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On Demand: Focusing The Patent Scope

Federal Circuit continues trend of defining scope by disclosures

By CHAD A. LANDMON

In its March 31, 2006 decision in *On Demand Machine Corp. v. Ingram Indus., Inc.*, the Federal Circuit continued its recent trend of limiting the scope of a patent by the disclosures set forth in the specification. Following the highly-publicized *en banc* decision in *Phillips v. AWH Corp.*, which attempted to clarify the process by which a court construes the claims of a patent, the *On Demand* court restricted the scope of the word “customer” in the claims at issue to the limited disclosures in the patent’s specification. While not novel, this trend at the Federal Circuit bears watching.

The patent at issue in *On Demand* covered a system and method for printing a single copy of a book at the site of sale after the “customer” provided computerized information about the book. Specifically, the asserted patent claimed a method by which: (1) a “customer” would visually review sales information; and (2) the text of a book would be printed in response to the “customer’s” selection. The patent holder sued, among other defendants, a printer who sold books that were ordered by wholesalers, publishers and retailers. Although the printer typically manufactured books in

batches, it sometimes printed single copies of certain books, delivering such books between one and fifteen days after the order was entered.

The district court adopted a broad, plain meaning of “customer,” finding that it meant “one who buys goods or services.”

Based upon this construction, a jury found infringement and awarded \$15M in compensatory damages.

The Federal Circuit reversed the district court, finding, among other things, that the district court’s construction of “customer” was too broad in light of the limited disclosures set forth in the specification. The court affirmed the directive set forth in *Phillips* that the specification should be given priority when construing claims.

Following *Phillips*, the court reasoned that, in light of the fact that the “role of the specification is to describe and enable the invention[,] . . . the claims cannot be of broader scope than the invention that is set forth in the specification.” Moreover, “when the scope of the invention is clearly stated in the specification, and is described as the advantage and distinction of the invention, it is not necessary [that the patent] disavow explicitly a different scope.”

Turning to the patent at issue, the court found that the specification repeatedly referred to the “customer” as the retail consumer. As such, “customer” could not be so broad as to “embrace the remote large-scale production of books for publishers and retailers,” which was

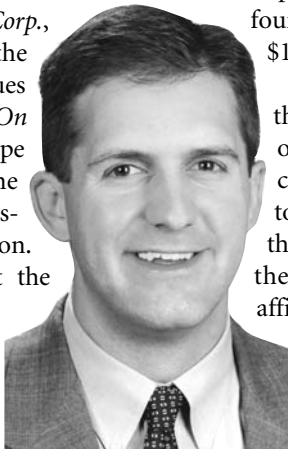
the activity the defendant engaged in.

Essential Elements

This is not to say that the scope of a patent is limited solely to the disclosed examples in the patent. On the contrary, the Federal Circuit has repeatedly cautioned against reading limitations from the disclosed embodiments into the claims.

That being said, the reasoning set forth in *On Demand* cannot be ignored. As seen in *Phillips* and other recent cases, the Federal Circuit has increasingly rejected a broad interpretation of claims, instead limiting the scope of the claims to the specification’s disclosures. This is particularly true where the specification highlights certain elements as being “essential” to the invention, or where the specification relies on certain narrow elements to distinguish the invention over the prior art. Accordingly, patent holders, potential infringers and their counsel need to be increasingly aware of this trend.

For example, during patent prosecution at the Patent & Trademark Office, patent applicants should be mindful of any claim limitations that are not supported by a broad disclosure in the specification. When evaluating the scope of an issued patent, both patent holders and potential infringers need to evaluate whether the broad, plain meaning of claim terms may be limited in scope by more narrow disclosures in the specification. No matter what situation a party finds itself in, it should not be assumed that a patent will be given a broad meaning—even if such meaning is plain and supported by numerous dictionary definitions—if the specification is not of a commensurate scope. ■



Chad A. Landmon is an associate at Axinn, Veltrop & Harkrider LLP, practicing in the field of patent and other intellectual property litigation and counseling, including FDA and antitrust aspects thereof.