

**ALERT**

## **Federal Circuit Patent Bulletin: *In re Teles AG***

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April 4, 2014

*"Requiring claims to recite an inventive concept does not mean that claims must be construed in light of unspecified inventive concepts."*

On April 4, 2014, in *In re Teles AG*, the U.S. Court of Appeals for the Federal Circuit (Dyk,\* Moore, Wallach) affirmed the USPTO Board of Patent Appeals and Interferences decision upholding the patent examiner's rejection under 35 U.S.C. § 103 during the reexamination of U.S. Patent No. 6,954,453, which related to a method and apparatus for transmitting data in a telecommunications network. Teles had brought suit in the U.S. District Court for the District of Columbia challenging the Board's decision pursuant to 35 U.S.C. § 145, and the district court dismissed the action for lack of subject matter jurisdiction. The Federal Circuit stated:

Section 145 has long authorized patent applicants to challenge the Board's adverse examination decisions in district court instead of directly appealing to this court pursuant to 35 U.S.C. § 141. After the reexamination statute was enacted, we allowed patent owners to challenge adverse ex parte reexamination decisions in district court pursuant to § 145. In 1999, Congress amended § 145 and related provisions. This case raises the question of whether § 145 civil actions remained available to patent owners seeking to challenge adverse reexamination decisions after Congress amended the statute in 1999 and before 2011, when Congress amended the statute to clarify that § 145 review was not available to patent owners. [W]e hold that the district court erred in dismissing the case rather than transferring it. Once the district court held that it lacked jurisdiction, it should have transferred the case pursuant to § 1631. [T]he 1999 amendments eliminated the right of patent owners to secure review under § 145, and affirm that the district court lacked jurisdiction over the § 145 action. . . .

During reexamination, the PTO must give claims their "broadest reasonable construction consistent with the specification." . . . The Board construed the claimed "means to produce the control signal" under § 112 ¶ 6 (now § 112(f)). Section 112 ¶ 6 provides that functional claim language, like the "means to produce the control signal" element of claim 35, "shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof." . . .

When construing functional claims under § 112 ¶ 6, “[t]he statute does not permit limitation of a means-plus-function claim by adopting a function different from that explicitly recited in the claim.” Even if the passage in the specification relied on by Teles were relevant to construing the claim language, it does not support a different claim construction. The passage states that a control signal could be released automatically on “understepping or exceeding a certain bandwidth and/or in the event of a time delay when forwarding IP data packets.” On its face, this language (using “and/or”) describes two factors—bandwidth and time delay—as potential alternatives for producing a change-over command; it does not suggest that bandwidth monitoring is necessary to perform that function. The Board did not err in its claim construction.

Finally, Teles argues that the Board’s claim construction is erroneous in light of its alleged inventive concept as defined by the inventor (monitoring the bandwidth of a particular transfer). Teles argues that “the Supreme Court’s *Mayo* decision requires that the ‘inventive concepts’ embodied by the claimed invention be identified as part of construing claims.” But the Court in *Mayo* referred to an “inventive concept” only in the context of § 101 patent-eligibility analysis, and specifically in the context of ensuring that a process “amounts to significantly more than a patent upon the natural law” which its steps invoke. Requiring claims to recite an inventive concept does not mean that claims must be construed in light of unspecified inventive concepts. *Mayo* simply does not speak to claim construction. The inventive concept aspect of its discussion has no bearing on claim construction.

The Board upheld the examiner’s rejection of claim 35 (as well as claims 34, 36 and 38) as obvious in view of White combined with either Jonas or Farese. . . . Teles challenges the conclusion of obviousness on the grounds that the prior art references do not disclose all of the recited limitations of claim 35. Teles’ main objection is to Jonas, specifically, that it discloses a method of calculating transmission delay based on monitoring the entire network rather than an individual communication. But this argument assumes an overly limiting construction of the prior art reference and the language of claim 35. Under the Board’s construction, the change-over control device of claim 35 must produce a signal automatically, which requires monitoring quality factors, such as delay, but there is no reason to require monitoring the bandwidth of a single transfer in isolation from the network. . . . We find no reason to overturn the Board’s finding that Jonas discloses the limitation of claim 35.

Teles next argues a person of ordinary skill would not have found it obvious, or even possible, to combine White with Jonas. Teles asserts that incorporating Jonas’ “freestanding” switches into White’s switches, the central offices of local exchange carriers, would be “an extremely complicated process.” The Board cited the examiner’s reasons for rejecting Teles’ argument: “White is proposing providing a redesigned network [for] handling Internet based call[s] . . . [and] already anticipates redesigning the Central Office equipment to

respond to Internet type calls, thus Jonas would clearly be envisioned in this network redesigned by White.” This finding directly contradicts Teles’ assertion that White on its own requires “no change of its switching apparatus,” Reply Br. 26, and instead shows that White presumes that modifications would be required. The Board did not err in rejecting claim 35 of the ’453 patent as obvious in view of White and Jonas.