

United States Court of Appeals for the Federal Circuit

SAMSUNG ELECTRONICS AMERICA, INC.,
Appellant

v.

PRISUA ENGINEERING CORP.,
Cross-Appellant

2019-1169, 2019-1260

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in No. IPR2017-
01188.

Decided: February 4, 2020

RICHARD L. RAINEY, Covington & Burling LLP, Wash-
ington, DC, argued for appellant. Also represented by
KRISTIN COBB, ROBERT JASON FOWLER.

JOHN C. CAREY, Carey, Rodriguez, Greenberg & Paul,
LLP, Miami, FL, argued for cross-appellant.

Before PROST, *Chief Judge*, NEWMAN and BRYSON, *Circuit
Judges*.

2 SAMSUNG ELECTRONICS AMERICA v. PRISUA ENGINEERING
CORP.

BRYSON, *Circuit Judge*.

Samsung Electronics America, Inc., appeals from a decision of the Patent Trial and Appeal Board in an inter partes review proceeding. Samsung petitioned the Board to rule that certain claims of U.S. Patent No. 8,650,591 (“the ’591 patent”), owned by cross-appellant Prisia Engineering Corp. (“Prisia”), were unpatentable. At the conclusion of the proceeding, the Board held that claim 11 of the ’591 patent was unpatentable based on obviousness. However, the Board declined to analyze whether claims 1–4 and 8 were unpatentable as anticipated or obvious, because it concluded that those claims were indefinite.

On appeal, Samsung contends that the Board should have canceled claims 1–4 and 8 for indefiniteness. In the alternative, Samsung argues that even if the Board was not statutorily authorized to cancel those claims for indefiniteness, it should have assessed whether they would have been anticipated or obvious in view of the cited prior art. Prisia cross-appeals from the Board’s ruling that claim 11 was unpatentable for obviousness. We affirm in part, reverse in part, and remand.

I

A

Congress has long permitted parties accused of patent infringement in federal court to challenge the validity of the asserted patent claims on any ground specified in part II of the Patent Act as a condition for patentability and for failure to comply with any requirement of 35 U.S.C. § 112. *See* 35 U.S.C. § 282(b)(2)–(3). Over the last few decades, Congress has supplemented federal court litigation by creating several administrative processes that authorize the Patent and Trademark Office (“PTO”) to reconsider and cancel wrongly issued claims in some circumstances.

In 1980, Congress established a regime known as “ex parte reexamination.” *See* Act to Amend the Patent and

SAMSUNG ELECTRONICS AMERICA v. PRISUA ENGINEERING CORP. 3

Trademark Laws, Pub. L. No. 96-517, 94 Stat. 3015 (1980), codified at 35 U.S.C. § 301 *et seq.* Ex parte reexamination gives “[a]ny person at any time” the right to “file a request for reexamination” based on certain prior art “bearing on the patentability” of an already-issued patent. 35 U.S.C. §§ 301(a)(1), 302. After institution, an ex parte reexamination follows essentially the same back and forth process between the patent owner and the examiner as in the initial PTO examination. 35 U.S.C. § 305.

Congress subsequently created a procedure known as “inter partes reexamination.” *See* Optional Inter Partes Reexamination Procedure Act of 1999, Pub. L. No. 106-113, 113 Stat. 1501A-567, codified at 35 U.S.C. § 311 *et seq.* (2006 ed.) (superseded). Inter partes reexamination gave third parties greater opportunities to participate in the reexamination process, but otherwise proceeded much like an ex parte reexamination.

The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (2011), replaced inter partes reexamination with “inter partes review,” the procedure at issue in this case. *See* 35 U.S.C. §§ 311–19. Inter partes review, commonly referred to as IPR, provides patent challengers with even broader rights to participate in the process of re-evaluating patents, but it also sets limits on the process. A petition for inter partes review, for example, can request cancellation of claims “only on a ground that could be raised under section 102 or 103 [of the Patent Act] and only on the basis of prior art consisting of patents or printed publications.” 35 U.S.C. § 311(b).

The AIA also created another administrative process called “post-grant review.” *See* 35 U.S.C. §§ 321–29. Unlike a petition for inter partes review, a petition for post-grant review can request cancellation of patent claims “on any ground that could be raised under paragraph (2) or (3) of section 282(b) [of the Patent Act] (relating to invalidity of the patent or any claim),” the same invalidity defenses

4 SAMSUNG ELECTRONICS AMERICA v. PRISUA ENGINEERING
CORP.

long available to defendants accused of patent infringement in federal district court. 35 U.S.C. § 321(b).

Although a petition for inter partes review is limited to a narrow set of grounds, it can be requested at any time during a patent's enforceability period, with certain restrictions. 35 U.S.C. §§ 311(c), 315(b). By contrast, the broad range of grounds that may be raised in a post-grant review petition are available only for a limited time after the patent is issued. 35 U.S.C. § 321(c).

B

In 2010, Dr. Yolanda Prieto applied for a patent aimed at providing a “new and unique form of enhancing” a user’s multimedia entertainment experience. ’591 patent, Abstract. The PTO granted the application in 2014. The issued patent, entitled “Video Enabled Digital Devices for Embedding User Data in Interactive Applications,” is directed to “generating an edited video data stream from an original video stream” by “substituting at least one object . . . in said original video stream by at least a different object.” ’591 patent, col. 1, ll. 43–47. Figure 3 illustrates the operation of the video image substitution according to one embodiment:

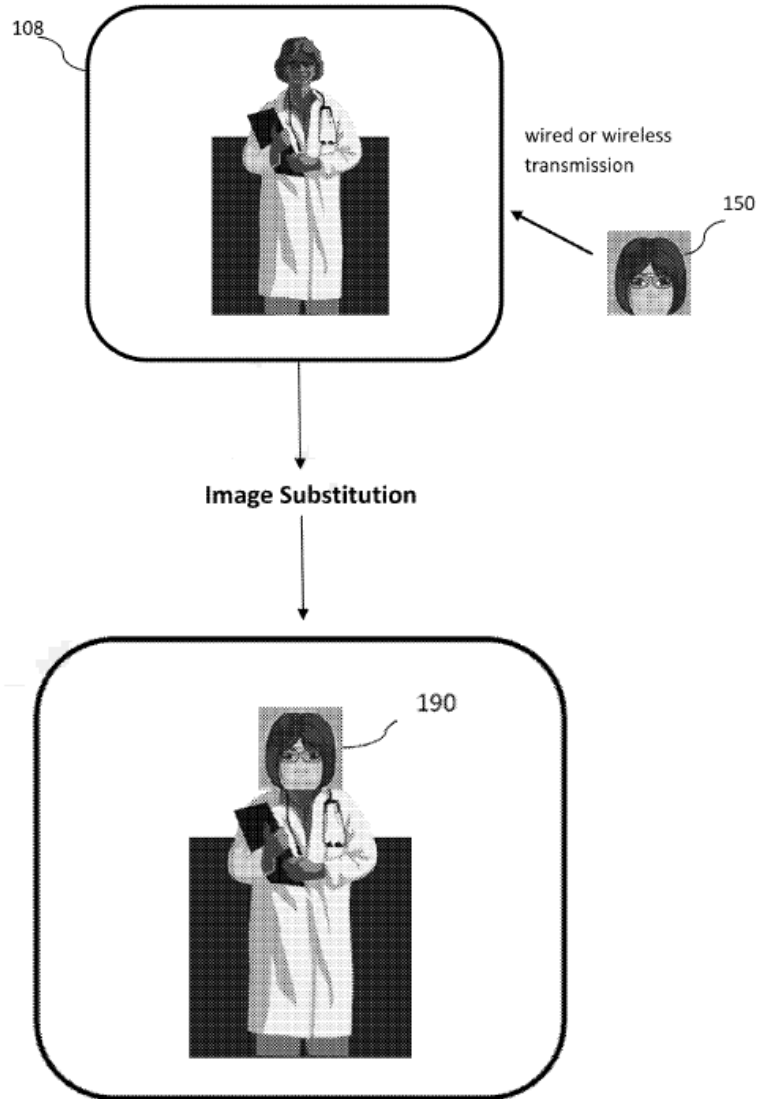


FIG. 3

As illustrated, a user can insert a selected image, such as a face of the user's choosing, in place of the face of the figure in the original video. *Id.* at col. 3, line 66, through col. 4, line 2.

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