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BLOG

Instituting Despite Indefiniteness Arguments in Related Litigation

NOVEMBER 16, 2020

Target Corporation v. Proxicom Wireless, LLC, IPR2020-00904 (November 10, 2020).
Before: McNAMARA, KAISER, and O'HANLON

A common consideration in PTAB practice is how to handle an IPR petition when you are maintaining that the claims are indefinite during litigation. The recent *Target v Proxicom* opinion sheds some light on this issue.

Target filed an IPR petition arguing that certain claim terms (e.g., "Wide Area Network" and "local wireless link") are terms of degree, but should be interpreted according to plain and ordinary meaning. In a related litigation, Target argued that the scope of these alleged terms of degree were unascertainable and, thus, the claims were indefinite.

Patent Owner responded by filing a preliminary response accusing Target of improperly trying to have it both ways: arguing indefiniteness in the litigation, while at the same time arguing in the IPR that the claims are clear enough to compare against the prior art. Patent Owner urged the Board to exercise its discretionary power (provided by 35 U.S.C. §§ 314(a), 324(a)) to deny the IPR petition. Patent Owner relied on *Facebook v. Sound View Innovations* for support, citing the following:

Perhaps even more troubling, Petitioner chose not to inform us in its Petitions that it simultaneously was arguing a different treatment of the terms of claim 19 before the district court. In its Petitions, Petitioner merely informs us that "[a]s of the date of this Petition, no claim construction ruling [by the district court] has occurred." 998 Pet. 1; 1002 Pet. 1. ***This statement was accurate in so far as it went, but it did not inform the panel that Petitioner had taken a very different claim construction position before the district court***, it did not inform the panel that the different position was then under consideration by the district court, nor did it explain the reason for Petitioner's change of heart regarding the presence of means-plus-function terms in claim 19. Instead, ***Petitioner left it to Patent Owner to advise us of Petitioner's differing claim construction arguments to the district court*** (see, e.g., IPR2017–00998, Ex. 2002; IPR2017–00998, Ex. 2004) and of the district court's ultimate rulings (see, e.g., IPR2017–00998, Ex. 2001; IPR2017–00998, Ex. 2012). ***At the very least, Petitioner's failure to inform us of its differing claim construction arguments before the district court raises the specter of lack of candor.***

Facebook, Inc. v. Sound View Innovations, LLC, Nos. IPR2017-00998, IPR2017-01002, 2017 WL 4349403, at *8 (P.T.A.B. Sept. 5, 2017) (denying institution).

The PTAB, however, declined to exercise its discretionary power. Indeed, in instituting the IPR, the PTAB expressly stated:

[A]lternative pleading before a district court is common practice, especially where it concerns issues [like indefiniteness] outside the scope of *inter partes* review.

. . . Without more, the mere existence of issues outside our purview that the statute anticipates a district court will address does not justify exercising discretion to deny *inter partes* review.

The PTAB distinguished *Facebook* as involving a panel that "had no reason to proceed because the district court had already determined the sole claim at issue was indefinite." The PTAB noted a second distinction in that the *Facebook* Petitioner failed to provide constructions for alleged means plus function terms. Neither concern was present in *Target v. Proxicom*.

Author's note: despite the finding in *Target Corporation*, a good practice tip is to try and be as forthright as possible when dealing with overlapping IPRs and district court litigations. The *Target* panel overlooked Petitioner's failure to identify its indefiniteness positions, but the *Facebook* panel found the notification failure "more troubling" and "rais[ing] the specter of lack of candor". Identifying any overlapping indefiniteness in an IPR petition would avoid the risk, and citing to *Target* should help petitioners avoid a discretionary denial based on this issue.

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