In *Garmin v. Cuozzo*, the Patent Trial and Appeal Board (PTAB) of the United States Patent and Trademark Office issued its first final decision after trial in an *Inter Partes* Review (IPR). The decision provides important lessons for patent enforcement cases.

**The Holding**
On November 13, 2013, in its first final decision under the IPR process provided for by the America Invents Act (AIA), the PTAB held, in *Garmin v. Cuozzo*, that 3 of the 20 claims of U.S. Patent No. 6,778,074 (‘074 Patent) are unpatentable because they are obvious over prior art. Seventeen claims remain to be enforced in four court actions that Cuozzo brought against Garmin and other companies.

**The Facts**
The ‘074 Patent is directed to a speed limit indicator and a method for displaying a vehicle’s speed and the relevant speed limit. The specification states that the speed limit indicator reduces the chance of an accident by eliminating the need for the driver to take his or her eyes off the road to look for speed limit signs and resolves any confusion that might exist as to what is the current legal speed limit.

**The Process**
After Garmin was sued by Cuozzo, it filed an IPR petition directed to the ‘074 Patent, the patent-in-suit, on September 16, 2012. In the petition, Garmin took the position that the claims should be construed, for purposes of the IPR, consistent with Cuozzo’s broad view of the meaning of the claims apparent from its infringement allegations in court. The PTAB rejected that position, stating that “the meaning of claim terms is not governed by what the Patent Owner says they mean in filing an infringement suit based on the ‘074 Patent.” On January 9, 2013, the PTAB denied the petition as to certain claims and instituted trial for other claims on two grounds of unpatentability. By statute, the determination of whether to institute trial is final and nonappealable. As a result, only three claims remained at issue. Cuozzo subsequently filed a Motion to Amend Claims by substituting proposed new claims.

During the course of the proceeding, the PTAB issued decisions:

- finding that Cuozzo did not meet the burden to show that discovery it was seeking met the “necessary in the interest of justice” standard, which, according to the PTAB, is “significantly different from the scope of discovery generally available under the Federal Rules of Civil Procedure.” The Decision sets out factors necessary to meet the standard, including requiring a party to have more than a speculative or general basis for seeking discovery. Failing to meet the standard,
Cuozzo was not permitted to serve its litigation-like proposed document requests or interrogatories or to take a proposed deposition; and

- requiring that Cuozzo resubmit its motion to seal with the addition of the requisite proposed protective order, presentation of the basis for a finding that the information is confidential, and the reason why there is good cause for granting the motion.

The Final Decision

The three claims that remained at issue in the IPR were found to be obvious over a combination of references. In the analysis of the prior art, the PTAB determined that the claims at issue would have been obvious over one combination of three references and over another combination of four references. The PTAB noted that Cuozzo, in advocating the patentability of the claims, offered no separate arguments with respect to the dependent claims. The PTAB also rejected Cuozzo’s attempt to swear behind two of the references, citing insufficient corroboration to prove an earlier conception date and gaps in Cuozzo’s evidence to show that he exercised reasonable diligence towards reducing his invention to practice.

Cuozzo’s Motion to Amend Claims was denied on two grounds. First, the PTAB stated that Cuozzo had failed to set forth how proposed substitute claims satisfy the written description requirement of 35 U.S.C. § 112, first paragraph. Second, the PTAB indicated that the scope of each of the original claims had been enlarged impermissibly because a structure not covered by those original claims would be covered by the corresponding substitute claims.

Lessons for IPRs

- Discovery in contested matters before the PTAB is significantly narrower than in court actions
- When commencing litigation, patent owners must prepare for the likely filing of an IPR
- To achieve a claim amendment in an IPR, claim scope cannot be broadened and the written description requirement must be met
- Patent owners fighting an IPR need to consider ex parte reexamination or reissue as avenues for claim amendments that may not be allowed in the IPR
- Patent owners should consider thoroughly addressing all claims at issue in an IPR, not just independent claims

Lessons for Litigation

- Litigation positions that were advanced by a patentee to support infringement may be used by accused infringers in an IPR or other contested matter before the PTAB, although the accused infringers were unsuccessful in this particular case
- An IPR may only succeed in decreasing the number of claims faced in litigation, leaving the accused infringer to defend in court against claims that survive
A Decision in the First Inter Partes Review: Lessons from Garmin v. Cuozzo for IPRs and Litigation

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