

Client Alert

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Federal Circuit Gives Challengers Another Tool To Invalidate Software-Based Inventions

This week, an *en banc* US Court of Appeals for the Federal Circuit overruled decades of prior precedent and changed the law regarding “means-plus-function” patent claims. In *Williamson v. Citrix Online LLC*, the Federal Circuit overruled a decade of decisions, establishing a strong presumption that 35 U.S.C. § 112, paragraph 6 (“Section 112, 6”) does not apply when the word “means” is not present in the claim.ⁱ The Federal Circuit relied on two cases, from 1996 and 2000, respectively, to establish a “new” standard for determining whether Section 112, 6, applies when the claim lacks the word “means.”ⁱⁱ

In a strongly worded dissent, Judge Newman questioned the purpose and benefit to overruling years of “means-plus-function” precedent. This author will offer one: the *Williamson* decision gives challengers yet another tool to invalidate what the Federal Circuit believes are questionable software-based inventions.

Brief History of “Means-Plus-Function” Claims

The 1952 Patent Act enabled “means-plus-function” claims. Section 112, 6, states:

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

35 U.S.C. § 112.ⁱⁱⁱ The policy behind Section 112, 6, was to enable patentees to express a claim limitation by reciting a function to be performed instead of the structure for performing that function.^{iv} In so doing, Congress struck a balance by restricting the scope of coverage of claims under Section 112, 6, “to only the structure, materials, or acts described in the specification as corresponding to the claimed function and equivalents thereof.”^v

Since then, Federal Circuit precedent recognized the importance of the presence or absence of the word “means” when determining whether Section 112, 6, applies. Building upon several decisions in the 1990s, in 1998 the Federal Circuit stated that the use of the word “means” in a claim creates a rebuttable presumption that Section 112, 6, applies.^{vi} Applying the converse, the Federal Circuit also states that the failure to use the word “means” also creates a rebuttable presumption that Section 112, 6, does not apply.^{vii}

Although the Federal Circuit claims that it has not “blindly elevated form over substance when evaluating whether a claim limitation invokes [Section 112, 6],”^{viii} its decisions of the past decade clearly established a “strong” presumption that a limitation lacking the word “means” is not subject to Section 112, 6. Notably:

- In 2004, the Federal Circuit held that “the presumption flowing from the absence of the term ‘means’ is a *strong one that is not readily overcome.*”^{ix}

- In 2011, the Federal Circuit reiterated *Lighting World's* characterization of the presumption as a “strong one that is not readily overcome.”^x
- In 2012, the Federal Circuit raised the bar when it declared that “[w]hen the claim drafter has not signaled his intent to invoke [Section 112, 6] by using the term ‘means,’ we are unwilling to apply that provision *without a showing that the limitation essentially is devoid of anything that can be construed as structure.*”^{xi}
- And just last year, the Federal Circuit yet again acknowledged the strength of this presumption, noting that it “seldom held that a limitation without a recitation of ‘means’ is a means-plus-function limitation.”^{xii}

The *Williamson* Decision

This week, the Federal Circuit performed an about-face. In a panel decision for which the *en banc* court convened solely for the purpose of overruling the past decade,^{xiii} the Federal Circuit concluded that “a heightened burden is unjustified and that we should abandon characterizing as ‘strong’ the presumption that a limitation lacking the work ‘means’ is not subject to [Section 112, 6].”^{xiv} The Federal Circuit further stated that the characterization as a strong presumption “is unwarranted, is uncertain, and has the inappropriate practical effect of placing a thumb on what should otherwise be a balanced analytical scale.”^{xv} The Federal Circuit also expressed concern that the past decade of precedent has “resulted in a proliferation of functional claiming untethered to [Section 112, 6] and free of the strictures set forth in the statute.”^{xvi}

Going forward, the “new” standard will be “whether the words of the claim are understood by persons of ordinary skill in the art to have a sufficiently definite meaning as the name for the structure.”^{xvii} Moreover, “when a claim term lacks the word ‘means,’ the presumption can be overcome and [Section 112, 6] will apply if the challenger demonstrates that the claim term fails to ‘recite sufficiently definite structure’ or else ‘function without reciting sufficient structure for performing that function.’”^{xviii}

Applying this new standard, the Federal Circuit invalidated as indefinite Williamson’s claim that recited a “distributed learning control module.”^{xix} In pertinent part, the claim at issue recites:

a distributed learning control module for receiving communications transmitted between the presenter and the audience member and for relaying the communications to an intended receiving computer system and for coordinating the operation of the streaming data module.

The court first concluded that the “‘distributed learning control module’ limitation fails to recite sufficiently definite structure and that presumption against means-plus-function claiming is rebutted.”^{xx} To get there, the Federal Circuit observed that the claim passage is “in a format consistent with traditional means-plus-function claim limitations.”^{xxi} The court further observed that the claim “replaces the term ‘means’ with the term ‘module’ and recites three functions performed by the ‘distributed learning control module.’”^{xxii} Because (1) “[m]odule” is a well-known nonce word that can operate as a substitute for ‘means’ in the context of “Section 112, 6” and (2) Williamson himself admitted this much, the Federal Circuit found that the word “module” in the claim at issue “does not provide any indication of structure because it sets forth the same black box recitation of structure for providing the same specified function as if the term ‘means’ had been used.”^{xxiii} The court also found that “[t]he prefix ‘distributed learning control’ does not impart structure to the term ‘module.’”^{xxiv}

Having found Section 112, 6, applicable to the claim at issue, the Federal Circuit next concluded that specification fails to disclose sufficient structure that corresponds to the claimed function.^{xxv} First, the court agreed with the district court that “[t]he written description of the [patent at issue] makes clear that the distributed learning control module cannot be implemented in a general purpose computer, but

instead must be implemented in a special purpose computer.”^{xxvi} Accordingly, the specification must disclose an algorithm for performing the claimed function.^{xxvii} Then, the court found that Williamson failed to point to an adequate disclosure of a corresponding algorithm in the specification.^{xxviii} In so doing, the Federal Circuit prohibited Williamson from relying on expert testimony to create structure where none otherwise exists.^{xxix}

Judge Newman’s Dissent

It likely surprises no one that Judge Newman dissented from the *en banc* decision. In her strongly worded dissent, Judge Newman expressed concern that the result of the decision “is clear: additional uncertainty of the patent grant, confusion in its interpretation, invitation to litigation, and disincentive to patent-based innovation.”^{xxx} She also states that “the court erases the statutory text, and holds that no one will know whether a patentee intended means-plus-function claiming until this court tells us.”^{xxxi} She further “urge[s] the court to recognize that it is the applicant’s choice during prosecution whether or not to invoke [Section 112, 6] and the court’s job to hold the patentee to his or her choice.”^{xxxii} She reasons that “[t]his approach is clear, easy to administer by the USPTO in examination and the courts in litigation, and does no harm, [because] patent applicants know how to invoke [Section 112, 6] if they choose.”^{xxxiii}

Williamson’s Impact Going Forward

One year after the US Supreme Court attacked software patents in its *Alice* decision,^{xxxiv} the Federal Circuit offered challengers another tool to invalidate software-based patent claims. Before *Alice*, patent drafters prepared (and the USPTO allowed) claims that were based on the legal precedent that established the eligibility of software-based inventions. But in the past year the *Alice* decision has served as the basis for retroactively invalidating numerous patents. Similarly, for many years, patent drafters included the so-called “nonce words” in software-based patent claims with the intent of avoiding the application of Section 112, 6. *Williamson* likewise could retroactively invalidate these claims that were intended to avoid Section 112, 6. Thus, patent challengers now have another tool to retroactively invalidate software-based inventions.

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ⁱ *Williamson v. Citrix Online, LLC*, No. 2013-1130, slip op. at 15-16 (Fed. Cir. June 16, 2015).

ⁱⁱ *See id.* (citing *Greenberg v. Ethicon Endo-Surgery, Inc.*, 91 F.3d 1580, 1583 (Fed. Cir. 1996)); *Watts v. XL Sys., Inc.*, 232 F.3d 877, 880 (Fed. Cir. 2000).

ⁱⁱⁱ [CITE PRE-AIA – Insert Footnote that it’s now 112(f) and was unchanged in AIA]

^{iv} *See Williamson*, N. 2013-1130, slip op. at 12.

^v *Id.* (citations omitted).

^{vi} *See Williamson*, N. 2013-1130, slip op. at 13 (citing *Personalized Media Communications, LLC v. Int’l Trade Comm’n*, 161 F.3d 696, 703-04 (Fed. Cir. 1998)).

^{vii} *Id.*

^{viii} *Williamson*, N. 2013-1130, slip op. at 13.

^{ix} *Williamson*, N. 2013-1130, slip op. at 14 (quoting *Lighting World, Inc. v. Birchwood Lighting, Inc.*, 382 F.3d 1354, 1358 (Fed. Cir. 2004)).

^x *Id.* (quoting *Inventio AG v. ThyssenKrupp Elevators Americas Corp.*, 649 F.3d 1350, 1358 (Fed. Cir. 2011)).

^{xi} *Williamson*, N. 2013-1130, slip op. at 15 (quoting *Flo Healthcare Sol’ns, LLC v. Kappos*, 697 F.3d 1367, 1374 (Fed. Cir. 2012)).

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- xii *Williamson*, N. 2013-1130, slip op. at 15 (quoting *Apple, Inc. v. Motorola, Inc.*, 757 F.3d 1286, 1297 (Fed. Cir. 2014)).
- xiii *Williamson*, N. 2013-1130, slip op. at 12, n. 3.
- xiv *Williamson*, N. 2013-1130, slip op. at 15.
- xv *Id.*
- xvi *Id.*
- xvii *Id.* at 16 (citing *Greenberg*, 91 F.3d at 1583).
- xviii *Id.* (quoting *Watts*, 232 F.3d at 880).
- xix *Williamson*, N. 2013-1130, slip op. at 25.
- xx *Id.* at 20.
- xxi *Id.* at 17.
- xxii *Id.*
- xxiii *Id.* at 17-18.
- xxiv *Id.* at 18.
- xxv *Id.* at 20.
- xxvi *Id.* at 21.
- xxvii *Id.* at 22 (citing *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1367 (Fed. Cir. 2008)).
- xxviii *Williamson*, N. 2013-1130, slip op. at 24-25.
- xxix *Id.*
- xxx *Williamson v. Citrix Online, LLC*, No. 2013-1130, slip op. at 2 (Fed. Cir. June 16, 2015)(Newman, J., dissenting).
- xxxi *Id.*
- xxxii *Id.*
- xxxiii *Id.*
- xxxiv *Alice Corp. v. CLS Bank Int'l*, 573 U.S. ____ 134 S.Ct. 2347 (2014).