

INTELLECTUAL PROPERTY NEWS

Method vs. apparatus and software claims

Spring 2011

Method vs. apparatus and software claims

by Larry B. Donovan

[This article originally appeared in the spring 2011 issue of *Intellectual Property News*, an electronic newsletter published on OhioBar.org. Permission for reprint and distribution provided by the Ohio State Bar Association.]

In a case that highlights why apparatus and storage medium claims may be more desirable than method claims, the federal circuit held that an accused product capable of performing the claimed functionality of asserted system and computer readable medium claims infringed those claims even though claimed functionality was “locked out.”¹ The method claims, however, were not infringed.²

Finjan asserted three patents related to proactive scanning or techniques directed to detecting and defeating previously unknown Internet-based threats. Two of the patents had system, computer-readable storage medium and method claims, and one patent had processor-based system and processor-based method claims.

Three products sold by the defendants were accused of infringing these patents: a software download, a hardware appliance or server containing software, and a hardware appliance that

also contains software. It was undisputed that all three products contained source code capable of performing the functionality claimed in Finjan's patents; however, the modules for performing the claimed functionality were "locked" when the products were sold. A customer could purchase a separate "key" to activate these modules.³

Finjan only alleged direct infringement under 35 U.S.C. §271(a) and did not assert any theories for indirect infringement. A jury found that the defendants willfully infringed all of the asserted claims.⁴

On appeal, the Defendants asserted that there could be no infringement because all software modules that feature proactive scanning were locked when sold; therefore, from the customer's viewpoint it was as if the source code was never received. The defendants relied on *Southwest Software, Inc. v. Harlequin, Inc.*⁵ for the proposition that "locked" or disabled products cannot infringe apparatus claims.⁶ This argument was rejected because in *Southwest* the claim at issue was a method claim, whereas the claims in *Finjan* were system and storage medium claims, which do not require the performance of any method steps.⁷

The defendants also argued that under *Acco Brands*⁸ an accused device does not directly infringe if it can be used at any given time in a non-infringing manner. The apparatus claims in *Acco Brands* covered locking devices with pins in a specific configuration. The accused device in *Acco Brands* could be operated in one of two modes, infringing and non-infringing. However, in *Acco Brands*, the claim language required the locking device's pin to extend through a slot in a specific configuration.⁹ By contrast, *Finjan's* apparatus claims did not require the proactive scanning software to be configured in a particular manner to infringe, only that the apparatus be programmed for performing the claimed steps.¹⁰

The defendants also tried to argue that the asserted claims required actual operability. The asserted system claims include “engines” such as a “logical engine” (claim 32 of U.S. Patent 6,092,194), a “communications engine” (claim 9 of U.S. Patent 6,804,780), and a “linking engine” (claim 12 of U.S. Patent 7,058,822). The court pointed to a similar scenario in *Fantasy Sports*¹¹ in rejecting this argument.¹² In *Fantasy Sports*, the accused product was a “modifiable software tool.” The modifiable software tool was found to infringe because “although a user must activate the functions programmed into a piece of software by selecting those options, the user is only activating means that are *already present in the underlying software*. Infringement occurred because the code “was written in such a way to enable a user of that software to utilize the function ... without having to modify that code.”(Cites omitted; emphasis as in original).¹³ The fact that users needed to activate the claimed functions by purchasing keys “does not detract or somehow nullify the existence of the claimed structure in the accused software.”¹⁴ In *Finjan*, it was undisputed that software for performing the claimed functions existed in the defendants’ accused products when sold.¹⁵ Therefore, the jury’s verdict of infringement of the system and storage medium claims was upheld.

The finding of infringement of the method claims, however, was reversed. “To infringe a method claim a person must have practiced all of the steps of the claimed method.”¹⁶ The only evidence of the method actually being performed was during testing in Germany. There was no evidence that the defendants tested or operated any of the accused products in the United States. Therefore, the method claims were not directly infringed.¹⁷

By Larry B. Donovan, counsel with Tucker Ellis & West LLP, Cleveland.

Endnotes

¹*Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197 (Fed. Cir. 2010); citing *Intel Corp. v. U.S. Int'l Trade Comm'n*, 946 F.2d 82, 832 (Fed. Cir. 1991)(To infringe a claim that recites capability and not actual operation, an accused device “need only be capable of operating” in the described mode).

²*Finjan Inc.v. Secure Computing Corp.*, 626 F.3d 1197.

³*Id.* at 1202.

⁴*Id.*

⁵*Southwest Software, Inc. v. Harlequin, Inc.* 226 F.3d 1280, 1291 (Fed. Cir. 2000).

⁶*Finjan*, 626 F.3d at 1203-1204.

⁷*Id.* at 1204; citing *NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282, 1318 (Fed. Cir. 2005)(“The use of a process necessary involves doing or performing each of the steps recited. This is unlike use of a system as a whole...”).

⁸*Acco Brands, Inc. v. ABA Locks Mfr. Co.*, 501 F.3d 1307 (Fed. Cir. 2007)(Direct infringement could not be inferred in the absence of any evidence that customers actually operated the device in the infringing mode.)

⁹*Finjan*, 626 F.3d at 1204.

¹⁰*Id.*

¹¹*Fantasy Sports Props. v. Sportsline.com* 287 F.3d 1108, 1118 (Fed. Cir. 2002).

¹²*Finjan*, 626 F.3d at 1205.

¹³*Id.*

¹⁴*Id.*

¹⁵*Id.* (“[I]t is undisputed that software for performing the claimed functions existed in the products when sold-in the same way that an automobile engine for propulsion exists in a car even

when the car is turned off.”)

¹⁶*Id.* at 1206; citing *Lucent Techs v. Gateway, Inc.* 580 F.3d 1301, 1317 (Fed. Cir. 2009).

¹⁷*Id.*; citing *Gemtron Corp. v. Saint-Gobain Corp.* 572 F.3d 1371, 1380 (Fed. Cir. 2009).

(“Critically, it is the infringing act-making, using, offering to sell, selling, or importing-that must be within (or into) the United States.”)