

ALERT

Federal Circuit Patent Bulletin: *e.Digital Corp. v. Futurewei Techs., Inc.*

November 19, 2014

"[O]ur decision that collateral estoppel cannot apply to the construction of a claim in one patent based on a previous claim construction of an unrelated patent is not an invitation to assume the opposite is always justified."

On November 19, 2014, in *e.Digital Corp. v. Futurewei Techs., Inc.*, the U.S. Court of Appeals for the Federal Circuit (Moore,* O'Malley, Reyna) affirmed-in-part, reversed-in-part, and remanded the district court's judgment that the defendants did not infringe U.S. Patents No. 5,491,774 and No. 5,839,108, which related to devices with a microphone and a removable, interchangeable flash memory recording medium that allows for audio recording and playback, and the ruling that e.Digital was collaterally estopped from seeking a claim construction different from that rendered by another court. The Federal Circuit stated:

Collateral estoppel applies if: (1) the issue necessarily decided in the previous proceeding is identical to the one which is sought to be relitigated; (2) the first proceeding ended with a final judgment on the merits; and (3) the party against which collateral estoppel is asserted was a party or in privity with a party at the first proceeding. On appeal, the parties only dispute whether construction of the sole memory limitation presents an identical issue.

Authors

Lawrence M. Sung
Partner
202.719.4181
lsung@wiley.law

We hold that the district court correctly applied collateral estoppel to the '774 patent because reexamined claim 33 recites the sole memory limitation identical to claims 1 and 19, and because the '774 patent reexamination never addressed that limitation or the presence of RAM. The reexamination instead focused exclusively on a limitation in claim 33 that is completely unrelated to the sole memory limitation. Though we do not hold that reexamination history cannot ever create a new issue that would preclude the application of collateral estoppel, such a scenario does not exist here because the reexamination history in no way modifies, clarifies, or even informs the construction of the sole memory limitation. Furthermore, though claim 33 adds a microprocessor not recited in claims 1 and 19, the Colorado Court already considered, at length, whether existence of a microprocessor required the presence of RAM, and decided that it did not. Thus, despite *e. Digital's* arguments to the contrary, the addition of a microprocessor was expressly considered by the Colorado Court. Because reexamined claim 33 presents the identical claim construction inquiry as decided in the Colorado action, the district court properly applied collateral estoppel to the '774 patent.

The '108 patent, on the other hand, presents a separate claim construction issue. The '108 patent is not related to the '774 patent, but does disclose a purported improvement to the '774 patent. While the '108 patent may incorporate by reference the '774 patent as prior art, it does not change the fact that the patents are not related. The '108 patent discloses a separate invention, includes a distinct prosecution history, and is supported by a different written description—including Figures 3 and 4 which clearly depict RAM. These distinctions reinforce the well-understood notion that claims of unrelated patents must be construed separately. Because the asserted patents are not related, the '108 patent requires a new claim construction inquiry and the court therefore erred in applying collateral estoppel to the '108 patent.

To be clear, our decision that collateral estoppel cannot apply to the construction of a claim in one patent based on a previous claim construction of an unrelated patent is not an invitation to assume the opposite is always justified. That is, a court cannot impose collateral estoppel to bar a claim construction dispute solely because the patents are related. Each case requires a determination that each of the requirements for collateral estoppel are met, including that the issue previously decided is identical to the one sought to be litigated. A continuation-in-part, for instance, may disclose new matter that could materially impact the interpretation of a claim, and therefore require a new claim construction inquiry.