

Skilled in the Art: Latham Gets a New Set of Downs on Indefiniteness

by **Scott Graham**

Recently I wrote about the risk a patent owner took by ignoring a PTAB claim construction of indefiniteness and plowing ahead with its district court case. The district judge wound up agreeing with the PTAB and now accused infringer Lyft is seeking \$500,000 in attorneys fees.

Well, **Latham & Watkins** appears to be running a similar playbook for a manufacturer of automated teller machines that's locked in patent litigation with a competitor. But so far, it's working.

Korea's Hyosung TNS sued Ohio-based Diebold Nixdorf in the Northern District of Texas and the International Trade Commission in 2016. Hyosung accused Diebold of infringing its patent on an ATM that incorporates a "check standby unit" configured to hold deposited

checks and return them if the user cancels the transaction.

The ITC issued exclusion and cease-and-desist orders, but the Federal Circuit reversed, finding "check standby unit" to be an indefinite means-plus-function claim without corresponding structure in the specification.

Latham partner Gregory Garre invited the court at oral argument to "Google 'ATM escrow unit' and you will find a specific structure." But the Federal Circuit said that evidence had not been presented to the ITC.

Now the ITC case is over and the Texas district court litigation has been restarted. Diebold moved to dismiss in April on the ground that the only asserted patent "was held to be invalid as a matter of law by a superior tribunal, the United States

Court of Appeals for the Federal Circuit."

Not so fast, argued a **Latham team led by partner Kevin Wheeler**. "The Federal Circuit did not hold that the '235 Patent would be indefinite on any factual record," they argued. "To the contrary, the court identified and discussed the type of evidence that was absent from the ITC record that, if present, could impact the outcome on indefiniteness."

U.S. District Judge David Godbey agreed with Hyosung and Latham. "The Court finds that there may be evidence not presented on the ITC record" that could lead to a different outcome, Godbey wrote in a Dec. 5 order. "But this is a fact issue that cannot be resolved on the pleadings."

Godbey ordered the parties to conduct mediation by January 31.