

forth an example: a hypothetical party that performs only one step in a 12-step process, but that step “can be viewed as the most important step in the process.” Justice Alito states that without a direct infringer requirement no principled reason exists to prevent a court from imposing induced infringement liability in that scenario.

3. Changes to Patent Litigation

Limelight has practical implications for holders of process patents. Potential infringers might restructure themselves to distribute the process’ performance over multiple independent parties to avoid liability. This restructuring may particularly threaten the software and internet sectors since companies in those areas can often more easily distribute the processes.

The case may also fit into the ongoing controversy surrounding non-practicing entities; those entities often enforce broad, internet-related process patents. Many of these patents contain method claims in which a company performs some steps and a customer performs other steps, *i.e.*, multiple entities perform one or more, but not all, of the steps of the method. *Limelight* makes enforcement of these patents more difficult going forward.

The Court’s opinion may also impact whether two parties can be held liable for direct infringement where a single defendant “exercises ‘control or direction’ over the entire process such that every step is attributable to the controlling party.” See *Muniauction, Inc. v. Thomson Corp.*, 532 F. 3d 1318, 1329. Akamai requested that the Court review this issue as well, but the Justices denied *certiorari*. However, the Court did suggest in its opinion that a Federal Circuit review of this issue could solve some of the enforcement concerns that *Limelight* creates. Akamai requested an *en banc* hearing to argue this issue, but the Federal Circuit declined, leaving the standard alone for the moment.

III. INDEFINITENESS IN CLAIM CONSTRUCTION

A. *Nautilus, Inc. v. Biosig Instruments*, 134 S. Ct. 2120 (2014)

The Supreme Court recently handed down a unanimous decision raising the required standard of definiteness for patent claims. The Court held that a patent’s claims must, “in light of the specification and prosecution history, inform those skilled in the art about the scope of

the invention with reasonable certainty.” In holding this, the Court rejected prior Federal Circuit precedent on the matter.

1. **Background**

The decision concerns 35 USC § 112, which requires the patent to “conclude with . . . claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as [the] invention.” The issue arose in *Nautilus v. Biosig* regarding a patent on heart rate monitors. Biosig asserted a patent that disclosed a more accurate method of measuring heart rates using multiple electrodes. The claim at issue required the electrodes to be “mounted in a spaced relationship with each other.” Based on that claim language, the District Court held that the patent was too indefinite to be valid.

The Federal Circuit reversed the District Court’s decision, holding that a court should only invalidate a patent for indefiniteness if the claim is “insolubly ambiguous,” or not “amenable to construction.” The Federal Circuit held that the spaced relationship was not indefinite because parts of the specification and the patent’s figures necessarily limited the spaced relationship. The electrodes needed to be placed close enough together that a user’s hand would cover them both, but not so close as to turn them into a single detection point. Following this opinion, the Supreme Court granted certiorari.

2. **The New Indefiniteness Standard**

The Court unanimously vacated the Federal Circuit’s opinion, setting out a new standard for indefiniteness without expressing an opinion on whether the claim in the case met the new standard. The Court’s new standard focuses on 112’s “delicate balance” between the inherent uncertainties of language and the need to provide well-defined boundaries for patent rights.

Justice Ginsburg, writing for the Court, held that the current standard espoused by the Federal Circuit accepted too much ambiguous language. The new standard raised the definiteness bar in an effort to provide more notice to the public about what technology the patent covers. The standard also shifts the focus of the inquiry from one of whether the claim’s meaning could be settled in construction, to one more focused on whether the claim provides reasonable notice of claim scope to a person having ordinary skill in the art.

3. Changes to Patent Litigation

Moving forward, this new indefiniteness standard likely strengthens the defense of patent invalidity based on unclear claim language. It may also alter the strategy about how to make those arguments. While the old standard did focus on how the terms appeared to a person having ordinary skill in the art, the new test makes the skilled worker's reasonable certainty the foremost concern. Consequently, expert testimony related to how a skilled worker would have interpreted the claim in question may be particularly important to your indefiniteness case.

The more rigorous indefiniteness standard may also make post-grant proceedings, like *inter partes* reviews, a more attractive option for future defendants. Those proceedings only require a party to prove a patent's invalidity based on a preponderance of the evidence, rather than the clear and convincing standard used in district court litigation. The combination of these two standards could make patent invalidation via indefiniteness a particularly attractive legal strategy. However, it remains unclear which standard the PTO will apply for indefiniteness inquiries.

IV. FEE-SHIFTING IN PATENT SUITS

A. *Octane Fitness v. ICON Health and Fitness*, 134 S. Ct. 1749 (2014)

This term a unanimous Supreme Court overturned the Federal Circuit's test for determining when a patent case merits fee-shifting. The Patent Act allows courts to shift fees in "exceptional" cases, but provides no guidance for determining exceptionality. Consequently, the Court interpreted the word to have its ordinary meaning, allowing fee-shifting in any case that "stands out from others with respect to the substantive strength of a party's litigating position . . . or the unreasonable manner in which the case was litigated."

1. Background

The issue in *Octane Fitness* arose when Octane's competitor, ICON, sued it for allegedly infringing a patent that ICON held related to elliptical exercise machines. Octane won on summary judgment, and then sought attorney's fees from the court under 35 U.S.C. § 285, which gives the court the ability to shift fees for cases that the court finds "exceptional."