech (Shenzhen) Co. v. Ultravision Techs., LLC*, IPR2020-01052, Paper 28 at 16–21 (PTAB Nov. 17, 2021) (adopting petitioner's "plain and ordinary meaning" claim construction arguments, which Patent Owner advanced in the related litigation, and construing the claim terms differently from the district court).

In each of these cases, the Board found that 37 C.F.R. § 42.104(b)(3) was satisfied, despite petitioner's departure from the positions it took in a parallel district court action. The parties disputed the construction of certain terms, but the Board considered the merits of the validity challenge presented in the petition, including the merits of the claim construction disputes. The Board did not suggest that the petitioner had somehow failed to set forth "[h]ow the challenged claim is to be construed," 37 C.F.R. § 42.104(b)(3), merely because the petitioner had advanced a different construction in another forum.

B. Other Panels Have Treated Reliance on an Alternative Construction as Deficient Under 37 C.F.R. § 42.104(b)(3)

Another body of institution decisions has rejected petitioners' attempts to present arguments that are inconsistent with positions taken in the district court. This is most commonly seen in proceedings where the parties dispute whether the challenged claims should be interpreted as means-plus-function claims under 35 U.S.C. § 112(f). Panels have denied institution where the petitioner fails to advance the same means-plus-function arguments in a petition as it did in the parallel district court proceeding.

In *OrthoPediatrics Corp. v. K2M, Inc.*, the Board denied institution where the petitioner relied on patent owner's proposed constructions. IPR2018-01546, Paper 10 (PTAB Feb. 14, 2019). In that case, the Board held that because petitioner had advocated for a means-plus-function construction in the district court, "Petitioner should have known that the question of whether or not the limitation directed to grasping members was likely to be at issue in this proceeding." *Id.* at 11. The panel went on to explain its position that "Petitioner should have either provided reasons why these limitations are not governed by 35 U.S.C. § 112 ¶ 6, or Petitioner should have provided an explicit claim construction as required by our rules." *Id.*

The panel in *10X Genomics, Inc. v. President and Fellows of Harvard Coll.* followed the reasoning in *OrthoPediatrics*. IPR2023-01299, Paper 15 (PTAB Mar. 7, 2024). In *10X Genomics*, the petitioner chose to present arguments based on

patent owner's arguments in the district court that the claims should be interpreted according to their plain and ordinary meaning, and not as means-plus-function claims. *Id.* at 8. Rather than assessing the merits of the claim construction positions presented in the petition, the Board found the petition lacking under 37 C.F.R. § 42.104(b)(3) and denied institution. *Id.* at 13. In other words, the panel did not conclude that the claims *were* means-plus-function claims; it concluded that the petitioner was required to brief its petition *as though* they were.

Both the *OrthoPediatrics* and *10X Genomics* decisions pay lip service to the proposition that the rules do not prohibit parties from asserting claim constructions in petitions that differ from those presented in the district court. But that type of prohibition is what application of the rules produces in practice, penalizing petitioners for taking conflicting positions between the two forums, in contrast to the *Western Digital* and *Samsung* cases discussed above. Petitioners are denied review on the merits based on noncompliance with a requirement applicable only to means-plus-function limitations, even though they are *not* taking the position before the PTAB that the claim *actually contains* a means-plus-function limitation, and no tribunal has decided that it does. Rather, these panels effectively restrict the petitioners to their proposed district court construction.

II. Reading 37 CFR § 42.104(b)(3) to Compel Petitioners to Follow Rules Applicable to Constructions They Are Not Advancing Is Not Supported by the Text of the Rule and Unduly Restricts Access to Board Review

The text of 37 C.F.R. § 42.104(b)(3) requires that the petition provide a statement of the precise relief requested for each challenged claim, including:

> How the challenged claim is to be construed. Where the claim to be construed contains a means-plus-function or step-plus-function limitation as permitted under 35 U.S.C. 112(f), the construction of the claim must identify the specific portions of the specification that describe the structure, material, or acts corresponding to each claimed function.

37 C.F.R. § 42.104(b)(3). The rule on its face requires only a statement of how the petitioner seeks to have the challenged claim construed for purposes of Board review. Many inconsistencies arise, however, from the second sentence of this rule, requiring additional disclosures for means-plus-function claims. Notably, the rule does not provide any guidance on how to determine "where the claim to be construed contains a means-plus-function . . . limitation as permitted under 35 U.S.C 112(f)," *id.*, when the applicability of 112(f) is in dispute.

Claim construction is an issue of law, to be determined by the Board. *See Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 391 (1996); *Kemco Sales, Inc. v. Control Papers Co., Inc.*, 208 F.3d 1352, 1360 (Fed. Cir. 2000) ("Whether the language of a claim is to be interpreted according to 35 U.S.C. § 112[f], i.e.,

whether a claim limitation is in means-plus-function format, is a matter of claim construction and is thus a question of law….”). As Judge Horvath’s concurrence noted, a petitioner cannot determine whether a claim contains a means-plus-function term. Paper 12 (Concurrence) at 2 (PTAB Dec. 13, 2024). Thus, the determination of whether the second sentence of 37 C.F.R. § 42.104(b)(3) applies when the petition is filed cannot be based on the ultimate finding of whether a claim contains a means-plus-function term by the Board.

Basing the application of this Section on whether the parties have ever argued that the claims contain means-plus-function terms is similarly misplaced. Simply because a party has presented arguments that a claim term should be interpreted pursuant to § 112(f) does not mean the claim “contains a means-plus-function . . . limitation,” as indicated in the rule. *See* 37 C.F.R. § 42.104(b)(3). This interpretation assumes that a claim should be interpreted as one party asserted in a different forum—even if no party is advancing that construction to the Board—and without considering the merits of that argument or the other party’s positions. Decisions like those in *OrthoPediatrics* and *10X Genomics* improperly presume that one party’s *proposed* means-plus-function construction in the district court (which the other party opposes) is the correct construction of the claims, without ever determining that the (undefended) construction is correct. In this scenario, the standard for disclosure in the petition shifts based on which party is correct in its

proposed construction, which cannot be determined until the Board considers the merits of the arguments.

The only workable interpretation, therefore, is that the second sentence of 37 C.F.R. § 42.104(b)(3) applies when the claims actually do contain (or, under the governing law, are presumed to contain) means-plus-function limitations or when the petition affirmatively argues that terms should be so construed. Once the petitioner has set out the construction it is advancing, the Board can then assess how the claims should be construed, including whether the claims are means-plus-function claims despite no party arguing for that position. But requiring petitioners to *anticipate* such a ruling, and to brief a construction they are not advancing, is inappropriate.

Requiring petitioners to present means-plus-function constructions when § 112(f) ***might*** be implicated—even though the petitioner is not advancing such a construction—makes challenge of these claims impractical. In many instances, the word-count limitations would force petitioners to file multiple petitions to present alternative arguments for each potential means-plus-function term, running counter to the Board's caution against filing multiple petitions. *See* Consolidated Trial Practice Guide at 59. Additionally, if the claims contain more than one term that *might* later be construed as means-plus-function, assessing the various permutations

under different constructions would become unwieldy. Such a requirement is impractical.

In no other scenario does the Board require petitioners to present competing claim constructions simply to satisfy a pleading burden and obtain review on the merits. There are countless petitions in which the petitioner argues that no construction is necessary. In these circumstances, even if the patent owner raises a claim-construction dispute in its preliminary response, the Board's response is not to fault the petitioner because it failed to set forth how the claim is to be construed as required by 37 C.F.R. § 42.104(b)(3). Rather, the Board considers the merits of the parties' claim construction positions and determines whether the petitioner has met its burden for institution based on the Board's preliminary construction. *See, e.g.*, *Apple Inc. v. Masimo Corp.*, IPR2024-00243, Paper 11 at 15–17 (PTAB July 9, 2024) (instituting IPR despite patent owner raising a claim construction dispute in its preliminary response that the petition did not address). Claims where the parties dispute whether the terms are subject to a means-plus-function interpretation should not be an exception to this typical procedure.

Allowing a petitioner to present arguments *based on the patent owner's construction* preserves access to Board review, especially where the patent owner is arguing in the district court that the claim is *not* a means-plus-function claim. This allows petitioners to present challenges to patent claims based on constructions that

are most favorable to patent owner, while maintaining positions in the district court that those constructions may not ultimately be proper, as is permitted in similar circumstances. *See Samsung*, IPR2020-00476, Paper 14.

Placing significant burden on petitioners in situations where the parties dispute the application of a means-plus-function interpretation forces petitioners to wait until the district court construes the claims to determine what the petition must include, making Board review almost impossible in light of the one-year statutory bar. A primary goal of the PTAB is to provide a more efficient means to adjudicate patent validity issues outside of district courts, but many of these validity issues arise as a result of patents being asserted in district court. According to a 2022 study, at least 40% of petitions challenged patents that were involved in parallel district court litigation between Q3 2020 and Q1 2022. *See* PTAB Parallel Litigation Study Executive Summary at 3, https://www.uspto.gov/sites/default/files/documents/ptab_parallel_litigation_study_exec_summ_20220621_.pdf (June 2022).

These district court litigations will often proceed while the statutory one-year window to seek the PTAB's review of asserted claims is open, but the parties will generally not have resolution regarding how the asserted claims will be construed by the district court before the statutory deadline expires. For example, in New Jersey, the median time to claim construction ruling is more than 21 months. *See*

Docket Navigator, "Time to Milestones," https://search.docketnavigator.com/patent/court/199/14 (last accessed Jan. 13, 2025). In some jurisdictions, such as the Eastern District of Texas, the time to file an IPR petition is effectively much shorter than one year because petitioners seek to avoid discretionary denial under *Fintiv*. As a result, an accused infringer must decide how to proceed with an invalidity challenge when the meaning of claim terms is still in dispute. In many circumstances, as is the case here, a petitioner will choose to present invalidity arguments to the Board based on a patent owner's proposed constructions, with differing results. An interpretation of 37 C.F.R. § 42.104(b)(3) that allows a petitioner to present a petition based on a patent owner's arguments that claims are not subject to a means-plus-function construction places all types of claims on equal footing and maximizes access to the Board.

III. The Board Should Consider the Merits of the Claim Construction Dispute Here

Under the proper interpretation of 37 C.F.R. § 42.104(b)(3), the panel here should have considered the merits of the petition. Whether the claim terms should be construed as means-plus-function terms is an issue to be decided only if necessary in order to answer the reasonable-likelihood question for institution.

As explained in the Petition, in the parallel district court litigation, CMT asserted that despite lacking the word "means," certain terms in the '952 Patent are means-plus-function terms subject to Section 112(f). Paper 2 (Petition) at 7-8 n. 3

(PTAB June 5, 2024). CMT further asserted that the '952 Patent specification lacks disclosure corresponding to the claimed function and is therefore invalid as indefinite. *See, e.g.*, Ex. 1008, Ex. A, 1. Patent Owner, on the other hand, asserted that "no construction [is] required," and that the terms are "[n]ot subject to 35 U.S.C. §112, ¶ 6." *See, e.g.*, Ex. 1008, Ex. A, 1, 13. Patent Owner argued in the alternative that "[t]o the extent that §112, ¶ 6 applies," the specification provides support for the terms. Ex. 1008, Ex. A, 1–3, 13–15. Shortly before expiration of the statutory window to file IPRs, CMT filed the Petition with arguments based on Patent Owner's primary claim construction arguments: that the claims were not subject to a means-plus-function interpretation.[2]

Under the proper interpretation of 37 C.F.R. § 42.104(b)(3), the Petition adequately provides a statement regarding how the challenged claims are to be construed. *See* Paper 2 (Petition) at 6-9; *see also* Paper 12 (concurrence) at 2 (PTAB Dec. 13, 2024). The Board, therefore, must determine whether CMT has met its

[2] Notably, CMT could not have waited for the district court to construe the claims to determine which claim construction to assert in its petition. The district court held a Markman hearing on November 12, 2024, more than 5 months after CMT's one-year statutory window to file IPRs expired, and has not issued a claim construction decision as of the date this request was filed.

burden of establishing that there is a reasonable likelihood that at least one claim is unpatentable. This analysis necessarily requires reaching a preliminary claim construction of the challenged claims, but Patent Owner did not present any substantive arguments in opposition to CMT's invalidity positions. To the extent the Board has questions regarding the proper construction of the claims, the Board should institute trial so the parties may fully brief the issues and the Board can reach a fully informed decision. *See, e.g.*, *Cellco P'ship v. Headwater Partners LLC*, IPR2024-00809, Paper 11 at 16–17 (PTAB Oct. 23, 2024) (instituting IPR, but asking the parties to address claim construction during trial); *Disney Media & Ent. Distrib. LLC v. Digit. Media Tech. Holdings, LLC*, IPR2024-00736, Paper 15 at 12 n.2 (PTAB Oct. 3, 2024) (adopting Petitioner's proposed constructions for purposes of institution, but asking for further briefing on the issue). Even if the Board is convinced at the institution stage that the claims should be interpreted to include means-plus-function terms and, as a result, are indefinite, as Judge Horvath's Concurrence found, the panel's decision should—at the very least—provide that explanation rather than deny institution based on an inapplicable procedural requirement.

IV. Conclusion

In light of the inconsistency with which panels apply 37 C.F.R. § 42.104(b)(3), the interpretation of this rule is an important issue of law and policy

ripe for Director Review. CMT urges the Director to grant Review of the Institution Decision and find that the majority misinterpreted 37 C.F.R. § 42.104(b)(3). CMT asks the Director to clarify that 37 C.F.R. § 42.104(b)(3) should be interpreted to allow petitioners to adopt the constructions asserted by Patent Owner during litigation, and *not* require petitioners to raise means-plus-function constructions if petitioner is not advancing (and governing law does not presume) such constructions. Further, CMT asks that the Board apply the appropriate interpretation of 37 C.F.R. § 42.104(b)(3) to the Petition and consider the arguments on their merits.

Date: January 13, 2025

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE WITH PAGE LIMITS

I hereby certify that Petitioner's Request for Director Review complies with the page-count limitation because it does not exceed fifteen pages, excluding the parts of the document exempted by 37 C.F.R. § 42.24(a).

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The undersigned certifies that a true and correct copy of the foregoing Petitioner's Request for Director Review was served on January 13, 2025, by electronic mail to:

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