

## Netcraft Corp. v. eBay, Inc.

No. 08-1263, Fed. Cir. (Bryson, Linn, Prost\*)

***[While there may be] no “general rule that any use of ‘the present invention’ in the specification automatically limits the claims, [such a construction can be proper where the] specification’s repeated use of the phrase “the present invention” describes the invention as a whole, [and] the prosecution history does not warrant a contrary result.***

On December 9, 2008, the Federal Circuit affirmed the district court’s summary judgment that eBay and PayPal did not infringe U.S. Patents No. 6,351,739 and No. 6,976,008, which related to internet billing methods. The Federal Circuit stated:

With respect to the claim language, Netcraft argues that the ordinary meaning of “communications link” is much broader than the district court’s construction, and that neither the claim language nor ordinary meaning supports including a requirement that the third party must provide internet access. Defendants respond that the actual phrase construed by the district court was “providing a communications link through equipment of the third party,” not simply “communications link,” and that read in light of the specification this phrase must include a requirement that the third party provide internet access.

The asserted claims themselves do not expressly indicate whether “providing a communications link through equipment of the third party” requires that the third party provide internet access. Indeed, the term “communications link” is never used in the parent ’221 Patent or the common specification of the asserted patents. While the lay meaning of “communications link” standing alone may be broader than “internet access,” we are not construing this term standing alone. In order to properly determine the ordinary meaning of the entire phrase at issue in this case, we must consider the claim terms in light of the entire patent. As explained further below, based on a reading of the common specification in its entirety, along with the cited prosecution history, we conclude that the claim limitation “providing a communications link through equipment of the third party” requires providing customers with internet access. . . .

Netcraft argues that there is no “general rule that any use of ‘the present invention’ in the specification automatically limits the claims, as Defendants seem to believe.” We agree with Netcraft that use of the phrase “the present invention” does not “automatically” limit the meaning of claim terms in all circumstances, and that such language must be read in the context of the entire specification and prosecution history.

[H]owever, we agree with the district court that the common specification’s repeated use of the phrase “the present invention” describes the invention as a whole, [and] that the prosecution history does not warrant a contrary result. [Indeed,] Netcraft’s arguments on this point [illustrate the] underlying problem with its claim construction position: the common specification, including the

Abstract, consistently describes the invention in terms of a third party providing internet access to customers.

While Netcraft concedes that “the third party in the [asserted] patents’ detailed examples is an Internet access provider,” it claims that other embodiments do not require that the third party provide customers with internet access. . . . Netcraft claims that the difference in language between Fig. 2, step 12, and Fig. 3, step 22, “expressly demonstrates that the invention does not require providing Internet access to the customer.” We disagree.

There is no language in the specification, much less express language, indicating that the words “Customer Connects to Internet” used in Fig. 3, step 22, were meant to disclose an alternative embodiment not requiring that the third party provide internet access to customers. In fact, there are other differences between Figs. 2 and 3, including steps 11 and 21 respectively, which more clearly differentiate the two methods. Additionally, we note that the specification appears to describe the methods shown in Figs. 2 and 3 in context of the system illustrated in Fig. 1. In that context, while the specification indicates that certain vendors may access the internet directly using their own equipment, the only way for customers to access the internet is through the equipment of the provider. Accordingly, we reject Netcraft’s arguments that the specification includes additional embodiments that do not involve the provision of internet access to customers by the third party.

[W]e agree with the district court that the claims read in light of the entire specification indicate that “providing a communications link through equipment of the third party” requires providing customers with internet access. [In addition, we] have considered the cited prosecution history and conclude that it lacks the clarity of the specification regarding the meaning of the claim terms at issue here, thus rendering it less useful for claim construction purposes. [T]he portions of the prosecution history cited by the parties are not particularly helpful to either party’s claim construction position. Thus, while we agree with Netcraft that the district court should have considered the prosecution history, its failure to do so was harmless error here because we reach the same result having considered it.

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