

Disputed Patent Claim Terms May Delay Section 101 Decisions

By **Anthony Fuga** (August 26, 2019, 3:03 PM EDT)

The U.S. Court of Appeals for the Federal Circuit in its *MyMail Ltd. v. ooVoo LLC*[1] split decision held that the district court should have construed a disputed claim term before ruling on patent eligibility.

How will this affect litigants going forward — or will it at all?

Background

MyMail asserted patents that are directed to the method of modifying computer toolbars without user interaction. The defendants moved for judgment on the pleadings pursuant to Federal Rule of Civil Procedure 12(c) and argued that the patents are directed to patent-ineligible subject matter under Section 101.



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MyMail opposed the motions, in part, by arguing that the patents were patent eligible as evidenced by the U.S. District Court for the Eastern District of Texas' construction of the term "toolbar" in an earlier proceeding. In the earlier case, the court found that the "toolbar" recited in the claims was "not a generic toolbar" and ultimately construed "toolbar" to mean "a button bar that can be dynamically changed or updated via a Pinger process or a MOT script." [2] The defendants opposed the adoption of MyMail's proposed claim construction.

The U.S. District Court for the Northern District of California had dismissed MyMail's complaint in March 2018, finding that the asserted claims were directed to the abstract idea of "updating toolbar software without user intervention." The district court did not construe the claim term "toolbar" or adopt MyMail's proposed construction.

The Federal Circuit Majority Opinion

MyMail raised two issues on appeal: (1) whether the district court erred by failing to construe the patent claims before ruling on the Rule 12(c) motions; and (2) whether the district court erred by finding the patent claims patent ineligible under Section 101. The Federal Circuit looked only at the first.

MyMail again argued that the earlier construction confirms the claims are directed to a "particular technological process for improving an exclusively computer-oriented device." Appellees disagreed with the construction, arguing that it was both erroneous and improper.

The majority wrote that determining patent eligibility requires a full understanding of the basic character of the claimed subject matter. Therefore, if the parties raise a claim construction dispute at the Rule 12(c) stage, the district court must either adopt the nonmoving party's constructions or resolve the dispute to whatever extent is needed to conduct the Section 101 analysis.

Here, the district court did not address the parties' claim construction dispute in any way, and the Federal Circuit majority found this failure to be error under *Aatrix*. [3] The majority also declined to construe the disputed term "toolbar," noting that the Federal Circuit is generally hesitant to construe patent claims in the first instance on appeal. "While in some

circumstances an appeal may present a record sufficiently developed to enable construction, we do not find such a record here.”[4]

The Federal Circuit also declined the invitation to determine in the first instance patent eligibility under MyMail’s proposed construction. “The determination of patent eligibility may involve subsidiary fact questions, including whether the claim elements or the claimed combination are well-understood, routine or conventional.” The appellate court, therefore, found that it is improper for it to determine these factual issues in the first instance on appeal.

Accordingly, the Federal Circuit vacated and remanded the case for further proceedings.

The Dissent

Judge Alan Lourie dissented from the majority’s decision to vacate the district court’s opinion, stating that the claim construction issue was “little more than a mirage.” In his view, the claims were “clearly abstract, regardless of claim construction,” and the Federal Circuit should have resolved the legal question of eligibility and simply affirmed the decision.

Judge Lourie also stated that while “inventive programming” may provide an inventive concept in some circumstances, no such programming is disclosed in these patents. Here, the claims are directed “only to the familiar abstract idea of sending data over the internet between a device and a server and changing the device’s display accordingly.” Accordingly, Judge Lourie dissented and found that the case should have been affirmed.

Moving Forward

The MyMail decision could be welcome news for patent owners hoping to save their patents from an early Section 101 challenge — or at least delay the Section 101 issue altogether. If there is a dispute on an important claim term, the patent owner will likely want to bring that issue up immediately. A claim construction dispute could require the district court to initiate claim construction proceedings, which might include determining issues of fact and significant briefing. All of this would delay the Section 101 decision, which is at least a small victory for the patent owner.

Of course, there are potential downsides to raising claim construction at the outset of a case. There is a lot of information that the parties have not exchanged — namely, prior art and technical information related to the allegedly infringing product — and it is possible that an early claim construction could expose the asserted patent to prior art and invalidity arguments the patent owner has not considered but would see later in the case. Similarly, arguing for an early claim construction prior to having a full grasp on the technology of the accused product could be walking into a noninfringement argument. Tying oneself to a claim construction prior to having all this information can be dangerous.

Defendants typically want the Section 101 motion decided as quickly as possible to put maximum pressure on the patent owner while avoiding the expenses of claim construction and discovery. I suspect defendants will often argue for the district court to accept the patent owner’s proposed construction and still find the patent to be ineligible. This will save the defendant expense. And, for similar reasons as discussed above with regard to patent owners, a defendant does not want to tie itself to an early claim construction.

Although the MyMail decision gives patent litigants more to think about at the outset of a case, I do not anticipate much of a change going forward for a couple of reasons. First, the

MyMail case feels like an outlier. The district court did not address claim construction at all and there was a prior, helpful claim construction the patent owner could latch onto. Second, an early Section 101 determination doesn't often turn on claim construction. Instead, Section 101 decisions often feel like a "know it when I see it" test at the district court. I expect district courts will continue to decide early Section 101 motions as they have been and note that the decision would not be affected if it construed all claims in favor of the patent owner.

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[1] [MyMail, Ltd. v. ooVoo, LLC](#), No. 2018-1758, 2019 WL 3850614 (Fed. Cir. Aug. 16, 2019).

[2] Id. at *4-5.

[3] [Aatrix Software, Inc. v. Green Shades Software, Inc.](#), 882 F.3d 1121 (Fed. Cir. 2018).

[4] Id. at *6.