

ALERT

Federal Circuit Patent Bulletin: *Elcommerce.com, Inc. v. SAP AG*

February 25, 2014

"Without evidence, ordinarily neither the district court nor this court can decide whether, for a specific function, the description in the specification is adequate from the viewpoint of a person of ordinary skill in the field of the invention. We do not of course hold that expert testimony will always be needed for every situation; but we do hold that there is no Federal Circuit or other prohibition on such expertise."

On February 24, 2014, in *Elcommerce.com, Inc. v. SAP AG*, the U.S. Court of Appeals for the Federal Circuit (Newman,* Plager, Wallach) inter alia vacated and remanded the district court's summary judgment that U.S. Patent No. 6,947,903, which related to a system and method of monitoring a supply chain of components in order to coordinate and stabilize the supply of components from various producers, was invalid for indefiniteness under 35 U.S.C. §112 ¶2. The Federal Circuit stated:

"All one needs to do in order to obtain the benefit of that claiming device [§112 ¶6] is to recite some structure corresponding to the means in the specification, as the statute states, so that one can readily ascertain what the claim means and comply with the particularity requirement of ¶2." Precedent elaborates that "[u]nder 35 U.S.C. § 112 ¶2 and ¶6, therefore, 'a means-plus-function clause is indefinite if a person of ordinary skill in the art would be unable to recognize the structure in the specification and associate it with the corresponding function in the claim.'" "The amount of detail that must be included in the specification depends on the subject matter that is described and its role in the invention as a whole, in view of the existing knowledge in the field of the invention." . . .

SAP did not present evidence regarding the knowledge of persons of skill in the field of the invention. The district court received no evidence on whether such persons would "know and understand what structure corresponds to the means limitation." However, "[w]hether a patent adequately sets forth structure corresponding to a claimed function necessitates consideration of the disclosure of the specification from the viewpoint of one skilled in the art." This viewpoint was withheld from the district court.

The burden was on SAP to prove by clear and convincing evidence that a person of ordinary skill in the field of the invention would be unable to recognize supporting structure and acts in the written description and associate it with the corresponding function in the claim. While "the person of ordinary skill in the art" is a legal construct, like "the reasonable man," and claim construction is ultimately a matter for the judges, it cannot be assumed that judges are persons of ordinary skill in all technological arts.

Nor can it be assumed that, without evidence, a general purpose judge could ascertain the position of persons of skill in the art and conclude that there is not a shred of support for any of the eleven interrelated means-plus-function claim limitations, as argued by SAP. The district court rightly was concerned about what a person of skill in the art might make of the lengthy written description and flow-charts and the multiple claimed functions. The judge repeatedly asked for evidence of what such a person would understand in this particular setting. Instead of evidence, SAP submitted only attorney argument.

The district court accepted SAP's position that no external evidence was "required" and could be relied upon to show how a person of ordinary skill would understand the descriptive text and flowcharts and diagrams in the patent. However, the adequacy of a particular description is a case-specific conclusion, not an all-purpose rule of law. Findings as to what is known, what is understood, and what is sufficient, must be based on evidence. Without evidence, ordinarily neither the district court nor this court can decide whether, for a specific function, the description in the specification is adequate from the viewpoint of a person of ordinary skill in the field of the invention. We do not of course hold that expert testimony will always be needed for every situation; but we do hold that there is no Federal Circuit or other prohibition on such expertise. The district court persistently asked for evidence and was given none. Without more SAP cannot overcome the presumption of patent validity. We conclude that the district court erred in granting summary judgment without a proper evidentiary basis for its conclusion. The burden was on SAP to prove its case, and in the absence of evidence provided by technical experts who meet the Daubert criteria there is a failure of proof. Attorney argument is not evidence. We vacate the district court's rulings on the system claims, and remand for application of appropriate evidentiary standards and judicial procedures.