

Keywords: claim construction, inducing infringement (35 § U.S.C. § 271(b)), laches, inventorship, inequitable conduct, invalidity

General: Patentee appeals from summary judgment finding on the issue of infringement in defendant's favor. Defendant appeals from summary judgment findings on the issues of laches, inequitable conduct, invalidity, and inventorship in patentee's favor.

Symantec Corp. v. Computer Associates Int'l, Inc.
86 U.S.P.Q.2d 1449 (Fed. Cir. 2008)
Decided April 11, 2008

I. Facts

The present case generally revolves around the alleged infringement of U.S. Patent No. 5,318,776 by Computer Associates ("CA"). This case marks the third time that the '776 patent has been involved in an appeal before the Federal Circuit.

The '776 patent issued with claims 1-20 on June 7, 1994, and was assigned to Hilgraeve Corporation. The '776 is generally directed towards methods for scanning for computer viruses in data being downloaded to a computer. In 1999, Hilgraeve sued McAfee, Inc., in the Eastern District of Michigan (*Hilgraeve I*), alleging infringement of the '776 patent by McAfee's VirusScan™ software. The district court granted summary judgment of non-infringement to McAfee, and Hilgraeve appealed. During the appeal, the Federal Circuit affirmed the district court's interpretation of the claim term "storage," which the district court construed as:

"...when the incoming digital data is sufficiently present on the destination storage medium, *and accessible by the operating system or other programs*, so that any viruses in the data can spread and infect the computer system."

In 2000, Hilgraeve filed a second lawsuit in the Eastern District of Michigan (*Hilgraeve II*), against Symantec Corporation, alleging infringement of the '776 patent by Symantec's Norton Antivirus™ and pcAnywhere™ products. The district court granted summary judgment of non-infringement in favor of Symantec, and Hilgraeve appealed to the Federal Circuit once again. On appeal, Hilgraeve challenged the district court's interpretation of the term "storage," which differed from the district court's interpretation in *Hilgraeve I* in that the *Hilgraeve II* interpretation it did not include the phrase "*accessible by the operating system or other programs*." The Federal Circuit agreed with Hilgraeve, adopted the original *Hilgraeve I* interpretation of the term "storage," and rejected the district court's *Hilgraeve II* interpretation. Following the appeal, Symantec settled its dispute with Hilgraeve, part of which involved Symantec purchasing Hilgraeve's interest in the '776 patent. This is evidenced by an assignment of the '776 patent to Symantec recorded in the Patent Office in August 2003. Prior to the assignment, however, Hilgraeve had already filed a third action in the same district court against CA. The district court substituted Symantec as the plaintiff.

The third suit, which is the focus of this case, alleges infringement of the '776 patent by CA, who sells a number of antivirus software products. In particular, the suit alleged that CA's EAV, ARCserve, and Gateway products infringe claims 1-20 of the '776 patent. In response, CA asserted affirmative defenses and counterclaims for invalidity based on prior art (35 U.S.C. §§ 102, 103), invalidity under 35 U.S.C. § 256 for failing to name an alleged co-inventor, non-infringement, unenforceability due to inequitable conduct, and laches.

Following a *Markman* claim construction hearing, in which several key claim terms were construed, the district court granted summary judgment to CA of non-infringement with regard to the EAV and

ARCserve products. The Gateway product was not addressed because the parties stipulated as to non-infringement based on the district court's claim construction. The district court further granted summary judgment in Symantec's favor regarding the issues of invalidity under 35 U.S.C. §§ 102 and 103, CA's defense of laches, inequitable conduct, and invalidity for failing to name a joint inventor, Levin. Symantec appealed and CA/Levin cross-appealed.

II. Issues

- A. Was the district court's construction of certain claim terms proper?
- B. Did the district court err in granting summary judgment of non-infringement with regard to CA's EAV products?
- C. Did the district court err in granting summary judgment in favor of Symantec on the issue of invalidity under 35 U.S.C. § 256 for failure to name a joint inventor?

III. Discussion

- A. No. In particular, the Federal Circuit found the district court's construction and interpretation of three crucial terms to be improper. This issue is particularly noteworthy because the district court's finding of non-infringement for CA was largely based on these interpretations.

1. "A method of screening data as it is being transferred"

This phrase is recited in the preamble of independent claim 1 of the '776 patent. In the lower court ruling, the district court determined this term meant "while data is being moved or copied, but before it is stored in a computer readable medium." The district court also concluded that this term constituted a limitation in the preamble. The district court reasoned this because it was believed that this term was separately added in order to overcome prior art during the prosecution of the '776 patent. However, upon review on appeal, this notion turns out to have been erroneous. The terms "as it is being transferred" and "prior to storage" were amended into the preamble and the body of the claim at the same time, respectively, to overcome the same prior art. That is, the incorporation of the phrase "as it is being transferred" does not have its own independent significance.

Further, contrary to CA's assertions, the Federal Circuit noted that although different terms are generally assumed to have different meanings in the body of the claim, the same is not true for terms in the preamble. In particular, the Federal Circuit stated that it is generally assumed that the preamble language is duplicative of language found in the body, absent some indication otherwise (e.g., in the specification, prosecution history, etc.) and, therefore, different language or differently phrased terms, such as the terms "as it is being transferred" and "prior to storage," could be assumed to have the same meaning. Here, the Federal Circuit, revisiting its earlier interpretation of the term "storage" as meaning "being accessible to an operating system or to other computer programs," reasoned that "as it is being transferred" could only mean that virus scanning occurs *before* the scanned data is accessible by an operating system or other computer programs."

Thus, the Federal Circuit held that the term "as it is being transferred" was not a separate limitation, but synonymous with the term "prior to storage." Accordingly, the Federal Circuit also rejected the district court's interpretation of "as it is being transferred" in favor of its earlier interpretation of "prior to storage."

2. “computer” and “computer system”

The district court interpreted “computer” and “computer system” to mean a *single* workstation or a personal computer. CA’s Gateway product requires more than one computer system. In reaching this conclusion, the district court noted that the preferred embodiment disclosed in the specification of the ’776 patent utilized a single computer. Based on this interpretation, the parties stipulated non-infringement with regard to CA’s Gateway products.

On review, the Federal Circuit held that the district court’s interpretation unduly limited the scope of these claim terms. In particular, the Federal Circuit, citing *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005), noted that although the preferred embodiment disclosed in the specification describes a single computer, nothing in the specification of the ’776 patent limits the invention to the preferred embodiment. The Federal Circuit also relied on several dictionaries which supported Symantec’s position that “system” could include more than one hardware unit, and thus multiple computers.

Accordingly, the Federal Circuit remanded to the district court the issue of infringement with regard to CA’s Gateway product in view of the above revised interpretation of “computer system.”

3. “destination storage medium”

The district court interpreted the term “destination storage medium” to mean a computer storage medium that is the target of the transfer of data. Essentially, the district court, relying on its erroneous interpretation of “computer system” as being limited to a single standalone computer, interpreted the “destination storage medium” to be limited to a hard drive within the standalone computer (“computer system”).

Thus, because the interpretation of computer system was found to be improper on appeal, as discussed above, the Federal Circuit noted that the destination storage medium could be expanded to encompass storage media operating *outside* of a computer, such as floppy drives, external hard drives, USB flash/thumb drives, etc.

- B. Yes. The district court erred in granting summary judgment of non-infringement with regard to CA’s EAV products. Claim 1 of the ’776 recites, *inter alia*, causing a quantity of digital data resident on a source storage medium to be transferred to the computer system having a destination storage medium. During the prior proceedings, the parties did not dispute that CA’s EAV products did not perform the above recited step of causing digital data to be transferred. In particular, one issue that was before the district court pertained to the issue of inducing infringement under 35 U.S.C. § 271(b).

The EAV product is designed to work in conjunction with programs capable of downloading data, such as an internet browser. Thus, the EAV product performs the act of scanning, while the downloading program performs the act of downloading. Symantec argued that CA induced its customers to infringe by promoting and marketing the EAV product to be used in an infringing manner when run concurrently alongside downloading software. The district court rejected this argument based on the ground that Symantec failed to show that any third party directly infringed the ’776 patent using the EAV product. On review, the Federal Circuit restated the standard for a showing of inducing infringement under 35 U.S.C. § 271(b), which

provides that the patentee must show, first, that direct infringement has occurred, and second, that the alleged infringer *knowingly induced infringement and possessed specific intent to encourage another's infringement*. In particular, the Federal Circuit noted that it is not enough just to intend to cause the acts that result in direct infringement. Rather, there must have been a specific affirmative intent by the inducer to cause direct infringement. *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293 (Fed. Cir. 2006).

Applying these standards to the facts, the Federal Circuit found that a genuine issue of material fact existed with regard to whether CA induced infringement through its EAV software. That is, it was not simply the case that the EAV software could be used to infringe the '776 patent claims, but that the EAV software could *only* be used in an infringing manner. The Federal Circuit's conclusion is further reinforced by various passages in the user manual for the EAV software, which generally states that the internet is the greatest source for computer virus infections, and that the EAV software was particularly designed to be used in conjunction with internet browsers. Based on these findings, the Federal Circuit remanded the issue of infringement by the EAV software back to the district court for a determination with regard to the issue of "specific intent."

- C. No. The district court did not err in finding that there was insufficient evidence supporting Levin's claim of inventorship in the '776 patent. To support his claim of being a co-inventor, Levin offered a page from a day planner dated February 12, 1990, belonging to Matthew Gray, an inventor on the '776 patent. In particular, the day planner contained notes regarding a telephone conversation between Levin and Gray. However, the district court determined that the notes in the planner indicate, at best, that Gray and Levin merely discussed the state of the art during this phone conversation. Levin's only other "evidence" is based on the allegation that there was little evidence supporting Gray's conception of the invention and, therefore, he (Levin) must have played a role in the conception. The district court also rejected this argument because although Gray was a marketing professional in the industry with limited technical expertise, the same was not true of the listed co-inventors, Hile and Wakelin.

In reviewing this issue on appeal, the Federal Circuit noted that in order to prove co-inventorship, the alleged co-inventor must prove his contribution to the conception of the claims by clear and convincing evidence. *See Ethicon, Inc. v. U.S. Surgical Corp.*, 135 F.3d 1456, 1461 (Fed. Cir. 1998). In order to satisfy the clear and convincing evidence standard, the Federal Circuit noted that self-testimony alone is insufficient. Corroboration of the testimony, such as in the form of records made contemporaneously with the inventive process or via testimony from someone other than the alleged inventor, is required. *See Genstar-TV Guide Int'l, Inc. v. Int'l Trade Commission*, 383 F.3d 1352 (Fed. Cir. 2004). Accordingly, based on the limited corroboration offered by Levin, the Federal Circuit found that there was insufficient evidence to establish that Levin was a co-inventor on the '776 patent.