

**Net MoneyIN, Inc. v. VeriSign, Inc.**

No. 07-1565, Fed. Cir. (Linn,\* Clevenger, Moore)

***[U]nless a reference discloses within the four corners of the document not only all of the limitations claimed but also all of the limitations arranged or combined in the same way as recited in the claim, it cannot be said to prove prior invention of the thing claimed and, thus, cannot anticipate under 35 U.S.C. § 102.***

On October 20, 2008, the Federal Circuit, inter alia, affirmed-in-part the district court's summary judgment that certain claims of U.S. Patents No. 5,822,737 and No. 5,963,917, which related to security systems for Internet credit card transaction processing, were invalid under 35 U.S.C. § 112 ¶ 2 as lacking corresponding structure, and reversed the portion of the judgment finding claim 23 of the '737 patent invalid as anticipated under 35 U.S.C. § 102(a) by a 1995 working document entitled "Internet Keyed Payments Protocol ("the iKP reference") that the Internet Engineering Task Force and IBM published. The Federal Circuit stated:

Claim 23 of the '737 patent recites an Internet payment system comprising five "links" . . . . The district court, after finding all five of these links in the iKP reference, albeit in two separate disclosed examples, concluded that claim 23 was anticipated under 35 U.S.C. § 102(a) and therefore invalid. Specifically, the district court concluded: All of the limitations of claim 23 can be found within the iKP reference. A simple combination would produce the system described in claim 23 of the '737 patent. That no specific example within iKP contains all five links does not preclude a finding of anticipation. . . .

Section 102(a) provides that an issued patent is invalid if "the invention [therein] was . . . described in a printed publication . . . before the invention thereof by the applicant." Section 102 embodies the concept of novelty—if a device or process has been previously invented (and disclosed to the public), then it is not new, and therefore the claimed invention is "anticipated" by the prior invention. [T]o demonstrate anticipation, the proponent must show "that the four corners of a single, prior art document describe every element of the claimed invention." This statement embodies the requirement in section 102 that the anticipating invention be "described in a printed publication," and is, of course, unimpeachable. But it does not tell the whole story. Because the hallmark of anticipation is prior invention, the prior art reference—in order to anticipate under 35 U.S.C. § 102—must not only disclose all elements of the claim within the four corners of the document, but must also disclose those elements "arranged as in the claim."

The meaning of the expression "arranged as in the claim" is readily understood in relation to claims drawn to things such as ingredients mixed in some claimed order. In such instances, a reference that discloses all of the claimed ingredients, but not in the order claimed, would not anticipate, because the reference would be missing any disclosure of the limitations of the claimed invention "arranged as in the claim." But the "arranged as in the claim" requirement is not limited to such a narrow set of "order of limitations" claims. Rather, our precedent informs that

the “arranged as in the claim” requirement applies to all claims and refers to the need for an anticipatory reference to show all of the limitations of the claims arranged or combined in the same way as recited in the claims, not merely in a particular order. The test is thus more accurately understood to mean “arranged or combined in the same way as in the claim.” [U]nless a reference discloses within the four corners of the document not only all of the limitations claimed but also all of the limitations arranged or combined in the same way as recited in the claim, it cannot be said to prove prior invention of the thing claimed and, thus, cannot anticipate under 35 U.S.C. § 102.

Here, the iKP reference discloses two separate protocols for processing an Internet credit card transaction. Neither of these protocols contains all five links arranged or combined in the same way as claimed in the '737 patent. Thus, although the iKP reference might anticipate a claim directed to either of the two protocols disclosed, it cannot anticipate the system of claim 23. The district court was wrong to conclude otherwise.

The district court was also wrong to combine parts of the separate protocols shown in the iKP reference in concluding that claim 23 was anticipated. Granted, there may be only slight differences between the protocols disclosed in the iKP reference and the system of claim 23. But differences between the prior art reference and a claimed invention, however slight, invoke the question of obviousness, not anticipation. Thus, it is not enough that the prior art reference discloses part of the claimed invention, which an ordinary artisan might supplement to make the whole, or that it includes multiple, distinct teachings that the artisan might somehow combine to achieve the claimed invention.

Because the parties do not contend that the iKP reference discloses all of the limitations recited in claim 1 arranged or combined in the same way as in the claim, and because it was error for the district court to find anticipation by combining different parts of the separate protocols in the iKP reference simply because they were found within the four corners of the document, we reverse the district court’s grant of summary judgment of invalidity.

*The previous statements are for information purposes only, and do not constitute legal advice. Questions regarding the matters discussed above, and any requests to be subscribed to the free electronic distribution of this publication, may be directed to Lawrence M. Sung, Ph.D., at +1 202.346.7850 or lsung@dl.com, or to any other Dewey & LeBoeuf LLP attorney with whom you regularly consult.*

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