

Capability Claiming

Mark A. Lemley,¹ David W. O'Brien² & Wade Malone³

Patent claims to functional constructs (including software) are often written to require, not actual steps or operational features, but that a *system or device* be capable of performing those steps or providing those features. Are capability claims valid? What do they cover? Are they a good idea?

Origins of the Doctrine

The leading case to consider infringement liability based on literal presence (in accused apparatus) of an element recited in terms of its capability is *Intel Corp. v. U.S. Int'l Trade Comm'n*.⁴ In *Intel*, erasable programmable read-only memories (EPROMs) of respondent appellant (General Instrument Corp. and Microchip Technology Inc., collectively GI/M), had been found (i) to contain an equivalent of recited "programmable selection means for selecting [an] alternative addressing mode"⁵ and (ii) to be capable of performing alternative mode addressing (page mode addressing).⁶ The court addressed significance of the *capability* in response to GI/M's argument that, although relevant EPROMs were capable of performing page mode addressing, the EPROMs were never sold to operate in page mode and no customer was

¹ William H. Neukom Professor, Stanford Law School; partner, Durie Tangri LLP.

² Partner, Zagorin OBrien Graham LLP.

³ J.D. expected 2012, Stanford Law School.

⁴ 946 F.2d 821 (Fed. Cir. 1991).

⁵ Claim 1 of the 4,685,084 patent in issue read as follows:

1. In an integrated circuit, read-only memory having n address lines used for accessing p words in one addressing mode, an improvement for providing an alternate addressing mode, comprising:
programmable selection means for selecting said alternate addressing mode;
storage means for storing at least one signal;
an address buffer coupled to one of said n address lines, said buffer also being coupled to said storage means and said programmable selection means, the output of said buffer being controlled by said signal stored in said storage means when said alternate addressing mode is selected, whereby when said alternate addressing mode is selected said p words in said memory may be selected with less than n address signals.

⁶ *Intel*, 946 F.2d at ___ (quoting from determination and claim construction of ALJ below)

ever told how to convert the chip to page mode operation or even that such conversion was possible.⁷ After noting that intent is not an element of *direct* infringement, the court stated that “[b]ecause the language of claim 1 refers to ‘programmable selection means’ and states ‘whereby *when* said alternate addressing mode is selected’ ..., the accused device, to be infringing, need only be capable of operating in the page mode.”⁸ “Contrary to GI/M's argument, actual page mode operation in the accused device is not required.”⁹

What are Capability Claims?

Two things seem clear. First, capability claiming is a *direct* infringement doctrine that pertains to *article claims* (systems, apparatuses, computer program products, and the like) for which a functionally recited element is *literally present* in the accused article. Second, method claims are not *directly* infringed by processes and articles that are not shown to *actually perform* a method step, but are merely capable of doing so.

In this regard, capability claiming is not particularly new. Indeed, a tradition of functional claiming (within and without the ambit of 35 U.S.C. § 112(f)¹⁰) is well established in many fields of endeavor, particularly in the computer electronics, software and semiconductor arts. The body of successfully asserted patents and litigated disputes is replete with examples of claims reciting phrases such as “programmable means for ...,”¹¹ “... capable of engaging”¹² “adapted to ...”, “for ...ing,” “operable to ...,” etc. While any of a variety of language constructs may be recited by patentees to denote capability literally present, a recent sample of patent claims issued indicates that even the most overt form (“capable of”) appears *in the claims* of

⁷ *Id.* at ____.

⁸ *Id.* at ____ (emphasis in original).

⁹ *Id.*

¹⁰ That is, until recently, “section 112, sixth paragraph” for most of us.

¹¹ U.S. Patent 4,685,084, claim 1; *Intel Corp. v. U.S. Int’l Trade Comm’n.*, 90 946 F.2d 821 (Fed. Cir. 1991).

¹² U.S. Patent RE37,545, claim 22; *Revolution Eyewear Inc. v. Aspex Eyewear Inc.*, 90 U.S.P.Q.2d 1733, (Fed. Cir. 2009).

nearly twelve thousand patent issued (to date) *this calendar year 2011 alone*.¹³ When compared to patents issued a decade earlier, numbers and percentages are essentially unchanged.¹⁴ In short, capability claim is not a new phenomenon. What may be new, however, is the extent to which patentees seek to accuse latent capabilities appearing in products, whether for compatibility with adopted or *de facto* standards, for plug-and-play interfacing with an ecosystem of complementary devices and/or systems, or as part of an *a la carte* licensing/revenue model. Useful insights may be gleaned from recent decisions and disputes. We summarize some of the more significant cases below.

Finjan, Inc. v. Secure Computing Corp., 626 F.3d 1197 (Fed. Cir. Nov. 4, 2010)

In *Finjan*, the Federal Circuit held, based on specific claim language, that “locked” software could nonetheless satisfy elements recited in asserted *non-method* claims (i.e., system and storage medium claims),¹⁵ but that corresponding *method* claims could not be infringed without performance of all steps recited therein.¹⁶ Specifically, the court reasoned that:

Finjan's non-method claims describe capabilities without requiring that any software components be active” or “enabled.” The system claims recite software components with specific purposes: “a logical engine for preventing execution” (’194 patent claim 32), “a communications engine for obtaining a Downloadable” (’780 patent claim 9), or “a linking engine ... for forming a sandbox package” (’822 patent claim 12) (emphases added). The storage medium claims similarly cover capability. Claim 65 of the ’194 patent recites a “computer-readable storage medium storing program code for causing a server that serves as a gateway to a client to perform the steps of: receiving ... ; comparing ... ; and preventing execution” This language does not require that the program code be “active,” only that it be written “for causing” a server (’194 patent

¹³ Specifically, between 1-January-2011 and 14-October-2011, a search of the USPTO Patent Full-Text and Image Database (<http://patft.uspto.gov/>) indicates that a total of 11,746 U.S. Patents (including reissues) granted with the textual string “capable of” at least once in the claims. With 193,507 U.S. Patents issued during the same period, that is slightly more than 6% of the total. Inclusion of “adapted to” in the search, more than doubles the number of hits to 27,393 (or more than 14% of all patents issued calendar year 2011 to date).

¹⁴ 12,343 (or 6.5%) of 184,045 U.S. Patents issued in calendar year 2001 include the textual string “capable of” at least once in the claims.

¹⁵ 626 F.3d. 1197, ____.

¹⁶ 626 F.3d at ____.

claim 65) or a computer ('780 patent claim 18) to perform certain steps.¹⁷

The court relied on the undisputed fact that implementation of the claimed functions was literally present in the accused products. "Thus, it is undisputed that software for performing

¹⁷ 626 F.3d at 12___. Specifically, the respective claims referenced by the court more completely recite:

32. A system for execution by a server that serves as a gateway to a client, the system comprising:
a security policy;
an interface for receiving an incoming Downloadable addressed to a client;
a comparator, coupled to the interface, for comparing Downloadable security profile data pertaining to the Downloadable, the Downloadable security profile data includes a list a suspicious computer operations that may be attempted by the Downloadable, against the security policy to determine if the security policy has been violated; and
a logical engine for preventing execution of the Downloadable by the client if the security policy has been violated.

...

65. A computer-readable storage medium storing program code for causing a server that serves as a gateway to a client to perform the steps of:
receiving an incoming Downloadable addressed to a client;
comparing Downloadable security profile data pertaining to the Downloadable against a security policy to determine if the security policy has been violated; and
preventing execution of the Downloadable by the client if the security policy has been violated.

U.S. Patent 6,092,194,

9. A system for generating a Downloadable ID to identify a Downloadable, comprising:
a communications engine for obtaining a Downloadable that includes one or more references to software components required to be executed by the Downloadable; and
an ID generator coupled to the communications engine that fetches at least one software component identified by the one or more references, and for performing a hashing function on the Downloadable and the fetched software components to generate a Downloadable ID.

U.S. Patent 6,804,780, and

12. A processor-based system, comprising:
an information monitor for receiving downloadable-information;
a content inspection engine communicatively coupled to the information monitor for determining whether the downloadable-information includes executable code; and
a packaging engine communicatively coupled to the content inspection engine for causing mobile protection code ("MPC") to be communicated to at least one information-destination of the downloadable-information, if the downloadable-information is determined to include executable code, wherein the packaging engine comprises an MPC generator for providing the MPC, a linking engine coupled to the MPC generator for forming a sandbox package including the MPC and the downloadable-information, and a transfer engine for causing the sandbox package to be communicated to the at least one information-destination.

U.S. Patent 7,058,822.

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.”¹⁸

The patents asserted by Finjan related to scanning technology for computer security. After a jury found in its favor, Secure Computing appealed the denial of JMOL that it did not infringe, arguing that relevant software modules for proactive scanning were locked when sold. Summarizing the briefing, the court stated:

In a nutshell, Defendants’ noninfringement theory is that they sold no infringing products because all software modules that feature proactive scanning were locked when sold. ‘For the customer,’ according to Defendants, ‘as a practical matter, it was the same as if it never received the source code for the ‘locked down’ modules and their features at all.’ ... Defendants argue that infringement occurred only when customers purchased keys and unlocked proactive scanning modules because ‘[d]isabled code, by definition, is incapable of being used.’¹⁹

The court distinguished several cases that had found no infringement. In *Southwest Software, Inc. v. Harlequin Inc.*,²⁰ under somewhat similar facts (disabling of an automatic selection feature required by asserted claims) the court affirmed denial of a motion for new trial because (or notwithstanding) evidence that showed that the accused software product “included a manual step which avoided the automatic selection feature of the patented invention even though the code for automatic selection remained in place.”²¹ The *Finjan* court noted that the particular claim at issue in *Southwest Software* was a *method claim*. Thus, the code that Secure Computing had urged the court to view as locked and therefore incapable of supporting infringement (without regard to claim form) simply failed (in the *Finjan* court’s view) to satisfy the requirement that each step of a method actually be performed.²² In another case distinguished by the *Finjan* court, *ACCO Brands, Inc. v. ABA Locks Mfr. Co.*,²³ an accused apparatus could be operated in two modes, one infringing and one not. However, in that case,

¹⁸ 626 F.3d at 1205.

¹⁹ 626 F.3d at 12__.

²⁰ 226 F.3d 1280 (Fed. Cir. 2000).

²¹ See *Southwest Software*, 226 F.3d at 1291

²² See *Finjan*, 626 F.3d at 1204.

²³ 501 F.3d 1307 (Fed. Cir. 2007)

the court overturned a jury verdict of *inducement* because there was no evidence that the device was actually operated in the infringing mode. Specifically, the apparatus claims asserted in *ACCO Brands* covered locking devices with pins in a rather specific configuration.²⁴

Presumably, differences in proofs necessary to prove inducement versus direct infringement influenced the *Finjan* court when it stated, “by contrast, Finjan’s apparatus claims do not require that the proactive scanning software be configured in a particular way to infringe—only that it be programmed for performing the claimed steps.”²⁵ The court reiterated that “to infringe a claim that recites capability and not actual operation, an accused device ‘need only be capable of operating’ in the described mode.”²⁶

After upholding infringement with respect to the system and storage medium claims, the *Finjan* court overturned the jury’s finding of infringement with respect to Finjan’s method claims.²⁷ Finjan had only shown evidence that proactive scanning was performed in Germany and then, only on one occasion. Accordingly, the court found that no reasonable jury could have concluded that Defendants performed the requisite acts in the United States necessary to infringe the method claims.²⁸

²⁴ In particular, reexamined claim 10 of the U.S. Patent 5,502,989 asserted by ACCO Brands recited:

10. A locking system comprising:
a portable electronic device including an exterior wall defining a security slot;
cable means for attaching to a first object other than to the portable electronic device;
a housing, proximate to said electronic device and including a slot engagement member having a slot engaging portion provided with a locking member having a peripheral profile complementary to preselected dimensions of said security slot to thereby permit said locking member to extend into said slot, said slot engagement member being rotatable between an unlocked position wherein said locking member is removable from the slot, and a locked position wherein said locking member is retained within the slot;
a pin, coupled through said housing, for extending into said security slot proximate said slot engaging portion when said slot engagement member is in said locked position to thereby inhibit rotation of said slot engagement member to said unlocked position; and
means, coupled to said housing, for attaching said cable to said housing.

²⁵ See *Finjan*, 626 F.3d at 1204.

²⁶ *Id.* (citing *Intel*).

²⁷ *Id.* at 12__.

²⁸ *Id.* at 12__.

Fujitsu Ltd. v. Netgear Inc., 620 F.3d 1321 (Fed. Cir. Sept. 20, 2010)

The significance of alleging capability in method rather than apparatus claims, and of direct vs. contributory or induced infringement, are highlighted by the *Fujitsu v. Netgear* decision from 2010. Various wireless equipment manufacturers sued Netgear for infringing several patents related to wireless networking communications. The plaintiffs are part of a licensing pool that includes patents required for manufacturing 802.11 and WMM compliant products. The Federal Circuit concluded that industry standards may be used to demonstrate infringement, provided that accused infringers remain able to prove that their products are not covered and that the standard provides a sufficient level of specificity. The court addressed both contributory infringement and inducement, ultimately concluding that summary judgment of noninfringement was appropriate for all but four of Netgear's products.

With respect to contributory infringement, the court first examined whether or not there was direct infringement by Netgear's customers. This issue hinged on the hotly debated question of whether Netgear's compliance with 802.11 standard could be used to show infringement. In allowing courts to rely on industry standards to show infringement, the court explained that once a court has construed the claims and found them to reach any device that practices a standard, that fact is a shorthand way of comparing the claims to each device. The court cautioned that industry standards do not always provide the level of specificity needed to establish infringement. Moreover, relevant parts of the standard may be optional, in which case the accused product would have to be analyzed individually.

In *Netgear*, one of the asserted patents presents capability claiming issues. For that patent, the '952 patent and the method claims asserted, the plaintiff's theory of infringement was based on a part of the 802.11 standard that involved message fragmentation. This feature was an optional part of the standard. Netgear's products were all capable of performing the infringing message fragmentation, but the option was disabled by default. The sole claims of the '952 patent at issue were method claims and plaintiffs theories of direct infringement were

unsuccessful at trial.²⁹ On appeal, the court considered sufficiency of plaintiffs evidence of predicate direct infringement to support indirect liability for infringement of the method claims. The court found that the plaintiffs had only established genuine issues for the four of Netgear's products for which there were customer service records indicating that customers had activated the infringing feature. Relative to those four products, the court reversed and remanded the district court's summary judgment of no contributory and no induced infringement.³⁰

The court rejected various circumstantial evidence tending to show infringement because the patent owner must show evidence of direct infringement.³¹ The absence of a direct infringement theory based on capability recited in a system, apparatus or program product claim was a problem for the patentee here; because the theory of liability was based on contributory infringement of a method claim, the patentee had to show actual use (and therefore activation) by end consumers, not merely the capability for use.

Nonetheless, the court rejected Netgear's argument that the components at issue have substantial noninfringing uses because Netgear focused on the wrong part of the products. Netgear argued that because more than 40% of the products were not using the infringing fragmentation option, the component had substantial noninfringing uses. The court relied on

²⁹ See ORDER granting in part and denying in part Motion for Summary Judgment, at 54-58 (Sept. 18, 2009). See also, U.S. Patent 4,975,952, and claim 1 thereof, which provides:

1. In a data communication system wherein messages comprising data code words are to be transmitted from a data transmitter to one or more of a plurality of data receivers, a method of transmission of such messages comprising the steps of:
 - segmenting the data code words of each message into a sequence of successive segments each of a predetermined length;
 - assigning an identification number to each message and assigning sequential identification numbers to the successive segments thereof;
 - including in the first segment of each message a code word which contains the message identification number and including in the last segment of each message a code word identifying it as the last segment, whereby segments having segment identification numbers between those of the first and last segments of a message are identified as being segments of such message; and
 - including in each segment of a message a code word which includes the segment identification number and also indicates whether such segment includes retransmission of code words which were included in a previously transmitted segment of the same message.

³⁰ Id. at 13__, 96 U.S.P.Q.2d. 1742, 1757.

³¹ Id. at 1328-29.

i4i Ltd. Partnership v. Microsoft Corp., 598 F.3d 831 (Fed. Cir. 2010) for the idea that the fragmentation option was “separate and distinct” from the other functions of the products and must be analyzed separately. When active, the fragmentation option is always infringing; it does not gain a substantial noninfringing use simply because it can also be turned off.³²

***Intel Corp. v. United States Int’l Trade Comm’n*, 946 F.2d 821, 832 (Fed. Cir. 1991):**

“GI/M also contends that the Commission's finding of infringement under the doctrine of equivalents is incorrect because, although GI/M's “old” design 51 Series EPROMs are *capable* of performing page mode addressing, the EPROMs were never sold to operate in page mode. No customer was ever told how to convert the chip to page mode operation-or even that such conversion was possible. GI/M argues that an alleged infringer must intend its parts to be used in an infringing fashion and cites *Fromberg, Inc. v. Thornhill*, 315 F.2d 407, 415, 137 USPQ 84, 89 (5th Cir.1963), in support of its argument. As noted by Intel, there is no intent element to *direct* infringement. See 35 U.S.C. § 271(b) and (c). *Fromberg* deals with induced and contributory infringement and is therefore inapposite. Because the language of claim 1 refers to “programmable selection means” and states “whereby *when* said alternate addressing mode is selected” (emphases added), the accused device, to be infringing, need only be capable of operating in the page mode. Contrary to GI/M's argument, actual page mode operation in the accused device is not required.”

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

“Southwest argues that the district court erred by failing to grant its motion for a new trial on the issue of infringement of claim 1 of the '257 patent by ScriptWorks Revision 7. Southwest argues that the jury's verdict was against the great weight of the evidence because the same computer code found in ScriptWorks Revision 6 is still contained in ScriptWorks Revision 7. In response, Harlequin argues that the jury's verdict is supported by substantial evidence and that the district court did not abuse its discretion in denying the motion.

³² Id. at 1330-31.

Southwest has not met its burden on this issue. There was substantial evidence to support the jury's verdict. Specifically, there was evidence indicating that ScriptWorks Revision 7 included a manual step which avoided the automatic selection feature of the patented invention even though the code for automatic selection remained in place. The district court did not abuse its discretion in refusing to grant a new trial.”

***ACCO Brands, Inc. v. ABA Locks Mfr. Co.*, 501 F.3d 1307 (Fed. Cir. 2007)”**

“On appeal, Belkin argues that the jury's findings of induced infringement and willfulness are not supported by substantial evidence. According to Belkin, the record is devoid of any evidence that Belkin's customers actually used the ABA key lock in an infringing manner or that Belkin encouraged any of its customers to use the key lock in that way. Instead, Belkin asserts that the record shows that it had no knowledge of the infringing mode and that it instructed its customers to use the noninfringing press-to-lock method to operate the lock. . . .

ACCO responds that substantial evidence supports the jury's finding of induced infringement. According to ACCO, the record shows that key lock users will use the lock in an infringing manner at least some of the time because that configuration is the most natural and intuitive way to use the lock, in comparison with the press-to-lock method. . . .

We agree with Belkin that substantial evidence is lacking in the record to support the verdict that Belkin induced infringement of the ' 989 patent. Section 271(b) of the Patent Act provides that “[w]hoever actively induces infringement of a patent shall be liable as an infringer.” 35 U.S.C. § 271(b). In order to prevail on an inducement claim, the patentee must establish “first that there has been direct infringement, and second that the alleged infringer knowingly induced infringement and possessed specific intent to encourage another's infringement.” *Minn. Mining & Mfg. Co. v. Chemque, Inc.*, 303 F.3d 1294, 1304-05 (Fed.Cir.2002) (citation omitted). . . .

The record shows that ACCO failed to prove the threshold requirement of direct infringement. In support of its assertion that direct infringement was proven, ACCO points to the expert testimony of Dr. Dornfeld, a set of instructions provided in ABA's key lock product that described the infringing method ("the ABA hang card"), and the jury's observations of the lock itself. ACCO contends that such evidence established that the key lock was capable of being used in an infringing manner, which Dr. Dornfeld testified was the "natural and intuitive way to employ the device." According to ACCO, the jury was entitled to accept Dr. Dornfeld's testimony and find that, at least some of the time, all users of the key lock would use it in an infringing manner.

ACCO's argument, however, is unpersuasive. In order to prove direct infringement, a patentee must either point to specific instances of direct infringement or show that the accused device necessarily infringes the patent in suit. *See Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d 1263, 1275-76 (Fed.Cir.2004). Here, the parties do not dispute that the accused device can be operated in either of two modes-the infringing Dornfeld method or the noninfringing press-to-lock method. Because the accused device can be used at any given time in a noninfringing manner, the accused device does not necessarily infringe the '989 patent.

The record further shows that ACCO failed to point to specific instances of direct infringement. The sole witness at trial who testified to having used the lock in an infringing manner was ACCO's expert, Dr. Dornfeld. However, the record contains no evidence of actual users having operated the lock in an infringing manner. ACCO proffered no witness testimony of actual Belkin key lock users, or surveys of Belkin's customers, that would indicate that a user, aside from the expert retained for this particular litigation, directly infringed the '989 patent. Moreover, we are not persuaded by ACCO's assertion that Dr. Dornfeld's testimony combined with the ABA hang card provides substantial evidence of direct infringement. The record indicates that Belkin key lock users received instructions describing the noninfringing press-to-lock method and thus provides no basis for concluding that Belkin key lock users directly infringed the patent. Furthermore, Belkin did not provide the ABA hang card to purchasers.

Indeed, the district court found in its enhanced damages determination that there was “no evidence that Belkin knew of the hang card or was involved in its preparation.”

The lack of evidence of specific instances of direct infringement is further buttressed by Dr. Dornfeld's own testimony. When questioned about whether users other than himself used the lock in the infringing mode, Dr. Dornfeld had no opinion on that issue:

Q: Okay. Do you have any opinion as you sit here today on whether there are users other than yourself who operate the key lock in the alternate mode of operation?

A: I don't have any opinion on that, no.

* * *

Q: Now, it's true, isn't it, that you testified earlier in your deposition in this case that you are not aware of anyone else using the key lock in the alternate mode that you've proposed?

A: I didn't ask anybody if they did that, no. So I am not personally aware of anybody else doing it the way I do it.

Thus, based on the record before us, we find no evidence of direct infringement.

We are further unpersuaded by ACCO's reliance on *Hilgraeve Corp. v. Symantec Corp.*, 265 F.3d 1336 (Fed.Cir.2001), which states that an accused device may be found to infringe a product claim “if it is reasonably capable of satisfying the claim limitations, even though it may also be capable of non-infringing modes of operation.” *Id.* at 1343. That broad legal statement does not alter the requirement that ACCO must prove specific instances of direct infringement or that the accused device necessarily infringes the patent in suit, in order to sustain the jury verdict of induced infringement. Hypothetical instances of direct infringement are insufficient

to establish vicarious liability or indirect infringement. *See Dynacore*, 363 F.3d at 1274. Moreover, as we stated in *Dynacore*, “[t]he mere sale of a product capable of substantial non-infringing uses does not constitute indirect infringement of a patent.” *Id.* at 1275. Thus, ACCO's argument is unavailing.”

Fantasy Sports Properties v. Sportsline.com, 287 F.3d 1108 (Fed. Cir. 2002):

The contributory vs. direct infringement line was also determinative in *Fantasy Sports*.

Fantasy contends that the district court erroneously analyzed that product under a contributory infringement framework, arguing that under *Intel Corp. v. ITC*, 946 F.2d 821, 20 USPQ2d 1161 (Fed.Cir.1991), the Commissioner.com product directly infringes because it is capable of being configured to award bonus points when a player scores out of position. In support of that argument, Fantasy cites the declaration of Shanen Elliott, one of Fantasy's Product Specialists, who stated that he “was able to customize the ‘Commissioner.com’ football game to include essentially the same scoring system that is described in the [‘603] patent,” *i.e.*, a system that awards bonus points for unusual plays such as out-of-position scoring. SportsLine responds that the Commissioner.com product does not directly infringe because it is not a computerized fantasy football game operated by SportsLine, but rather is a modifiable software tool that enables subscribers to operate their own fantasy football leagues on customized internet web pages. SportsLine also argues that Fantasy failed to prove any underlying direct infringement that could serve as the basis for a determination that it contributorily infringes the ‘603 patent.

We conclude that the district court erred in granting summary judgment with respect to the Commissioner.com product because genuine issues of material fact exist as to whether that product infringes under the proper infringement analysis. Although we disagree with Fantasy's characterization of *Intel* as requiring a finding of infringement when a device is capable of being altered in an infringing manner, we nevertheless agree with Fantasy that the Commissioner.com product must be analyzed under a direct infringement framework.

Intel involved a claim to a memory chip in an integrated circuit having, *inter alia*, “programmable selection means for selecting [an] alternate addressing mode.” *Id.* at 831, 20 USPQ2d at 1170 (emphasis added). The defendant in *Intel* argued that even though its products could be modified to infringe that claim, the fact that those products were capable of infringing alone could not support a finding of infringement. *Id.* at 832, 20 USPQ2d at 1171. Although we concluded that the defendant's products did infringe, we explained our basis for doing so as follows: “Because *the language of claim 1* refers to ‘programmable selection means’ ... the accused device, to be infringing, need only be capable of operating in the page mode.” *Id.* (emphases added). *Intel* therefore does not stand for the proposition, as argued by Fantasy, that infringement may be based upon a finding that an accused product is merely capable of being modified in a manner that infringes the claims of a patent. See *High Tech Med. Instrumentation, Inc. v. New Image Indus., Inc.*, 49 F.3d 1551, 1555-56, 33 USPQ2d 2005, 2008-09 (Fed.Cir.1995) (distinguishing *Intel* and holding that the fact that the accused device could be altered in way that satisfies the claim term “rotatably coupled” did not *per se* justify a finding of infringement); see also *Telemac Cellular Corp. v. Topp Telecom, Inc.*, 247 F.3d 1316, 1330, 58 USPQ2d 1545, 1554 (Fed.Cir.2001) (“[T]hat a device is capable of being modified to operate in an infringing manner is not sufficient, by itself, to support a finding of infringement.”). Rather, as in every infringement analysis, the language of the claims, as well as the nature of the accused product, dictates whether an infringement has occurred.

In the present case, claim 1 is directed to “[a] computer for playing football,” and thus the claims of the ‘603 patent read on a computer executing fantasy football game software. Claim 1 also sets forth a number of functionally defined means that that software must contain, including a “means for scoring ... bonus points” for unusual scoring plays. Software is a set of instructions, known as code, that directs a computer to perform specified functions or operations. Thus, the software underlying a computer program that presents a user with the ability to select among a number of different options must be written in such a way as to enable the computer to carry out the functions defined by those options when they are selected by the user. Therefore, 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. Otherwise, the user would be required to alter the code to enable the computer to carry out those functions. Accordingly, in order to infringe the ' 603 patent, the code underlying an accused fantasy football game must be written in such a way as to enable a user of that software to utilize the function of awarding bonus points for unusual plays such as out-of-position scoring, without having to modify that code. In other words, an infringing software must include the "means for scoring ... bonus points" regardless whether that means is activated or utilized in any way.

SportsLine argues that the Commissioner.com product cannot directly infringe because it is not a "computer for playing football," as required by the claims. SportsLine contends that the district court properly found that the Commissioner.com product is a "modifiable software tool" that is "not a fantasy football game operated by SportsLine." *Fantasy II* at 11. We disagree. The record clearly demonstrates that the Commissioner.com product is software installed on a computer that enables a user to play fantasy football games over the Internet. Indeed, the web pages advertising the Commissioner.com product promote it as "a utility designed to run a head-to-head Fantasy Football League," and that "getting started is easy" in that a user may immediately begin playing fantasy football after performing a few simple steps. That material goes on to explain that "[a]fter you create your league web-site a simple Scoring Wizard will allow you to configure the many powerful options briefly described below." One of those options is the ability to have "*position-specific scoring*" by creating "different scoring configurations *for each position.*" (Emphases added.) Consequently, a user need only utilize the Scoring Wizard program, as demonstrated by Mr. Elliott's declaration, to play a fantasy football game that provides for the awarding of bonus points for out-of-position scoring, and thus that means is necessarily present in the software that operates the Commissioner.com product. We therefore conclude that no reasonable juror could find that the Commissioner.com product is not software installed on a "computer for playing football" that may directly infringe the ' 603 patent.

Typhoon Touch Techs. v. Dell, Inc., 2011 WL 5289603 (Fed. Cir. Nov. 4, 2011):

The patent claim in issue read:

12. A portable, *keyboardless*, computer comprising:

an input/output device for displaying inquiries on a touch-sensitive screen, said screen configured for entry of responses to said inquiries;

a memory for storing at least one data collection application configured to determine contents and formats of said inquiries displayed on said screen;

a processor coupled to said memory and said input/output device *for executing said data collection application*; and

an application generator for generating said data collection application and for creating different functional libraries relating to said contents and said formats displayed on said screen, said application generator further comprising *means for cross-referencing responses to said inquiries with possible responses from one of said libraries*; and

a run-time utility *operating in conjunction with said processor* to execute said application and said libraries to facilitate data collection operations.

From the opinion:

"The district court construed the claim clause "a memory for storing at least one data collection application configured to determine contents and formats of said inquiries displayed on said screen" as:

A memory that must perform the recited function (*i.e.*, storing a plurality of data collection applications, an operating system and data/ at least one data collection application/ data collection application and various libraries/ functional libraries/ a data collection application and an operating system).

Typhoon argues that the district court incorrectly included a "use" limitation in an apparatus claim, by requiring that the memory storing function "must" be performed. Typhoon directs attention to the statement in the specification that the invention is "an improved, portable, general purpose computer which permits facilitated data entry," '057 patent, col. 2 ll. 16-22, and that it suffices if the memory function is "permitted." Thus Typhoon states that it suffices if the memory is capable of being configured to store data collection applications, even if the memory is not so configured. Typhoon emphasizes that the claims are not method claims, and that it is irrelevant if the function is actually performed by the device, if the device can be programmed or configured to perform the function,

citing *Microprocessor Enhancement Corp. v. Texas Instruments, Inc.*, 520 F.3d 1367 (Fed.Cir.2008).

In *Microprocessor*, this court recognized that apparatus claims may appropriately use functional language. However, the court did not deal with the situation in which an apparatus does not perform the function stated in the claim unless the apparatus is specifically so programmed or configured. The court explained that the apparatus as provided must be “capable” of performing the recited function, not that it might later be modified to perform that function. See *id.* at 1375 (“[the claim] is clearly limited to a pipelined processor possessing the recited structure and capable of performing the recited functions”) (emphasis omitted). Similarly in *Fantasy Sports Props., Inc. v. Sportsline.com, Inc.*, 287 F.3d 1108, 1117–18 (Fed.Cir.2002), the court rejected “the proposition, as argued by Fantasy, that infringement may be based upon a finding that an accused product is merely capable of being modified in a manner that infringes the claims of a patent.” See also *Telemac Cellular Corp. v. Topp Telecom, Inc.*, 247 F.3d 1316, 1330 (Fed.Cir.2001) (“[T]hat a device is capable of being modified to operate in an infringing manner is not sufficient, by itself, to support a finding of infringement.”); *High Tech Med. Instrumentation, Inc. v. New Image Indus., Inc.*, 49 F.3d 1551, 1555–56 (Fed.Cir.1995) (the fact that the accused device could be altered in a way that satisfies the claim term did not lead to infringement).

The district court, in reviewing the specification, held that the “memory for storing” clause requires that the memory is actually programmed or configured to store the data collection application. . . .

No error of law or fact has been shown in the district court's construction of the “memory for storing” term as requiring that the memory function is present in the device in that the device is structured to store at least one data collection application.

Versata Software, Inc. v. SAP America, Inc., 2011 WL 4017952 (E.D. Tex. Sept. 9, 2011)

(denying JMOL):

“SAP next contends that each of Versata's “use” theories was legally insufficient to demonstrate direct infringement by SAP. The Court disagrees and finds that use is not required for there to be infringement of the '350 patent. SAP even admitted as much. (5/12 AM Tr. at

20:7–18 (Mercer: “Q. Mr. Batchelder pointed out to you a few times that use is not required for there to be infringement, right? A. Yes, he did.”); 5/12 AM Tr. at 62:10–23 (Mercer); 5/11 AM Tr. at 127:3–11 (Becker).) As the Federal Circuit held in *Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197, 1204–05 (Fed.Cir.2010), so long as the code was capable of operating in the claimed manner there was still infringement of the system and storage media claims even before those capabilities are unlocked. Accordingly, the Court finds that the jury had a sufficient evidentiary basis for finding that the 2011 Modified Product directly infringe the claims of the ‘350 patent.”

Phoenix Solutions v. West Interactive, 2010 WL 6032841 (C.D. Cal. Aug. 25, 2010), *aff’d*, ___ Fed. Appx. ___ (Fed. Cir. Nov. 9, 2011):

Even if VAD at the VRU resulted in an output that might be construed as “representative speech values,” it is clear that West does not perform VAD. Phoenix's expert Rosenberg testified in his declaration that the VRU from West's CLASS platform uses Dialogic telephony boards that have the ability to perform VAD prior to transmitting the data to the Recognition Server. See Rosenberg Decl. ¶¶ 28-29. During Rosenberg's deposition, however, he admitted that he had no knowledge or evidence as to whether the telephony boards in the West CLASS platform actually perform VAD. Rosenberg Dep. 74:17-21, 79:12-16. In contrast, West's expert Aaron Fisher testified that VAD is not, and has never been, enabled on the Dialogic telephony boards in the West CLASS platform. Fisher Decl. ¶¶ 9-10. Because Rosenberg's statements were shown to be unsupported by evidence and West's expert testified that the West CLASS platform was unable to perform VAD, there is no basis for the argument that West performs VAD.

Phoenix argues that it is not necessary for the West CLASS platform to actually perform VAD to infringe. Phoenix argues that the West CLASS platform merely needs to be capable of performing VAD in order for the Court to find infringement. Phoenix relies on *Intel Corp. v. United States Int'l Trade Comm'n* for the proposition that a device need only be capable of operating in an infringing manner to find that it infringes. 946 F.2d 821, 832 (Fed.Cir.1991). *Intel* must be distinguished, however, because the claim language was drawn towards the capability of the feature. In *Intel*, the disputed claim referred to

“programmable selection means.” *Id.* (emphasis added in *Intel*) Here, the claim is directed toward a “routine adapted to generate”, not a routine that is adapt *able* to generate.

’846 patent 38 :52. The West CLASS platform is not adapted to generate such values because it is not adapted to perform any VAD at the VRU. Furthermore, because the claim language uses “adapted” rather than adaptable, the claim language is not drawn towards capability. Further precedent of the Federal Circuit states that a finding “that a device is capable of being modified to operate in an infringing manner is not sufficient, by itself to support a finding of infringement.” *Telemac Cellular Corp. v. Topp Telecom, Inc.*, 247 F.3d 1316, 1330 (Fed.Cir.2001). A finding that the West CLASS platform could be modified to infringe is not sufficient to support a finding of infringement. The Court therefore need not reach the issue of the ease or difficulty of modifying the West CLASS platform. The law does not support the proposition that a device that is capable of operating differently or capable of being modified is infringing. Because there is no legal or evidentiary basis for a finding of infringement of claims 1 and 34 of the ’ 846 patent even after resolving reasonable factual inferences in favor of Phoenix, the Court **DENIES** Phoenix's motion for summary judgment of infringement.