

## FEDERAL CIRCUIT PATENT LAW CASE UPDATE

Default Proof Credit Card Sys. v. Home Depot, 05-1069 (Fed. Cir. June 16, 2005) (Michel, J.)

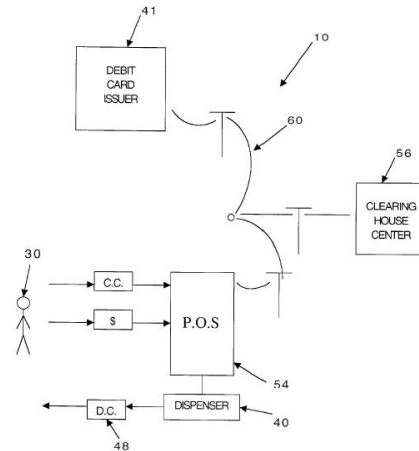
The court affirmed the district court's determination that Default Proof's claim in its patent for a system for dispensing prepaid debit cards was invalid for failure to supply sufficient clearly linked structure for the means for dispensing §112, ¶6 limitation. The structure could not exist separate from the point of sale (POS) terminal, and under this condition the court found the specification lacking.

Default Proof owns U.S. Pat. No. 6,405,182, entitled "System for Dispensing Prepaid Debit Cards Through Point-of-Sale [POS] Terminals." The district court found the patent invalid for failure to disclose sufficient structure to support a §112, ¶6 limitation.

The court noted the patent's brevity: "The specification of the '182 patent consists of two figures and three columns of text."

As an initial matter, the parties agree, and the district court properly determined, that the "means for dispensing" limitation falls within § 112, ¶ 6. The parties also do not challenge the district court's identification of the claimed function as "distributing or dealing out debit cards to debit card purchasers." The sole issue on appeal is whether the district court correctly determined that the specification of the '182 patent fails to disclose any structure corresponding to the claimed function. . . .

To meet the definiteness requirement, structure disclosed in the specification must be clearly linked to and capable of performing the function claimed by the means-plus-function limitation. The only structure in the '182 patent associated with the function of distributing debit cards is the "dispenser" shown in Figure 1. The specification describes the "dispenser" as "loaded with three or more stacks of debit cards with a digital storage number 46 wherein a unique identifying serial number has been recorded, and identifies [sic] 48." '182 patent at col. 2, ll. 32-35. No other structural aspects of the "dispenser" are disclosed. Default Proof does not appear to argue that the term "dispenser" constitutes the corresponding structure. Instead, Default Proof asserts that "certain specific parts" of the POS terminal correspond to the



distributing function. This argument fails for two reasons. First, the specification fails to clearly link the POS terminal, or any part thereof, to the distributing function. Second, the specification fails to describe any parts of the POS terminal capable of dispensing debit cards. . . . The inquiry under § 112, ¶ 2, does not turn on whether a patentee has "incorporated by reference" material into the specification relating to structure, but instead asks first "whether structure is described in specification, and, if so, whether one skilled in the art would identify the structure from that description." . . . In sum, while it is true that the patentee need not disclose details of structures well known in the art, see *Atmel*, 259 F.3d at 1371, the specification must nonetheless disclose some structure. Stated differently, the testimony of one of ordinary skill in the art cannot supplant the total absence of structure from the specification. Because the specification of the '182 patent discloses no structure corresponding to the claimed function of the "means for dispensing," Default Proof cannot use the declaration of its expert to rewrite the patent's specification.

