

IN THE RECENT CASE OF *KARA TECHNOLOGY INCORPORATED v. STAMPS.COM*, THE U.S. COURT OF APPEALS FOR THE FEDERAL CIRCUIT RELIED ON INTRINSIC EVIDENCE TO BROADLY INTERPRET A CLAIM

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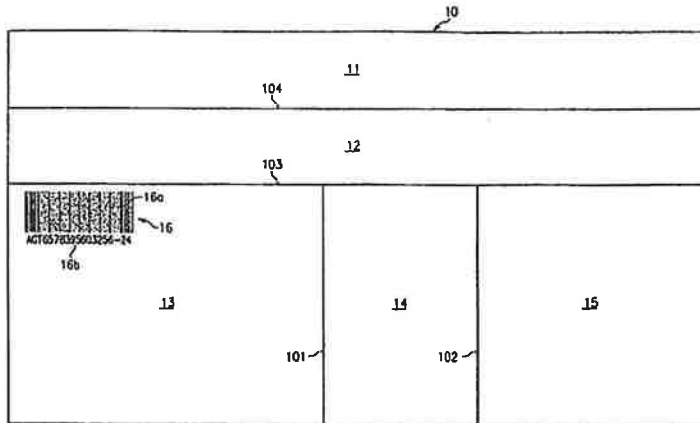


FIGURE 1

U.S. PAT. NOS. 6,505,179 and 6,735,575

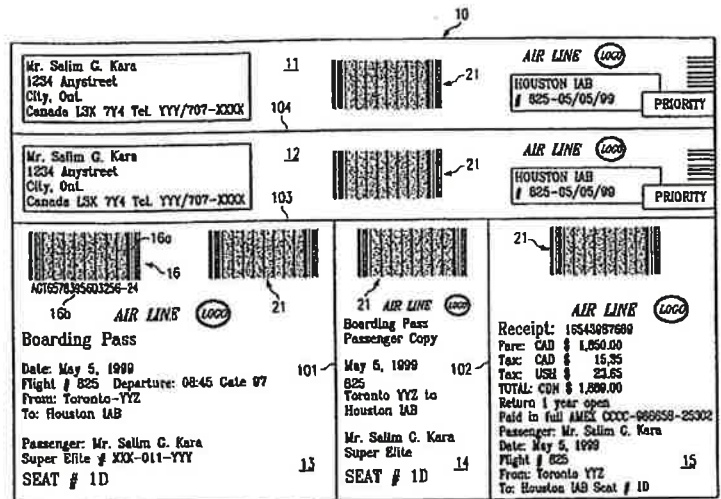


FIGURE 2

U.S. PAT. NOS. 6,505,179 and 6,735,575

Patent Owner: Kara Technology Incorporated. The '179 and '575 patents are directed to a technology that allows a customer to print a document (e.g., a stamp or an airline ticket; Fig. 2 above) at home by using a pre-printed label sheet (Fig. 1 above) containing secured data.

Alleged Infringer: Stamps.com Inc.

Representative Claim: Claim 36 of the '179 patent, in pertinent part:

36. A method for establishing the validity of a display created by a non-secure printer, said method comprising the steps of:

placing in said printer paper upon which information may be created, said paper containing preestablished data which is unique to said paper;

communicating at least a portion of said preestablished data to a location independent from said printer, said independent location operable to send to said printer a security indicia, as part of a human readable display, said security indicia created in part by information contained in said preestablished media data and whereby said security indicia is validatable at a subsequent time partially under control of data contained in said preestablished paper data... . [Emphasis added.]

Issue: Whether the patent claim is interpreted to include a “key contained in a pre-established data” necessary to create and validate the secured data on the document?

If the patent claim is interpreted to include a “key” (e.g., cryptographic key), there is no infringement because the Stamps.com’s devices do not include such a “key.” On the other hand, if the patent claim is interpreted not to include such a “key,” there is infringement because the Stamps.com’s devices contain information (such as, serial numbers) that are used to create and validate the security indicia, as called for in the patent claim.

Decisions: After the district court’s *Markman* Order interpreting certain relevant patent terms, the trial proceeded before a jury. The jury found that the relevant patent claims required a “key,” whereas Stamp.com’s devices did not include such a claimed key. The jury therefore found non-infringement in favor of Stamps.com Inc.

The Court of Appeals for the Federal Circuit (C.A.F.C.) reasoned that the district court erred in interpreting the relevant claims, and thus vacated the jury’s holding of infringement. According to the C.A.F.C., the patent claims did not require a “key, and certainly not a cryptographic key,” and declined to read such a limitation in its interpretation of the claims. The claims “simply contain information that will be used to create the security indicia,” whereas Stamps.com’s devices “contain serial numbers that are used at least in part to create and partially validate the security indicia.”

Analysis

The C.A.F.C. looked at the intrinsic evidence (i.e., patent claims and specification) in interpreting the relevant claims. With respect to the claims, the court found that: “when the inventor wanted to restrict the claims to require the use of a key, he did so explicitly. None of the claims at issue on appeal recited the term “key.” By contrast, all of the other independent claims require either an “encryption key” or “data key.” (Emphasis added.)

As to the specification, the C.A.F.C. held as follows:

In the only detailed embodiments in the patent, the key is embedded in the preestablished data. ... This is not enough, however, to limit the patentee’s clear, broader claims. The claim language read in the context of the specification does not require that a key be contained in the preestablished data, the patentee did not act as his own lexicographer or disavow claim scope. It is the claims that define the metes and bounds of the patentee’s invention. See Corning Glass Works v. Sumitomo Elec. U.S.C., Inc., 868 F.2d 1251, 1257 (Fed. Cir. 1989). The claims, not specification embodiments, define the scope of patent protection. The patentee is entitled to the full scope of his claims, and we will not limit him to his preferred embodiment or import a limitation from the specification into the claims. [Emphasis added.]

As to its reliance on extrinsic evidence (in this case, expert testimonies) in interpreting the claim language, the C.A.F.C. minimized the effect of this evidence by noting that both parties naturally had competing expert testimonies. “When construing claims, however, the intrinsic evidence and particularly the claim language are the primary sources. We have held that extrinsic evidence such as expert testimony is ‘less significant than the intrinsic record in determining the legally operative meaning of claims language.’ [Citation omitted.] While helpful, extrinsic sources like expert testimony cannot overcome more persuasive intrinsic evidence.”

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