

January 2015

JOURNAL OF INTELLECTUAL PROPERTY LAW

Collected Writings of Banner & Witcoff in 2014

service in that lawsuit is “OneCode Address Correction,” a free Post Office service that is good for senders of junk and bulk mail. Return Mail’s patent was also the subject of extensive previous PTO proceedings. The patent reissued, with all original claims canceled, and was re-examined too, at the request of the Post Office. The PTAB resolved to institute the CBM proceeding, in spite of past challenges to and changes in the patent.

Return Mail is in Alabama. It claims that it once employed 20 people, but now has 10, due to Post Office competition, and once attempted to work with and license the Post Office. http://blog.al.com/businessnews/2011/03/birmingham_return_mail_inc_su.html

The Return Mail patent is about handling mail that cannot be delivered. Return Mail started its business to take returned mail, search for new addresses to deliver it, and update databases of mail addresses for those who would buy this service. The patent claims a method in which envelopes have a code indicating whether the mail, if undelivered, will receive the effort to find a new address. The method of the patent is reading the code, finding a new address, and sending the new address to the sender, for any next mail to be sent. OneCode Address Correction works in a similar manner.

The central issue in CBM2014-00116, as might be guessed, is the application of the recent Supreme Court decision *Alice Corp. v. CLS Bank Int’l*. — it is the question of whether the Return Mail patent covers an invention that was even eligible to get patented.

Most worthy of attention is how the Post Office persuaded the PTAB to consider a patent on handling returned mail to be a fit for a CBM proceeding. As the PTAB opinion expressly says, a “‘covered business method patent’ is a patent that ‘claims a method or apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service’” – and that type of patent, *only*.

How is the handling of return mail a “financial product or service?” Says the Post Office, the patent includes subject matter that is financial in nature because it “provides a method for easing the administrative burdens of finance companies, mortgage companies, and credit card companies by making relaying updated mail address data more cost effective.” Says the PTAB, “we agree with USPS that” handling return mail for such companies “satisfies the ‘financial product or service’ component of the definition” of CBM patents.

It may be that the Post Office has to act strongly to protect its steady junk and bulk mail business, and thus had to create its argument ingenuously. It may matter to the PTAB agreement with the argument that Return Mail did “not dispute” that the patent subject matter “is financial in nature.” But a lesson of the institution of this CBM proceeding could surely be that the PTAB may not be limiting the definition of CBM patents to those patents that involve the actual manipulation of financial information.

By this example, a patent directed to activity as pedestrian and mundane as handling the mail is the “administration” of a “financial product or service” if the mundane activity is one in which financial companies engage — among the companies of possibly many other industries. As a result, owners of patents on subjects distant from acting on financial information should

consider whether CBM proceedings on their patents are in their future. Patents on subjects such as scheduling employee work days, taking and filling orders for meals in conference rooms, and efficiently taking out the trash, as examples, all cover activities of “finance companies, mortgage companies, and credit card companies.” Under the PTAB’s reasoning, patents with claims directed to such activities could be open to attack in a CBM.

The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly, Banner & Witcoff will offer weekly summaries of the board’s significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.



www.bannerwitcoff.com

© Copyright 2014 Banner & Witcoff, Ltd. All Rights Reserved. The opinions expressed in this publication are for the purpose of fostering productive discussions of legal issues and do not constitute the rendering of legal counseling or other professional services. No attorney-client relationship is created, nor is there any offer to provide legal services, by the publication and distribution of this edition of PTAB Highlights.



**PTAB Cracking Down on Serial IPR
Petitions**

Christopher L. McKee

Banner & Witcoff PTAB Highlights

November 4, 2014

BANNER&WITCOFF

PTAB HIGHLIGHTS

New developments in post-issuance proceedings

bannerwitcoff.com

PTAB Cracking Down on Serial IPR Petitions

By [Christopher L. McKee](#)

November 4, 2014 — The estoppels of 35 U.S.C. §315(e)(1) don't kick in to bar a petitioner from filing a second *inter partes* review petition against the same patent until a final written decision is rendered in the first. Hence, a practice has arisen where, in some instances, petitioners have filed a first petition and then a subsequent petition challenging the same claims on new or supplemented grounds. This typically occurs in the case of a first petition being denied, in part or in full.

35 U.S.C. §325(d) provides:

In determining whether to institute or order a proceeding under this chapter [post-grant review (PGR)], chapter 30 [*ex parte* reexamination] or chapter 31 [*inter partes* review (IPR)], the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.

Thus, it has been reasonably clear that an IPR petition had better raise substantially different prior art and arguments than any earlier petition against the same patent in order to stand a chance of being granted. Recent decisions, however, reflect the imposition of a further requirement by the Board. This additional requirement resembles the “reasonably could have raised” aspect of estoppel under 35 U.S.C. §315(e).

[IPR2014-00628 – Conopco, Inc. dba Unilever v. The Proctor & Gamble Company \(Paper 21\)](#)

In this recent decision, entered on October 20, 2014, the Board emphasized the discretionary nature of its decision to institute an IPR or not. Section 325(d) permits the Board, in the exercise

of its discretion, to take into account whether “substantially the same prior art or arguments were previously presented to the Office.” Worth noting here is that merely presenting different prior art may not be sufficient. If the new prior art is relied on in a similar manner as other prior art was before, it may be considered that the “argument” is substantially the same, and institution of an IPR may be denied upon this basis. Although the petition in *Unilever* presented new prior art, the Board determined that “the two petitions are based on ‘substantially the same’ argument; namely, that the prior art identifies, with anticipatory specificity, a cationic guar derivative having a molecular weight and charge density that meets the specified ranges,” an element of the claimed shampoo composition.¹

Perhaps even more notable, however, is the Board’s reluctance to grant a subsequent petition where the petitioner has not established that the newly relied upon prior art was not “known and available” to the petitioner when it filed its first IPR Petition. The Board in *Unilever* stated:

On this record, the interests of fairness, economy, and efficiency support declining review -- a result that discourages the filing of a first petition that holds back prior art for use in successive attacks, should the first petition be denied.

Regarding unfairness to the patent owner, the Board further noted: “P&G raises a legitimate concern that Unilever will continue to mount serial attacks against the ‘155 patent claims, until a ground is advanced that results in the institution of review.” Regarding economy and efficiency, the Board noted: “On this record, we are persuaded that our resources are better spent addressing matters other than Unilever’s second attempt to raise a plurality of duplicative grounds against the same patent claims.”

Similarly, in an earlier decision involving the same parties and the same panel, but a different patent, a factor leading to the Board’s denial of a second petition was that the petition “present[ed] no argument or evidence that ... seven newly cited references were not known or available ... at the time of filing of the [earlier] Petition.” *Unilever, Inc. dba Unilever v. The Proctor & Gamble Company*, IPR2014-00506 (paper 17, entered July 7, 2014). Significantly, the PTAB has designated this earlier decision “informational.”

The take away? IPR (and PGR/Covered Business Method (CBM) review) petitioners should not assume that a second opportunity will exist for pursuing a second review to assert additional prior art “known and available” at the time of the first petition filing. The safe assumption would be that, in general, prior art known and available at the time of a first petition, but not included in the first petition, is unlikely to form a successful basis of a second petition. In other words, petitioners who hold back prior art for use in a subsequent petition do so at significant risk. Where a subsequent petition is filed, it will be important for the petitioner to explain, to the

¹ The claimed shampoo composition included derivatives of guar, which is a gum. The derivatives are used in food, drugs, and cosmetics. Some of them can be cationic, meaning they have electrical charges they can transfer.

extent it can, that the prior art was not “known and available” at the time of filing the first petition, and to make clear that new prior art *and* arguments differ significantly from the prior art and arguments of any past petitions.

The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly, Banner & Witcoff will offer weekly summaries of the board’s significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.



www.bannerwitcoff.com

© Copyright 2014 Banner & Witcoff, Ltd. All Rights Reserved. The opinions expressed in this publication are for the purpose of fostering productive discussions of legal issues and do not constitute the rendering of legal counseling or other professional services. No attorney-client relationship is created, nor is there any offer to provide legal services, by the publication and distribution of this edition of PTAB Highlights.



**PTAB Refuses to Give Petitioner a
Second Chance to Articulate
Reasons for Invalidity**

Craig W. Kronenthal

Banner & Witcoff PTAB Highlights

November 10, 2014

BANNER&WITCOFF

PTAB HIGHLIGHTS

New developments in post-issuance proceedings

bannerwitcoff.com

PTAB Refuses to Give Petitioner a Second Chance to Articulate Reasons for Invalidity

By [Craig W. Kronenthal](#)

November 10, 2014 – In a decision denying institution of *inter partes* review, the PTAB executes its discretion under 35 U.S.C. § 325(d) to refuse to give a petitioner a second chance to provide invalidity arguments.

[IPR2014-01080 – Zimmer Holdings, Inc. and Zimmer, Inc. v. Bonutti Skeletal Innovations LLC \(Paper 17, October 31, 2014\)](#)

In a prior case, the petitioner filed a petition requesting *inter partes* review of several claims of a patent. The Board instituted *inter partes* review for all but one of the challenged claims. With respect to the excluded claim, the Board found that the petitioner did not demonstrate a reasonable likelihood of prevailing because the petitioner’s obviousness arguments merely addressed why the references would have been combined by asserting that the references are analogous art. In this case, the petitioner filed a second petition requesting *inter partes* review of the previously excluded claim and a motion seeking joinder of this case with the prior case.

In this case, the petitioner sought to remedy its insufficient arguments by providing additional reasoning to show obviousness. The Board noted that the asserted ground of unpatentability in this case is the same as that in the prior case. The Board also pointed out that the “Petitioner simply presents an argument now that it could have made in [the prior case], had it merely chosen to do so.” The Board characterized the request for this *inter partes* review as a request for “a second chance,” and rejected the petitioner’s policy argument that it was in the public’s interest to have the claim invalidated. Instead, the Board cited 37 C.F.R. § 42.1(b) (which emphasizes the goal of securing a “just, speedy, and inexpensive resolution of every

proceeding”) and explained that “permitting second chances...ties up the Board’s limited resources.” The Board then exercised its discretion to decline to institute *inter partes* review for the previously excluded claim under 35 U.S.C. § 325(d), which allows the Office to reject a request because “the same or substantially the same prior art or arguments previously were presented to the Office.”

The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly, Banner & Witcoff will offer weekly summaries of the board’s significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.



www.bannerwitcoff.com

© Copyright 2014 Banner & Witcoff, Ltd. All Rights Reserved. The opinions expressed in this publication are for the purpose of fostering productive discussions of legal issues and do not constitute the rendering of legal counseling or other professional services. No attorney-client relationship is created, nor is there any offer to provide legal services, by the publication and distribution of this edition of PTAB Highlights.



**PTAB Follows District Court's Claim
Construction**

Craig W. Kronenthal

Banner & Witcoff PTAB Highlights

November 10, 2014

BANNER&WITCOFF

PTAB HIGHLIGHTS

New developments in post-issuance proceedings

bannerwitcoff.com

PTAB Follows District Court's Claim Construction

By [Craig W. Kronenthal](#)

November 10, 2014 – In construing a term in a claim of an expired patent, the PTAB followed the district court in adopting the petitioner's proposed construction.

[IPR2014-00694 – Visa Inc. v. Leon Stambler \(Paper 10, October 31, 2014\)](#)

The petitioner filed a petition requesting *inter partes* review of an expired patent. In its petition, the petitioner proposed a construction for a particular claim term. In its preliminary response, the patent owner contested this construction and offered a different construction for the same term. The Board noted that its review of claims in an expired patent is similar to that of a district court's review where claims are construed to give words their ordinary and customary meaning as opposed to construing claims under the broadest reasonable interpretation standard typically applied by the Patent Office for unexpired patents.

After briefly identifying portions of the specification related to the disputed claim term, the Board turned to the claim constructions of the disputed term by district courts. The Board acknowledged that the District Court for the Eastern District of Texas adopted the construction proposed by the petitioner and that other district courts had adopted similar constructions for the disputed term. These district court decisions seemed to heavily influence the Board's decision to adopt the petitioner's proposed claim construction for purposes of deciding whether to institute *inter partes* review. Although the Board followed the district court in accepting the petitioner's proposal, the Board ultimately declined to institute the *inter partes* review.

The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office's Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly,

Banner & Witcoff will offer weekly summaries of the board's significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.



www.bannerwitcoff.com

© Copyright 2014 Banner & Witcoff, Ltd. All Rights Reserved. The opinions expressed in this publication are for the purpose of fostering productive discussions of legal issues and do not constitute the rendering of legal counseling or other professional services. No attorney-client relationship is created, nor is there any offer to provide legal services, by the publication and distribution of this edition of PTAB Highlights.



**Don't Forget Indefiniteness as a
Ground for Invalidation in a CBM
Patent Review**

H. Wayne Porter

Banner & Witcoff PTAB Highlights

December 19, 2014

BANNER&WITCOFF

PTAB HIGHLIGHTS

New developments in post-issuance proceedings

bannerwitcoff.com

Don't Forget Indefiniteness as a Ground for Invalidation in a CBM Patent Review

By [H. Wayne Porter](#)

December 19, 2014 – The PTAB recently instituted a covered business method patent review (CBM) based on grounds that include asserted indefiniteness under 35 U.S.C. § 112, second paragraph.

[CBM2014-001146 – DealerSocket, Inc. v. AutoAlert, Inc.](#)

A CBM, which is authorized under Section 18(a) of the America Invents Act, allows a party sued for (or charged with) infringement of a “covered business method” patent to file a petition with the USPTO asking the Patent Trial and Appeal Board (PTAB) to invalidate one or more claims. Unlike an *Inter Partes* Review (IPR), which limits validity challenges to those based on a certain subset of prior art (i.e., patents and printed publications), a CBM allows validity challenges on numerous bases. For example, patentability under 35 U.S.C. § 101 has been raised in numerous CBMs, particularly in view of the June 2014 Supreme Court decision in *Alice Corp. v. CLS Bank Int'l*, 134 S. Ct. 2347.

Another ground that can be raised in a CBM, and that was also the subject of a recent Supreme Court decision, is indefiniteness under 35 U.S.C. § 112, second paragraph. In its June 2014 decision in *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120, 2124, the Court held that a claim is indefinite if its language, when “read in light of the specification delineating the patent, and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention.” In a December 9, 2014, decision to institute a CBM, the PTAB cited this standard and found that certain claims of U.S. Patent 8,086,529 are more likely than not indefinite.

The '529 patent relates to methods associated with vehicle financing. Relevant portions of claim 1 are as follows:

A method comprising:

automatically accessing . . . at least a portion of first financial terms that a customer has for a first vehicle and first vehicle information;

automatically accessing . . . at least a portion of second vehicle information for a second vehicle and second financial terms available to the customer for the second vehicle . . .

determining . . . whether . . . changed information *may affect whether it is favorable* for the customer to replace a first vehicle and first financial terms with a second vehicle and second financial terms. . . [italics added]

The PTAB found the petitioner established that the italicized language was, more likely than not, indefinite. The PTAB noted that the phrase includes two terms of degree: “may affect” and “favorable.” With regard to “may affect,” the PTAB stated that the ‘529 specification provides no objective standard to determine the boundary between “affect” and “may affect,” further noting that “[w]hat one regards as ‘may affect’ may not be so for another, particularly if that which is affected is itself subjective, such as a favorability determination.” With regard to “favorable,” the PTAB noted that “a particular customer may consider that it is *favorable* to have a new car and a lower monthly payment, whereas a different customer may view such a financial term as *unfavorable* because his or her obligation to make the monthly payments would be extended for many years” (italics in original).

Of course, the PTAB decision is only a determination that trial will go forward. The petitioner will still have to prove that the claims at issue are indefinite, and trial was also instituted on other grounds (i.e., claims directed to ineligible subject matter under 35 U.S.C. § 101, lack of written description under 35 U.S.C. § 112, first paragraph). However, the decision is a notable example of how a CBM can offer a wider range of validity challenge options than an IPR.

The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly, Banner & Witcoff will offer weekly summaries of the board’s significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.



www.bannerwitcoff.com

© Copyright 2014 Banner & Witcoff, Ltd. All Rights Reserved. The opinions expressed in this publication are for the purpose of fostering productive discussions of legal issues and do not constitute the rendering of legal counseling or other professional services. No attorney-client relationship is created, nor is there any offer to provide legal services, by the publication and distribution of this edition of PTAB Highlights.

PROSECUTION



Functional Claiming

Bradley C. Wright

***9th Annual Advanced Patent Law
Institute***

January 23-24, 2014

Presented:
9th ANNUAL ADVANCED PATENT LAW INSTITUTE

JANUARY 23-24, 2014
ALEXANDRIA, VA

FUNCTIONAL CLAIMING

Bradley C. Wright

Author contact information:
Bradley C. Wright
BANNER & WITCOFF, LTD
1100 13th Street, N.W.
Washington, DC 20005
www.bannerwitcoff.com

bwright@bannerwitcoff.com
202-824-3160

FUNCTIONAL CLAIMING

The term “functional claiming” encompasses two distinct concepts under U.S. patent law. The first is expressly provided for by statute – specifically, 35 U.S.C. § 112(f)¹ – which provides that an element in a claim may be expressed as a means or step for performing a specified function without reciting structure in the claim. This so-called “means plus function” claiming has, over the years, lost favor as courts have applied increasingly narrow interpretations to such claims and have imposed increasing burdens on the use of such claims.² But “functional claiming” also refers more generally to claiming parts of an invention by what they do (their functions), rather than reciting their structure. This paper is primarily concerned with the latter method of claiming.

Beyond the requirements for novelty and nonobviousness, the patent statute requires that inventions be claimed in such a way as to be supported and enabled by the written description of the invention.³ It also requires that inventions be claimed with particularity.⁴ Nothing in the patent statute prohibits an invention from being claimed using “functional” language. But a review of the case law suggests that the use of so-called “functional” language in a patent claim may increase the likelihood that the claim will be held unpatentable or invalid. Consider the following hypothetical claim:

Claim 1: An apparatus configured to:
receive a satellite signal;
process the signal to detect a synchronization indicator;
extract the synchronization indicator; and
display the synchronization indicator on a display device.

Why would anyone want to draft such a patent claim? The natural reason is that it is exceedingly broad in scope.⁵ This claim, if granted, would apparently cover any and every apparatus that is “configured to” perform the functions recited in the body of the claim. It would be exceedingly difficult to design around such a claim unless the functions of the accused device were different from those recited in the claim. Yet the validity or scope of such a claim -- and similarly “functional” claims -- might be subject to attack on a number of grounds, each of which is discussed separately below.

¹ References to the patent statute are to the version enacted by the Leahy-Smith America Invents Act of 2011.

² See, e.g., *Drafting Patents for Litigation and Licensing* 2d ed., Bloomberg BNA (Bradley C. Wright, editor-in-chief), Chapter 2 § III.E (Pitfalls of Means-Plus-Function Claims).

³ 35 U.S.C. § 112(a).

⁴ 35 U.S.C. § 112(b).

⁵ Another reason to claim inventions “functionally” is that there may be no easy way to claim certain features based on their structure.

**I. Failure of Enablement or Written Description –
Scope of Claim Exceeds Scope of Disclosure**

A first line of attack would be to challenge the validity of the hypothetical claim on the basis that it is not fully enabled, or that it lacks sufficient written description support in the specification. Because the hypothetical claim purports to include every type of apparatus that performs the recited functions, its breadth is likely not commensurate in scope with the scope of the structures disclosed in the specification for performing such functions. In *LizardTech, Inc. v. Earth Resource Mapping, Inc.*,⁶ the Federal Circuit held that a patent claim was invalid on the basis that it was broader than was enabled by or described in the patent specification.⁷

LizardTech's patent specification repeatedly described a compression process as "seamless," and the prosecution history also emphasized that it was "seamless." According to the Federal Circuit, the specification only described a single way of performing a "seamless" compression, but that single way was not recited in the claim at issue. The court stated that "a person of skill in the art would not understand how to make a seamless DWT generically and would not understand LizardTech to have invented a method for making a seamless DWT, except by 'maintaining updating sums of DWT coefficients,'"⁸ a feature that was not recited in the claim. Therefore, the claim was held to be invalid because the full breadth of the claim scope was not enabled.

Judge Bryson, writing for the court, drew an analogy to claiming an automobile engine:

By analogy, suppose that an inventor created a particular fuel-efficient automobile engine and described the engine in such detail in the specification that a person of ordinary skill in the art would be able to build the engine. Although the specification would meet the requirements of section 112 with respect to a claim directed to that particular engine, it would not necessarily support a broad claim to every possible type of fuel-efficient engine, no matter how different in structure or operation from the inventor's engine. The single embodiment would support such a generic claim only if the specification would "reasonably convey to a person skilled in the art that [the inventor] had possession of the claimed subject matter at the time of filing" . . . and would "enable one of ordinary skill to practice 'the full scope of the claimed invention.'"⁹

The Federal Circuit invalidated a claim based on a similar rationale in *National Recovery Technologies, Inc. v. Magnetic Separation Systems, Inc.*¹⁰ As explained by the

⁶ 424 F.3d 1336 (Fed. Cir. 2005).

⁷ The court concluded that neither requirement was met. *Id.* at 1345.

⁸ *Id.* at 1345.

⁹ 424 F.3d at 1346.

¹⁰ 166 F.3d 1190 (Fed. Cir. 1999).

court, “The case before us presents a classic example of a claim that is broader than the enablement as taught in the specification.”¹¹

And in *Automotive Technologies International v. BMW of North America*,¹² a means-plus-function claim limitation that was asserted to cover both a mechanical sensor and an electronic sensor was held to be invalid because “the full scope [of the claim] must be enabled, and the district court was correct that the specification did not enable the full scope of the invention because it did not enable electronic side impact sensors.”¹³ Although the patent specification provided a detailed description of a mechanical sensor, it provided only a cursory description of an electronic sensor, thus dooming the claim.

Given that the patent system was created to promote innovation by encouraging the disclosure of useful inventions to the public and promoting progress in the arts, the policy of invalidating “overly broad” claims would appear to further the goals of the patent system. If an inventor is able to develop a drug that cures cancer, for example, it seems unthinkable that he or she should be able to claim the drug by merely reciting “A drug having a composition that cures cancer.”¹⁴ Such a broad claim, if upheld, would clearly stifle further innovation in the field of cancer research. Patent applicants therefore should be mindful of overreaching by claiming an invention using nothing more than functional language.¹⁵

II. Indefiniteness: Improper Mixing of Statutory Invention Categories

A second possible attack on the hypothetical claim would be to allege that it is indefinite because it improperly mixes two statutory categories of invention – a machine (apparatus) and a method (process steps). More specifically, the preamble purports to define the statutory category of the invention as an apparatus, but the body of the claim recites only functions or steps.

The Federal Circuit invalidated a claim on that basis in *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*¹⁶ A dependent claim that recited “the system of claim 2 wherein . . . *the user uses the input means* to either change the predicted transaction information or accept the displayed transaction type and transaction parameters” was held to be indefinite and thus

¹¹ *Id.* at 1196.

¹² 501 F.3d 1274 (Fed. Cir. 2007).

¹³ *Id.* at 1282.

¹⁴ *See, e.g.,* Glaxo Wellcome, Inc. v. Eon Labs Mfg, 2002 WL 1874830 (S.D.N.Y. 2002) (unpublished) (invalidating a claim for a pharmaceutical drug, “[T]he claim defines the invention by the results achieved, rather than by the invention’s structure or ingredients. The structure by which the invention achieves sustained release at the claimed release rates is explained neither in the claim nor by plaintiff’s expert.”)

¹⁵ *See also,* Boston Scientific Corp. v. Johnson & Johnson, 674 F.3d 1353, 1366 (Fed. Cir. 2011) (“Although it is true that functional claim language can meet the written description requirement when there is an established correlation between structure and function, Appellants fail to establish any such correlation.”); Billups-Rothenberg, Inc. v. Associated Regional and Univ. Pathologists, Inc., 642 F.3d 1031, 1037 (Fed. Cir. 2011) (“[T]he ‘681 patent contains only functional, not structural, characteristics of the predicted mutations.”); Ariad Pharm., Inc. v. Eli Lilly and Co., 598 F.3d 1336, 1350 (Fed. Cir. 2011) (“We have also held that functional claim language can meet the written description requirement when the art has established a correlation between structure and function.”)

¹⁶ 430 F.3d 1377 (Fed. Cir. 2005).