



TECHNOLOGY LAW UPDATE

*Network Commerce,
Inc.
v.
Microsoft Corp.*

No. 04-1445

Federal Circuit
Sept. 8, 2005

There is no requirement that the district court construe the claims at any particular time, and thus the parties are under an obligation to conduct discovery without the benefit of the district court's construction.

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On September 8, 2005, the Federal Circuit affirmed the district court's summary judgment that Microsoft did not infringe U.S. Patent No. 6,073,124, which related to buying software or audio files over a computer network. The Federal Circuit stated:

Network Commerce argues that Microsoft's website teaches how to direct a user to a webpage where Windows Media Player may be downloaded, and that if Media Player were downloaded in response to a request for electronic content, this would constitute infringement. It is not enough that Windows Media Player alone is downloaded; it must be coupled with a metafile because on its own Windows Media Player does not make requests. There was no evidence that Windows Media Player was downloaded in response to a request for electronic content, much less evidence that Windows Media Player and metafiles were downloaded together in the required combination. Summary judgment was proper because Network Commerce cannot prove infringement without such evidence.

Network Commerce next argues that the district court erred in granting summary judgment of non-infringement under the doctrine of equivalents because metafiles are equivalent to the claimed device. [T]he district court rejected Network Commerce's equivalents argument and held that "[i]ncluding a metafile as an equivalent to the download component would eliminate the requirement that a download component include an executable file or program." We need not reach the claim vitiation issue in this case. The evidence supporting Network Commerce's argument that metafiles, independent of Windows Media Player, infringe under the doctrine of equivalents does not raise a genuine issue of material fact. . . . The expert declaration and other evidence relied on by Network Commerce supporting infringement by equivalents are generalized and do not provide particularized testimony and linking argument on a limitation-by-limitation basis. [T]he evidence did not raise a genuine issue of material fact. . . .

Finally Network Commerce contends that the district court abused its discretion by denying Network Commerce a continuance to conduct further discovery under Rule 56(f) of the Federal Rules of Civil Procedure. [In the Ninth Circuit,] "the denial of a Rule 56(f) application is generally disfavored where the party opposing summary judgment makes (a) a timely application which (b) specifically identifies (c) relevant information, (d) where there is some basis for believing that the information sought actually exists."

Network Commerce requested additional discovery on a number of issues, the most significant of which was whether Microsoft or its customers downloaded Windows Media Player to users in response to requests for electronic data. While [t]he district court could not properly fault Network Commerce for delay in filing the Rule 56(f) motion during the bankruptcy proceeding, [t]he district court was correct that Network Commerce had adequate time to conduct discovery before declaring bankruptcy. Network Commerce had nearly 11 months to conduct discovery before it declared bankruptcy. There is no requirement that the district court construe the claims at any particular time, and thus the parties are under an obligation to conduct discovery without the benefit of the district court's construction. The district court did not abuse its discretion by denying Network Commerce's request for additional discovery under Rule 56(f).