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IP Strategies

The International Trade Commission: An Advantageous Alternative to District Court Patent Litigation

Although savvy patent practitioners have long been aware of the advantages of patent litigation conducted at the International Trade Commission (ITC), more companies are beginning to understand the advantages of using the ITC as an alternative to traditional U.S. District Court patent litigation. Enforcing patent rights at the ITC has several distinct advantages, including, 1) the speed with which the process occurs and decisions are made, 2) experienced judges familiar with patent law and 3) broad injunctive relief.

The ITC Enforcement in General

The ITC is an independent, quasi-judicial federal agency that is empowered to conduct investigations of, and direct actions against, unfair methods of trade and importation of goods that infringe U.S. patents, trademarks and copyrights. The statutory framework for the ITC investigations in 19 U.S.C. § 1337 is set forth in part below:

19 U.S.C. § 1337 Unfair Practices in Import Trade

> (a) Unlawful activities; covered industries; definitions
>
> (1) Subject to paragraph (2), the following are unlawful . . .
>
> (b) The importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of articles that—
>
> (i) infringe a valid and enforceable United States patent or a valid and enforceable United States copyright registered under title 17; or
>
> (ii) are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent.[1]

Complainants (i.e. plaintiffs) who seek redress under section 1337 (referred to as 337 investigations) are required to prove the following elements:

1) importation; 2) infringement; and 3) existence of a domestic industry if the act is the infringement of one of the intellectual property rights set forth in the statute; or

1) importation; 2)infringement; 3) existence of a domestic industry; and 4) that the unfair act (e.g. importation) has the threat or effect of destroying or substantially injuring the domestic industry, preventing the establishment of such an industry or restraining or monopolizing trade and commerce in the United States, if the intellectual property right is not one listed in the statute (i.e., trade secret, common-law trademark, etc.).

The infringement element and the proof for infringement in an ITC investigation are the same as those for a district court proceeding. To prove a domestic

in this issue...

industry exists, the complainant must show that an industry related to the intellectual property exists or is in the process of being established. The domestic industry element is generally broken down into two constituent parts: the technical prong and the economic prong. The technical prong involves whether the complainant practices the asserted patent, whereas the economic prong involves investment activities. For the economic prong, the statute sets out investment activities associated with the products protected by the intellectual property. These activities are: 1) significant investment in plant and equipment, 2) significant employment of labor or capital or 3) substantial investment in its exploitation, including engineering, research and development or licensing. Although there is no set definition of "significant," the activities must be associated with the intellectual property rights. These issues are decided on a case-by-case basis, and it should be understood that no specific size or number of employees, nor any specific amount of money invested in a plant or equipment is required, as Congress intended that small businesses should benefit from section 337 investigations. In addition, a complainant need not be a domestic corporation to take advantage of section 337 investigations, so long as it can demonstrate the requisite investment and activity in the United States associated with the intellectual property rights at issue.

Advantages of the ITC

Speed

An ITC action, referred to as an investigation, is generally completed in 15 months or less from the date of institution of the investigation. The action is initiated by filing a complaint with the ITC. The ITC has 30 days to determine whether an investigation should be instituted. Once an investigation is instituted, the Administrative Law Judge (ALJ) will issue a protective order and set a date for the completion of the investigation. Discovery, including document production, depositions and expert discovery, is typically completed within 6 months. As a result, the time to respond to motions and discovery requests is generally half that required for similar district court proceedings. In addition, the ALJ takes an active role by participating in the initial discovery conference, and is available to resolve discovery disputes, sometimes through telephone conferences, largely because of the lack of a competing criminal or civil docket. As a result, the average time to trial is ten months after the initiation of the investigation.

Experienced Judges

One of the reasons for the elevated level of patent experience for the ITC judges is that they are statutorily obligated to conduct IP investigations for domestic industries. As a result, 90 percent of an ITC judge's docket is devoted to patent cases. In addition, the ITC defends its decisions to the Federal Circuit and, therefore, is intimately familiar with the Federal Circuit's rulings and decisions on the law. More importantly, the ITC includes the Office of Unfair Import Investigations (OUII), a group of attorneys that advises the ITC on whether to initiate an investigation. The OUII participates in the investigation as an independent third party representing the public's interest in the dispute. These attorneys serve discovery, attend depositions, examine witnesses at trial, take positions on motions filed by the parties and take positions on the final disposition of the case. The OUII also can be a

90 percent of an ITC judge's docket is devoted to patent cases

great resource prior to filing the initial complaint, as it offers pre-filing consultations to complainants to ensure that the complaints filed meet the statutory and pleading rules of the ITC.

Injunctive Relief

Although damages are not awarded in ITC investigations, the ITC does possess broad injunctive powers. There are two basic injunctive remedies issued by the ITC: the general exclusion order and the limited exclusion order. Both types of exclusion orders direct the U.S. Customs Service to deny entry of the infringing goods at all U.S. ports. The exclusion orders are *in rem* and, therefore, function without regard to personal jurisdiction.

A limited exclusion order is the typical exclusion order issued by the ITC. It bars the importation of the products of the respondent (defendant) that were the subject of the ITC investigation. A general exclusion order, on the other hand, is significantly broader in scope, is highly coveted and, accordingly, has a much higher burden of proof. It bars importation of infringing products from all sources, including entities that were not parties to the ITC investigation. Each of the exclusion orders can include, and be directed to, downstream products that incorporate the infringing components.

In addition to exclusion orders, the ITC can also issue cease-and-desist orders, which may preclude the sale of existing inventory of the infringing product already in the United States or prevent a party from purchasing infringing components.

One important advantage of the ITC is that the Supreme Court case of *eBay, Inc. v. MercExchange, LLC* 126 S.Ct. 1837 (2006) (the Supreme Court standard for granting injunctive relief) has been found by the Commission *not* to apply to Section 337 cases. In *Certain Baseband Processor Chips and Chipsets, Transmitter and Receiver (Radio) Chips, Power Control Chips and Products Containing Same, Including Cellular Telephone Handsets,* No. 337-TA-543, the Commission rejected the argument that the test for injunctive relief set forth in *eBay* must be followed in Section 337 investigations, stating that the Tariff Act of 1930 was a legislative change to the traditional test for injunctive relief. Consequently, irreparable harm need not be demonstrated in order to obtain injunctive relief.

ITC proceedings are completed significantly faster than typical district court proceedings

Section 337 investigations conducted by the ITC offer numerous advantages to those seeking to enforce IP rights against imported products. The ITC proceedings are completed significantly faster than typical district court proceedings, include judges whose workloads are devoted almost exclusively to IP issues and provide broad *in rem* jurisdiction and *in rem* injunctive remedies that do not require the traditional proofs for injunctive relief. These proceedings can effectively be used to attack infringement in the U.S. market and may be coupled with traditional district court litigation for even broader relief. ■

[1] Section 1337 also applies to infringement of valid and enforceable registered trademark.

Case Law Review

U.S. Supreme Court

The Patent Exhaustion Doctrine Applies to Method Claims and Operates to Exhaust Patent Rights for an Authorized Sale of an Item That Substantially Embodies a Patent

Quanta Computer, Inc. v. LG Electronics, Inc.
(2008)

Although much speculation occurred prior to the *Quanta* opinion, the Supreme Court provided a lesson in patent licensing rather than revamping the doctrine of patent exhaustion. The Court did, however, correct the Federal Circuit's notion that method claims were always excluded from the doctrinal scope.

Under the doctrine of patent exhaustion, an initial authorized sale of a patented item terminates all patent rights to that item. The Supreme Court applied its 1940s precedent under *U.S. v. Univis Lens Co.*, 316 U.S. 241 (1942) to the facts and found the patent licensee's products, microprocessors or chipsets, were analogous to lens blanks in *Univis,* because "their only reasonable and intended use was to practice the patent and because they 'embodie[d] essential features of [the] patented invention.'"

The Court found that the licensing agreement between the patentee LG Electronics (LGE) and the licensee (Intel) authorized Intel's sales to Quanta Computer (Quanta) and therefore held that "[t]he authorized sale of an article that **substantially embodies** a patent exhausts the patent holder's rights and prevents the patent holder from invoking patent law to control postsale use of the article" (emphasis added). The fact that Intel's products substantially embodied the patents meant that the method claims of the patents were also exhausted by the authorized sales.

The Federal Circuit held that the doctrine of patent exhaustion did not apply to method claims. It also held that exhaustion did not apply in the instant case, because LGE did not license Intel to sell the Intel Products to Quanta for use in combination with non-Intel products. In other words, according to the Supreme Court, the Federal Circuit did not properly interpret the contractual agreement between LGE and Intel.

The Supreme Court's result thus rests in large part in the language of the licensing agreement between LGE and Intel and, arguably, the lack of licensing agreement between LGE and Quanta, rather than in any profound interpretation of the doctrine of patent exhaustion.

The Patents at Issue

The three LGE patents at issue were directed to computer technology and handling of data between memory and other components. The first patent related to updating data commonly stored in both main memory and a processor cache memory, such that the main memory would be updated using the processor cache memory if the cached data version was newer. Therefore, a read request to the main memory would provide the most recent data, and not "stale" data, since the main memory would be updated with the most current data version from the cache when the stale data is requested. The second patent related to coordination of main memory read and write requests in which old data would not be read if there was an outstanding write request. The third patent addressed managing data traffic on a bus connecting two computer components, so that heavy usage components would not unduly monopolize the bus.

The Language of the Patent Licensing Agreement

LGE licensed the three patents to Intel under a cross-licensing agreement which permitted Intel to manufacture and sell microprocessors and chipsets that used the LGE patents. The licensing agreement authorized

Intel to "make, use, sell (directly or indirectly), offer to sell, import or otherwise dispose of" Intel products that practiced the LGE patents. The licensing agreement contained a limitation in that no license:

> "is granted by either party hereto . . . to any third party for the combination by a third party of Licensed Products of either party with items, components, or the like acquired . . . from sources other than a party hereto, or for the use, import, offer for sale or sale of such combination."

The licensing agreement did not alter the rules of patent exhaustion and also provided that "[n]otwithstanding anything to the contrary contained in this Agreement, the parties agree that nothing herein shall in any way limit or alter the effect of patent exhaustion that would otherwise apply when a party hereto sells any of its Licensed Products."

Intel also executed a second, separate agreement with LGE, agreeing to provide written notice to Intel customers that, although it had a broad license "ensur[ing] that any Intel product that you purchase is licensed by LGE and thus does not infringe any patent held by LGE," the license "does not extend, expressly or by implication, to any product that you make by combining an Intel product with any non-Intel product."

Additional Case History

Quanta is a computer manufacturer that purchased microprocessors and chipsets from Intel and used them, in combination with non-Intel memory and buses, in ways that practiced the three LGE patents. Quanta performed no modification of Intel products, but only followed the Intel specifications for using the parts in its systems. Quanta was not a party to any licensing agreement, but only received the written notice from Intel, based on Intel's second agreement with LGE.

The District Court later limited its ruling, holding that patent exhaustion did not apply to process or method claims that describe operations to make or use a product

LGE sued Quanta, claiming that Quanta's combination of Intel products with non-Intel components infringed the LGE patents. The District Court initially granted summary judgment to Quanta, holding that the license agreements caused LGE to lose any rights assertable against Quanta under the patent exhaustion doctrine. The District Court later limited its ruling, holding that patent exhaustion did not apply to process or method claims that describe operations to make or use a product. Each of the three LGE patents included method claims. The Federal Circuit affirmed the ruling that patent exhaustion did not apply to method claims, but alternatively concluded that exhaustion did not apply because Intel was not licensed to sell to Quanta for use in combination with non-Intel products under the license agreement.

The Supreme Court's Analysis

The Court began with a discussion of post sale restriction cases such as *Henry v. A.B. Dick Co.*, 224 U.S. 1 (1912) where patent holders attempted to use their patents to secure market control of other related, but unpatented, items. In summary, the Court explained the policy behind the patent exhaustion doctrine and the case law prohibiting restrictions placed on sold patented articles, that is, to limit the rights granted by a patent to the claimed invention.

The opinion then continued to analogize the Intel products with the lens blanks of *Univis*. In *Univis*, the patentee held patents on eyeglass lenses and licensed a buyer to make "lens blanks" (unpolished glass suitable for completing a lens) by attaching various lens segments to create bi-focal or tri-focal lenses. Third party wholesalers were licensed to grind the lens blanks into the completed patented lenses. The third party wholesalers could then sell to Univis licensed retailers for resale at a fixed rate, or to consumers at the same fixed rate. The U.S. brought an anti-trust action against Univis alleging unlawful restraint on trade. The question in *Univis* was whether the patent rights continued through the sale to the wholesalers, which could have protected Univis against the anti-trust violation.

As stated by Justice Thomas,

> "the Court concluded that the traditional bar on patent restrictions following the sale of an item applies when the item sufficiently embodies the patent—even if it does not completely practice the patent—such that its only and intended use is to be finished under the terms of the patent."

Method claims provide no escape from this conclusion. Otherwise, patentees could avoid exhaustion simply by adding method claims or by drafting method claims rather than apparatus claims, thus undermining the exhaustion doctrine.

The Court then provided guidance as to the extent a product must embody a patent in order to trigger exhaustion. In *Univis*, the only reasonable and intended use of the sold lens blanks was to practice the patent because the lens blanks embodied the essential features of the patented invention. The lens blanks were without utility until they were ground and polished into the completed patented lenses.

The Court found that the Intel products similarly could reasonably be used only for incorporation into computer systems that practiced the LGE patents. The products could not function without being connected to memory and buses. Second, the Intel products, like the Univis lens blanks, constituted a material part of the patented invention and substantially embodied the patent, because the only necessary step to practice the patent was the application of common processes or the addition of standard parts. Thus, exhaustion was applicable to all three patents.

Turning to the license agreement and whether Intel was authorized to sell products to Quanta for combining with non-Intel parts, the Court held that nothing in the contract prohibited Intel from making such sales. The written notice provision of the second agreement was not a condition of such sales, and the failure to provide notice did not constitute breach of the licensing agreement. Nor were the sales conditioned on Quanta's decision to abide by the notice provided. Thus, the Court held that the sales were authorized and that patent exhaustion was implicated with respect to LGE's three patents.

The Court noted, however, that remedies may still exist under contract theories, which were not presented to the Court. Therefore, although patent damages were eliminated under the patent exhaustion doctrine, this did not act to preclude the availability of contract damages and "[w]hether a patentee may protect himself and his assignees by special contracts brought home to the purchasers." ■

Practice Tip:

Understanding the implications of sales of patented items is key to drafting and negotiating successful license agreements. Licensing agreements control whether multi-level users of a patented product are authorized. The license agreement in this case fully authorized resale by the licensee. The problem in this case was avoidable if the licensee was contractually restricted to only those actions the patentee desired or expected to occur (for example, to sell overseas, for replacement parts, etc., as argued by LGE). If third party users/manufacturers are to be restricted (as appears to have been the intention of patentee LGE), the primary licensee could have, for example, been contractually required to execute license agreements with third party buyer's on the patentee's behalf. Various approaches for drafting and creating licensing agreements could have been applied and would have prevented the problems presented by this case.

Prosecution Disclaimer Based on Statements Made During Prosecution of a Parent Patent Found Applicable if (1) Actions of Patentee are Unmistakable, and (2) the Subject Matter of the Claims is Related

Heuft Systemtechnik GMBH v. Industrial Dynamics Co., Ltd.
(Fed. Cir. June 25, 2008)

Heuft Systemtechnik designs, manufactures and sells equipment used in bottling plants. It owns U.S. Patent No. 6,155,408 (the '408 patent) and its divisional, U.S. Patent No. 6,298,974 (the '974 patent), both directed to a method and apparatus for rotating rotationally symmetrical containers, such as bottles, while transporting them under backup pressure. (**See Figures 1 and 2 below.)** This technology relates generally to the handling and inspection of aligned bottles 10 for defects and debris. As bottles travel

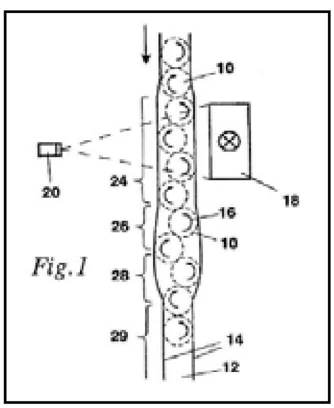

Figure 1
(" '408 patent")

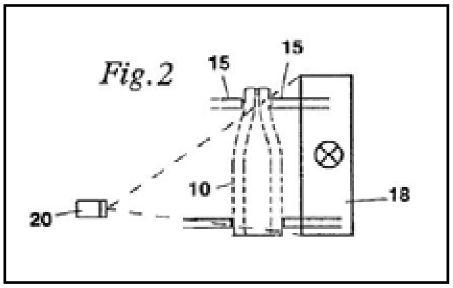

Figure 2
(" '974 patent")

along rails 14, and 15, they spread laterally 26, 28, to slow down the progression of the bottles 10 in angle of vision of the camera 20.

In 2005, several years after the issuance of both patents, Heuft sued IDC for patent infringement of these patents. The parties stipulated to the dismissal with prejudice of all claims under the '408 patent, leaving only the '974 patent in suit. During the prosecution of the parent '408 patent, Heuft made several arguments to overcome a rejection over International Patent Publication No. WO83/00135. Later, all claims of the '974 patent were issued without rejection.

During the claim construction phase of the suit, the District Court rejected IDC's argument that Heuft was bound by the doctrine of prosecution disclaimer in the '974 patent due to arguments made during the prosecution of the '408 patent. IDC argued that the term "arranging" found in the claims could not include angles disclaimed during the earlier parent prosecution.

In the parent, Heuft (1) attempted to amend the '408 specification indicating that "the critical features of the invention are the distance between the railings and above all the angle β at which that distance narrows down," (2) amended all claims to require an exit angle between 30° to 100° at the guiderails and (3) filed a request for continued examination directed to the geometry of the guiderails. IDC argued that exit angles of less than 30° could not be claimed in the divisional even if this limitation was not in the file history.

Prosecution disclaimer occurs when a patentee, either through argument or amendment, surrenders claim scope during the course of prosecution. Amendments or arguments that are merely vague, ambiguous or subject to other reasonable interpretation are not sufficient to surrender claim scope. Rather, in order for prosecution disclaimer to attach, the patentee's actions must be "clear and unmistakable." The Federal Circuit found the actions of Heuft to be unmistakable. Angle limitations were added during prosecution to all claims to overcome rejections under 35 U.S.C. §§ 102 and 103. Remarks also distinguished the cited art based on exit angles.

The Federal Circuit confirmed that prosecution disclaimer may arise from disavowals made during the prosecution of parent patent applications. Thus, the issue is whether the disclaiming statements Heuft made with respect to the ’408 patent related to the same subject matter at issue in the ’974 patent. The court used charts to compare the claimed language of the ’408 patent at different stages of prosecution and found the terms at issue to be similar and related to the claims of the ’974 patent. ■

Practice Tip:

Statements made in a parent patent, when unmistakable, can be read onto a child if they are found by a court to relate to the same subject matter. Applicants should timely submit art raised against a parent application in the child prosecution, and claims in the divisional application should be directed to different subject matter, for example, new elements or limitations should be introduced.

Trademark Injunctions Obtained by Default Against a Defendant Cannot be Undermined by a Legitimate and Successful Petition to Cancel Based on Defendant Claim Preclusion of Collateral Attack of Judgment

Nasalok Coating Corp. v. Nylok Corporation
(Fed. Cir., April 14, 2008)

In 2000, Nylok obtained Federal Trademark Registration No. 2,398,840 for threaded fasteners with a patch of blue on a selected number of threads of an externally threaded fastener (“the blue thread”).

Three years later, Nylok filed a complaint against four companies, including Nasalok in the Northern District of Illinois, alleging infringement of the blue thread trademark. Nasalok, a Korean corporation, was properly served but failed to enter an appearance. Default Judgment was awarded to Nylok on May 12, 2005. An injunction was also issued against Nasalok. The court’s order also found the blue thread registration valid and enforceable, and the order was made final.

Five months later, in a creative effort to overturn the injunction, counsel for Nasalok filed a petition to cancel the blue thread registration with the Trademark Trial and Appeals Board (“the Board”). Nasalok argued that Nylok’s claim of distinctiveness of the mark after five years of exclusive use was fraudulent. Nylok won summary judgment at the Board based on the doctrine of claim preclusion. Nylok’s believed that Nasalok’s failure to argue invalidity of the mark at the District Court level should preclude it from arguing validity in a Board Cancellation proceeding. The Board agreed with Nylok and held that claim preclusion applies, since the action in the District Court was final, arose out of the same transactional facts, and the validity of the registration could have been raised as a defense.

Collateral Estoppel forecloses the relitigation of matters already decided. The Federal Circuit found that a judicial determination made in an order by the lower court was not equivalent to litigation of the issue, and Collateral Estoppel simply was not available to Nylok.

Claim preclusion is a doctrine that arises to foreclose matters that never have been litigated because of a determination that they should have been advanced in an earlier suit. The Federal Circuit, in a different ruling, *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360 (Fed. Cir. 2000), refused to apply claim preclusion to a cancellation after an infringement action, based on the likelihood of confusion, stating that a cancellation proceeding is not the same allegation because it requires inquiry into the registrability of the mark in question. Here, citing precedent, the court concluded that, since the Cancellation grounds did not arise out of the transaction of occurrence that gave rise to the infringement action, the validity claim was not compulsory and, thus, the doctrine of claim preclusion was not applicable on this ground.

The court then addressed a second less known basis for applying defendant claim preclusion against Nasalok; claims are precluded when their effect is a collateral attack on a judgment of a first action. If a defendant attempts to undermine a previous judgment by asserting in a subsequent action a claim or defense that was or could have been asserted in the earlier case, the rules of defendant preclusion will apply.

The Federal Circuit found that canceling the blue thread trademark would result in rendering the default judgment moot. Since the default judgment satisfies due process, attacks on it are collateral attacks barred by defendant claim preclusion. ■

Practice Tip:

Defendant should never allow a case to be defaulted for failure to respond. Cancellations can be undertaken only after defendants have fully complied with the injunction and ceased trade of the article under the infringing trademark. The cancellation can then be undertaken and trade can resume only after the mark has been cancelled and the injunction has been challenged in court.

A Means-Plus-Function Claim Having a Programmable Computer or Microprocessor Programmed to Perform an Algorithm as its Structure is Invalid Unless the Specification Discloses the Algorithm or Steps Necessary to Achieve the Function and Thereby Limit the Claim Scope

Aristocrat Technologies v. Internat'l Game Technology
(Fed. Cir. 2008)

For a means-plus-function claim where the disclosed structure is a general purpose computer or general purpose microprocessor programmed to perform some function, the specification must disclose the algorithm, or steps, at least at a high level to meet the requirements of 35 U.S.C. 112, sixth paragraph.

Aristocrat Technologies sued International Game Technology (IGT) for infringement of U.S. Patent No. 6,093,102 ('102 patent), which is directed to an electronic slot machine. The U.S. District Court for the District of Nevada held that the claims of the Aristocrat patent were invalid for indefiniteness.

Claim 1 of the '102 patent recited, among other limitations, a "game control means" that enabled a player to define an arrangement of slot machine symbols and receive a payout based on the player's definition if the arrangement was displayed during the game.

The District Court held that the "control means" of claim 1 was a means-plus-function term invoking 35 U.S.C. 112, paragraph six, and that therefore the claim limitation had to be defined by the structure disclosed in the specification plus any equivalents. If the specification was found to be lacking in disclosing the necessary structure, (i.e., the structure needed to perform the claim limitation function), the claim as a whole would be found invalid for indefiniteness.

The District Court found that the specification did not disclose the needed structure to perform the functions of claim 1, and that, therefore, the claim was invalid for indefiniteness.

Aristocrat argued that the structure was a standard microprocessor-based gaming machine with "appropriate programming." (The '102 patent states only that, "it is to be understood that it is within the capabilities of the non-inventive worker in the art to introduce the methodology on any standard microprocessor based gaming machine by means of appropriate programming." This is, however, the only text of the '102 patent that mentions "programming.")

The District Court found that the specification lacked "guidance to determine the meaning of 'standard micro-processor' or 'appropriate programming.'" Thus, the District Court held that "[m]erely stating that a standard microprocessor is the structure without more is not sufficient." Additionally, the District Court held that there was no link between the asserted structure and any of the claimed functions provided within the specification. The specification provided no step-by-step process or algorithm, other than its statement that "appropriate programming" was required.

The Federal Circuit affirmed the District Court's holdings and its explanation that "in a means-plus-function claim in which the disclosed structure is a computer or a micro-processor programmed to carry out an algorithm, a corresponding structure must be a specific algorithm disclosed in the specification, rather than merely 'an algorithm executed by a computer.'"

The Federal Circuit noted that, "[i]n cases involving a computer-implemented invention in which the inventor has invoked means-plus-function claiming, [the Federal Circuit] has consistently required that the structure disclosed in the specification be more than simply a general purpose computer or microprocessor." A claim of a means for performing a function where only a general purpose computer is disclosed as the structure is therefore considered a purely functional claim. The functional claim language did not meet the standard of 35 U.S.C. 112, paragraph six, because the claim was not sufficiently limited in scope to "the corresponding structure, material, or acts" that performed the function.

The Federal Circuit restated its rationale from *In re Alappat*, 33 F.3d 1526, 1545 (Fed. Cir. 1994), that "a general purpose computer programmed to carry out a particular algorithm creates a 'new machine' because the general purpose computer 'in effect becomes a special purpose computer once it is programmed to perform particular functions pursuant to instructions from program software.'" The disclosed structure for the means-plus-function claims is thus "the special purpose computer programmed to perform the disclosed algorithm," where the special purpose computer is disclosed in the specification as a computer or microprocessor programmed with the algorithm.

While "a listing of source code or a highly detailed description of the algorithm" is not required, the specification must at least disclose the algorithm that transforms the general purpose computer or microprocessor into the special purpose computer.

The Federal Circuit also explained that this requirement was not to be confused with the issue of whether the disclosure would enable one of ordinary skill in the art to make and use the invention, which is a different determination. The issue was limited to whether the means-plus-function claims were limited in scope to a particular structure and equivalents in order to comply with 35 U.S.C. 112, paragraph six. ■

Practice Tip:

For computer related inventions using means-plus-function claim language, the specification should include at least a flowchart showing the algorithm or steps needed to achieve the function. Otherwise, the claim may be held indefinite as being purely functional language and, therefore, invalid.

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