

United States District Court,  
C.D. California, Southern Division.

**REHRIG PACIFIC COMPANY, a Delaware corporation,**  
Plaintiff/Counter-Defendant.

v.

**NORSEMAN PLASTICS LIMITED INC., an Ontario corporation,**  
Defendant/ Counterclaimant.

No. SACV 03-00470-JVS (AJWx)

**Sept. 30, 2003.**

Named Expert: James R. Brueggemann

Ernie L. Brooks, Mark A. Cantor, Robert C. Brandenburg, Brooks & Kushman, Southfield, MI, Mark B. Mizrahi, Belasco Jacobs & Townsley, Los Angeles, CA, for Plaintiff.

David Cotta, William J. Speranza, Wiggin & Dana, Stamford, CT, Mitchell B. Stein, Silver & Freedman, Los Angeles, CA, for Defendant.

## **ORDER RE CROSS MOTIONS FOR SUMMARY JUDGMENT**

**JAMES V. SELNA, District Judge.**

Norseman Plastics Limited ("Norseman") and Rehrig Pacific Company ("Rehrig") present a series of Motions for Summary Judgment putting in issue Rehrig's claims that various Norseman products, plastic crates, infringe certain patents which Rehrig holds and Norseman's affirmative defenses to those claims.

### **I. General Principles.**

Certain general principles run through these Motions and are set forth at the outset. First, in analyzing an infringement claim, this Court must first determine the meaning and scope of the Claims at issue, and then compare the properly construed Claims with the accused product or method. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 984 (Fed.Cir.1995) ( *en banc* ), *aff'd*, 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996). Second, although numerous claims are allegedly infringed, including dependent claims, the Court focuses on the independent Claims because dependent claims cannot be infringed unless the independent Claim is infringed. *Wahpeton Canvas Co. v. Frontier, Inc.*, 870 F.2d 1546, 1552 n. 9 (Fed.Cir.1989).

The determination of whether a design patent Claim has been infringed requires, as with utility patents, a two-step process. First, the Claim must be properly construed to determine its meaning and scope. *Markman*, 52 F.3d at 976. A design patent protects the nonfunctional aspects of an ornamental design as shown in the patent. *Keystone Retaining Wall Sys., Inc. v. Westrock, Inc.*, 997 F.2d 1444, 1450

(Fed.Cir.1993). Second, the Claim must be compared to the design of the accused device. *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1577 (Fed.Cir.1995). In this second step, two tests are employed to compare the Claim to the accused device. First, the patented and accused designs are compared for overall visual similarity in the eye of the ordinary observer. *Gorham Co. v. White*, 14 Wall. 511, 81 U.S. 511, 20 L.Ed. 731 (1871). A patent owner "must establish that an ordinary person would be deceived by reason of the common features in the claimed and accused designs which are ornamental." *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 825 (Fed.Cir.1992). The second stage of comparison requires a determination of whether the accused design has appropriated the patented design's novel ornamental features. *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423 (Fed.Cir.1984).

Analysis of means-functions Claims under 35 U.S.C. s. 112 para. 6 has two steps. First, the Court must determine the function claimed, and then identify the structure disclosed in the specification that performs the function. However, that is not the end of the inquiry since the scope of the Claim includes "structures expressly disclosed in the specification *and their equivalents*." *Symbol Technology, Inc. v. Opticon*, 935 F.2d 1569, 1575 (Fed.Cir.1991) (emphasis supplied). In the context of 35 U.S.C. s. 112 para. 6, the notion of an equivalent is narrower than one might find under the general doctrine of equivalents, and is restricted to "those means that are 'equivalent' to the actual means shown in the patent specification." *Warner-Jenkins Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17, 27, 117 S.Ct. 1040, 137 L.Ed.2d 146 (1997).

The Court also finds it necessary to resolve an issue regarding the evidentiary burden facing the party asserting infringement by the doctrine of equivalents at the summary judgment stage. In order to prove infringement under the doctrine of equivalents, a patentee must show that the accused device performs substantially the same function in substantially the same way to achieve substantially the same result as the accused device. *Graver Tank v. Linde Air Products, Co.*, 339 U.S. 605, 70 S.Ct. 854, 94 L.Ed. 1097 (1950). The parties supplemental briefs raise the issue of whether or not the decisions in *Lear Siegler Inc. v. Sealy Mattress Co.*, 873 F.2d 1422 (Fed.Cir.1989), and *Malta v. Shulmerich Carillons, Inc.*, 952 F.2d 1320 (Fed.Cir.1991), require separate particularized testimony and linking argument for each *Graver Tank* element at the summary judgment stage as well as at trial. Rehrig's contention that the *Lear Siegler* particularized testimony and linking argument requirement is limited to jury trials and therefore does not apply at the summary judgment stage is without merit. FN1 The purpose of summary judgment is to determine whether the claimant has proffered sufficient evidence to prevail at trial. Fed.R.Civ.P. 56. The summary judgment procedure necessarily uses the evidentiary standard that will be used at trial as a reference point. The Supreme Court has mandated that the "judge must view the evidence presented through the prism of the substantive evidentiary burden .... The question here is whether a jury could reasonably find either that the plaintiff proved his case by the quality or quantity of evidence required by the governing law or whether he did not." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 254-55, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986). The Court therefore applies the particularized testimony and linking argument requirements of *Lear Siegler* to this case. As such, the Court concludes that it cannot find infringement by equivalence by simply comparing the accused product with the claim limitations without the existence of particularized testimony and linking argument to show separately that the accused product performs the same function, in the same way and to produce the same result as the particular element cited in the claim.

FN1. Rehrig points to one case, *Oil Stop, Inc. v. Vikoma Int'l Ltd .*, 1993 U.S. Dist. LEXIS 14849 (E.D.La.1993), specifically holding that the plaintiff satisfied his burden on summary judgment with respect to the doctrine of equivalents without particularized testimony and linking argument as to each of the *Graver Tank* elements. The *Oil Stop* court found a genuine issue of factual dispute simply by comparing the structure of the disputed product with the claim limitations. Norseman contends that the *Lear Siegler*

requirements apply to the summary judgment stage of any case that will proceed to jury trial rather than having limited application to evidentiary arguments made in front of the jury. The Court finds Norseman's argument persuasive and that these standards apply where the substantive evidentiary burden includes a question concerning what a reasonable jury might find. This finding is supported by the Federal Circuit's statement that the purpose of the *Lear Siegler* and *Malta* requirements is to prevent the jury from being "more or less put to sea without guiding charts to call upon to determine infringement under the doctrine." *Malta*, 952 F.2d at 1324. The Court believes that the *Oil Stop* decision does not satisfy the *Lear Siegler* requirements, is not persuasive, and is outweighed by contrary authority.

## **II. Norseman's Motion for Summary Judgment that Norseman's NPL 400 Does not Infringe Patent No. 4,978,002**

Norseman moves for summary judgment with respect to Rehrig's claim that the Norseman's NPL 400 beverage crate ("NPL 400") infringes Rehrig's U.S. Patent No. 4,978,002 ("002 patent"). The Motion is granted. FN2

FN2. As a preliminary matter, the Court rules on NPL's objection to portions of the Apps Declaration which set forth expert opinion (para. para. 9-11). Apps was not disclosed as an expert as required by Rule 26(a)(2)(A) of the Federal Rules of Civil Procedure and this Court's scheduling order of April 11, 2003. The objection is well taken, and the self-executing sanctions provision of Rule 37(c)(1) preclude considering Apps' expert opinions. Paragraphs 9-11 of the Apps Declaration are stricken.

The focus of the Motion is Claim 31. Although Rehrig alleges infringement of Claims 32, 37, and 38, these Claims are dependent on Claim 31, and cannot be infringed unless the independent Claim, Claim 31, is infringed. Claim 31 provides in part:

31. A cross-stacking low depth case for retaining and transporting bottles comprising:

four outer side walls forming a rectangular outer shell ...

a plurality of supporting means for supporting outer surfaces of bottles, generally disposed within said outer shell and each supporting means have at least one bottle supporting surface

...

wherein a first of said plurality of bottle supporting means is disposed about the center line of the length of the case and includes a portion *extending above the height of a top surface of a first of said side walls* ....

(Emphasis supplied.) Norseman argues that the NPL 400 does not infringe because the sides of supporting columns are not convex, and no portion of the supporting structure on the NPL 400 extends above the surface of the side wall.

### **A. Bottle Supporting Means-Concave Sides.**

The Court must construe the phrase "bottle supporting means" to determine if Claim 31 is restricted to concaved sides for the supporting structure. In support of its position, Norseman notes that all of the figures

in the '002 patent show curved sides ( *E.g.*, '002 Patent, Figures 1, 15.). Moreover, the description of the preferred embodiment refers to "alternating curved surfaces and ... alternating flat surfaces." ('002 Patent, col. 5, lines 55-67.) Norsemen argues that the plain meaning of "supporting means" would exclude flat or convex surfaces. *Alpex Computer Corp. v. Nintendo Co., Ltd.*, 102 F.3d 1214 (Fed.Cir.1996). To further bolster its position, Norseman argues that an estoppel arises out of the prosecution of the parent patent. There Rehrig had distinguished prior art which disclosed "tangential contact between a bottle and a portion of the separating posts" whereas Rehrig's Claims reflected side walls "curved substantially to conform to the shape of bottles to be retained and transported." (Speranza Declaration, Ex. 3, pp. 26-27; internal quotes deleted.)

The Court does not agree that the term "bottle supporting means" is limited to concave sides. The Court finds that it is appropriate to analyze the Claim under the "means-plus-function" scheme under 35 U.S.C. s. 112 para. 6. This has two immediate consequences. First, the analysis cannot to create an open-ended scope. *Smith Industries Medical Systems, Inc. v. Vital Signs*, 183 F.3d 1347, 1357-58 (Fed.Cir.1999). Indeed, the function of the statue is to narrow the scope of a "means" claim. *Al- Site Corp. v. VSI International*, 174 F.3d 1308, 1320 (Fed.Cir.1999). Second, the claims differentiation doctrine is inapplicable. FN3 *Laitram Corp. v. Rexnord, Inc.*, 939 F.2d 1538 (Fed.Cir.1991).

FN3. Rehrig argues that since Claim 31 does not mention curved surfaces, and Claim 35 does, under the claims differentiation doctrine, one must infer that Claim 31, the independent Claim here, is broader than the limitations in Claim 35, a dependent Claim. *Amgen, Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1326 (Fed.Cir.2003).

In accordance with 35 U.S.C. s. 35 para. 6, the Court must determine the function claimed, and the structure disclosed in the specification that performs the function. The Court construes the function to be supporting bottles, and the means is a series of columns. The specification makes clear that concave surfaces are part of the scheme. ('002 Patent, col. 4, ll. 2-9.)

The NPL 400 uses flat non-curved surfaces as well as concave surfaces with protruding bumps to achieve the same stabilizing surfaces which is supplied by the concave surfaces illustrated in and discussed in the '002 patent's specification. Accordingly, the NPL 400 infringes Claim 31 of the '002 patent.

The Court finds that Norseman's has not established a prosecution estoppel. The statements in the parent application on which Norseman relies relate to different Claims which in fact contain the concavity limitation. *Medtronic, Inc. v. Advanced Cardiovascular*, 248 F.3d 1303, 1315 (Fed.Cir.2001); *Al- Site Corp. v. VSI International, Inc.*, 174 F.3d at 1322-23.

### ***B. Bottle Supporting Means-Extension Above Sidewall.***

The Court must construe the phrase "bottle supporting means [which] includes a portion extending above the height of a top surface." The Court construes this term to mean all structural elements to the columns which support the bottles. The Court does not construe the term to include every element of the crate which may exceed the height of the side of the crate.

So construing the term, the Court finds that the NPL 400 does not infringe on Claim 31. The columnar supports in the NPL 400 are all below the level of the sidewall. The only elements above the sidewall are

the toothed crowns which allow for interlocking stacked crates and inhibit a customer from using an overturned crate as a flat surface. The toothed crowns do not come into contact with the bottles, and thus do not support the bottles, nor are the tooth crowns integral to the columns. The tooth crowns are no more integral to the columns in the NPL 400 than the pair of tipping devices positioned in the middle of the center column of the version of the Rehrig device illustrated in the '002 patent.

In view of the Court finding that Norseman does not infringe the claim element requiring "bottle supporting means [which] includes a portion extending above the height of a top surface," the Motion for Summary Judgment is granted.

### **III. Norseman's Motion for Summary Judgment that Norseman's NPL 403 Does not Infringe Patent No. 5,465,843 or 5,855,277**

Norseman moves for summary judgment with respect to Rehrig's claim that the NPL 403 infringes U.S. Patent No. 5,465,843 ("843 patent") and U.S. Patent No. 5,855,277 ("277 Patent"). The Motion is granted. FN4

FN4. As a preliminary matter, the Court rules on Norseman's motion to strike the "Expert Report of James R. Brueggemann" as evidence. The Brueggemann Report was submitted pursuant to Federal Rule of Civil Procedure 26(a)(2)(B) and essentially applies claim construction principles and infringement analysis to the case at bar. The Court finds that the Brueggemann Report does not meet the standards of Federal Rule of Evidence 702 in providing "scientific, technical or other specialized knowledge [that] will assist the trier of fact to understand the evidence or to determine a fact in issue ...." Fed.R.Evid. 702. An experienced patent attorney may certainly testify if that patent attorney qualifies as an expert in a technical field, or may clarify the language of the claim with the view of one skilled in the art. Here, the Court finds that the Brueggemann Report functions as a reiteration of the Rehrig's legal arguments. The Court disregards the Report and finds that it is due no weight.

#### **A. '843 Patent**

The '843 patent is entitled "Nestable Display Crate for Bottles or the Like." The patent contains 20 Claims. Rehrig alleges that the NPL 403 infringes Claims 1-5, 12, and 20. Claims 1 and 12 are the only independent claims at issue. Because Claim 12 is essentially identical to Claim 1 in all relevant aspects, the Court sets forth only the relevant part of Claim 1:

1. A crate for containers, the crate having a floor and a wall structure integral with the floor, the floor having a floor top surface and floor bottom surface, the floor top surface having thereon a plurality of support areas for supporting an array of containers, the wall structure integral with the floor and extending around the periphery thereof, the improvement comprising:

*a lower wall portion adjacent and integral with the floor, wherein said lower wall portion is of double-walled construction and includes an interior lower wall portion and an exterior lower wall portion connected by a top surface; and*

*a plurality of tapered pylons extending up from the floor and beyond the top of said lower wall portion, said pylons spaced along the periphery of the floor and defining spaces therebetween through which containers loaded in said crate are visible, and wherein the interior surfaces of said pylons are integral with said*

*interior lower wall portion* and the exterior surfaces of said pylons are integral with said exterior lower wall portion. (Emphasis supplied.)

## B. '277 Patent

The '277 patent derives from the application of the '843 patent as a "continuation-in-part" thereof. The '277 patent contains five Claims, all asserted as infringed by the NPL 403 crate. Claims 1 and 3 are the only independent claims. Claim 1 reads as follows:

1. A crate for containers, the crate having a floor and a wall structure integral with the floor, the floor having a floor top surface and floor bottom surface, the floor top surface having thereon a plurality of support areas for supporting an array of containers, the wall structure integral with the floor and extending around the periphery thereof, said wall structure comprising opposing sidewalls and endwalls, comprising:

a lower wall portion adjacent and integral with the floor, *wherein said lower wall portion is of double-walled construction and includes an interior lower wall portion and an exterior lower wall portion;*

a plurality of tapered pylons extending up from the floor and beyond the top of said lower wall portion, said pylons spaced along the periphery of the floor and defining spaces therebetween through which containers loaded in said crate are visible, *wherein the interior surfaces of said pylons are integral with said interior lower wall portion* and the exterior surfaces of said pylons are integral with said exterior lower wall portion, and wherein said pylons are angled toward the portion thereof so as to allow said pylons to nest onto corresponding pylons in a similar empty crate therebeneath, said pylons further comprising corner pylons disposed at the corners of said crate, and end pylons disposed along the endwall of said crate;

*a handle structure integrally formed with and extending between adjacent ones of said end pylons, said handle structure extending over more than one support area on each of the endwalls of said crate, the top of said handle structure being flush with the tops of the end pylons in order to provide sufficient clearance for a user's hands to comfortably grasp said handle structure.* (Emphasis supplied).

Claim 3 reads in relevant part:

3. In a crate for containers, the crate having a floor and a wall structure integral with the floor, the floor having a floor top surface and floor bottom surface, the floor top surface having thereon a plurality of support areas for supporting an array of containers, the wall structure integral with the floor and extending around the periphery thereof, said wall structure comprising opposing sidewalls and endwalls, the improvement comprising:

a plurality of tapered pylons extending up from the floor, such pylons comprising side pylons spaced along the sidewalls of said crate and positioned between adjacent support areas, said side pylons defining spaces there between through which containers loaded in said crate are visible, said pylons further comprising corner pylons disposed at the corners of said crates, and end pylons disposed along the endwall of said crates;

*a lower wall portion adjacent to and integral with the floor, wherein said lower wall portion is of double-walled construction and includes an interior lower wall portion and an exterior lower wall portion connected by a top surface, said lower wall portion extending between side pylons along the side walls of*

said crate; and

*a handle structure integrally formed on each of the end wall of said crate, said handle structure extending across at least one support area and integrally molded with two adjacent end pylons of said crate, said handle structure having interior and exterior surfaces suspended between an upper portion of said two adjacent end pylons, a generally open area being defined below said interior and exterior surfaces of said handle structure and wherein the top surface of said handle structure is flush with the top surfaces of said two adjacent end pylons to provide sufficient clearance for a user's hands to comfortably grasp said handle structure about the entire periphery thereof.* (Emphasis supplied).

### **C. Claim Construction**

Turning to construction of the Claims, Norseman's motion focuses on three phrases. The Court construes each disputed phrase in turn.

#### **1. Interpretation of "Double Walled Construction"**

Claim 1 of the '277 patent and Claim 3 of the '843 patent require the element of "a lower wall portion adjacent and integral with the floor, wherein said lower wall portion is of double-walled construction and includes an interior lower wall portion and an exterior lower wall portion connected by a top surface."

Norseman asserts that the phrase requires an exterior and interior wall connected at the top. Rehrig contends that asserted Claims 12-15 of the '843 patent and Claims 1 and 2 of the '277 patent do not include the "connected at the top" language. Rehrig therefore argues that proper construction of the Claim elements is "a structure that includes an interior lower wall portion and an exterior lower wall portion, [connected to each other by a top surface]" where the bracketed language applies to those Claims 1-5 of the '843 patent and 3-5 of the '277 patent.

The Court construes the term "doubled walled construction" to limit these Claims to wall structures comprising two distinct and continuous walls and requiring a top surface connecting the two walls for Claims 1-5 of the '843 patent and 3-5 of the '277 patent.

#### **2. Interpretation of "Integral with said Interior Lower Wall Portion"**

The relevant language of Claims 1 and 12 of the '843 patent and Claim 1 of the '277 patent state that "the interior surfaces of said pylons are integral with said interior lower wall portion ...." The Court construes this element to mean that the interior portion of the pylons must form a unit with, or physically connect to, the lower wall portion.

#### **3. Interpretation of "Comfortably Grasped"**

The language of Claim 1 of the '277 patent requires "sufficient clearance for a user's hands to comfortably grasp the handle structure." Norseman argues that proper construction of "comfortably grasped" requires a handle that requires "total clearance" above and below the handle bar. Motion, at 21.

Norseman asserts that the prosecution history of the '277 patent makes clear that a "comfortable grasp" requires that the handle be completely free of all obstructions. Specifically, Norseman points to the Patent and Trademark Office ("PTO") twice rejecting Rehrig's application for obviousness in view of prior art

patents. One such patent was U.S. Patent No. 5,487,487 ("the Hammett patent") which disclosed a handle connected to the floor by a column which met the handle at its midpoint. Rehrig's response to the rejection distinguished the Hammett patent because the handle structure recited in Rehrig's application is "like a bar with total clearance above and below the bar .... This bar-type is significantly different structurally and functionally from the 'handles' of Hammett." Speranza Decl., Ex. 5, at 3-5. Further, Rehrig argued that its own handle allowed a user to "grasp the entire periphery of the handle."

Rehrig contends that the attempt to distinguish the Hammett patent was based upon the fact that the Hammett patent could only be grasped by a user with the user's palms up whereas Rehrig's crate could also be grasped in the "palms down" position. However, the crux of Rehrig's argument to the Examiner was that the Rehrig crate allowed for a "true handle structure that provides clearance on top and bottom for a user's hands to grasp the entire periphery of the handle." The relevant definition of "periphery" is "the external boundary or surface of a body." FN5 Rehrig's argument therefore suggests that Rehrig crate is distinguishable from the subject matter of the Hammett patent because the entire surface area of the handle is able to be grasped by a user for the former, but not the latter due to the column bisecting its handle.

FN5. Merriam-Webster Dictionary.

Arguments made during prosecution of a patent application to overcome prior art may narrow Claim interpretations. *See Rheox, Inc. v. Entact, Inc.*, 276 F.3d 1319, 1325 (Fed.Cir.2002); *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1576 (Fed.Cir.1995) ("The prosecution history limits the interpretation of claim terms so as to exclude any interpretation that was disclaimed during prosecution."). The Court finds that Rehrig is estopped from asserting that handle structures containing some obstruction or incomplete clearance are within the subject matter of the '277 patent.

The Court accordingly construes this phrase as limited to handles that provide the user's hand absolute clearance. The Court will now analyze whether the NPL 403 infringes the Claims at issue in the '843 and '277 patents.

## **D. Infringement**

Norseman moves for summary judgment on the grounds that the NPL 403 does not infringe Claims 1 and 3 of the '843 patent and Claim 3 of the '277 patent.

### **1. Double Walled Construction**

As construed by the Court, these Claims require any infringing product to possess a wall structure comprising of two distinct walls.

Norseman asserts that the NPL 403 does not possess any structure satisfying this requirement. The NPL 403 consists of an "exterior" wall portion as well as a series of three spaced apart ribs which lie vertically. Rehrig contends that the interior faces of the three ribs, the interior face of the top surface of the lower wall portion and the pair of flanges extending from the two exterior ribs constitute a wall. Rehrig argues that a wall is generally recognized as "a vertical structure that divides or encloses something." FN6 Thus, Rehrig's position seems to be that the rib structure constitutes a second wall and therefore both literally and equivalently infringes these Claims.



The Court is not persuaded that the ribbed structure constitutes a separate wall. The ribbed structure does not operate to divide or enclose. Therefore, the NPL 403 does not literally infringe Claim 1 of the '277 patent or Claim 3 of the '843 patent.

Rehrig contends that the NPL 403 also infringes these Claims by equivalence. An alleged equivalent must represent an "insubstantial" difference from the claimed element and perform the substantially the same function, in the same manner, to achieve substantially the same result as the claimed element. *See, e.g.*, Warner-Jenkinson Co. v. Hilton Davis Chem. Co., 520 U.S. at 29. Rehrig's position is that the rib structure provides the equivalent function of a secondary interior wall in that it increases the strength of the lower wall portion. Rehrig also contends that both the rib structure and second interior wall serve the same functions of providing a surface for supporting the lower end of an adjacent container being carried by the crate and providing extra support in the direction normal to the wall portion's plane. Finally, Rehrig argues that the equivalent result of enabling a crate to have sufficient strength and rigidity to function effectively in supporting containers is reached by both the NPL 403's rib structure and a "double wall."

Norseman contends that the functions of the double wall structure contemplated in the '843 and '277 patents is to provide strength and rigidity, to facilitate nesting, and to afford a gap between the interior and exterior walls that can be incorporated into a handle. Motion, at 16. The patent specification supports Norseman's characterization of the functions of the double wall structure. *See, e.g.*, Exhibit 1, col. 6, lines 50-58; Exhibit 2, col. 7, lines 4-12; Exhibit 1, col. 7, lines 25-26, Exhibit 2, col. 7, lines 30-31; Exhibit 1, col. 8, lines 47-56. Norseman argues that the NPL 403 does not perform at any of these functions in substantially the same manner as the double wall.

In order to carry its burden on summary judgment, however, Rehrig must submit particularized testimony or evidence linking these arguments to show that the accused product performs the same function, in the same way and to produce the same result as the particular element cited in the Claim at issue. Here, Rehrig relies only upon a comparison of the accused product to the Claims and the Brueggeman Report, which was afforded no weight by the Court. Therefore, Rehrig cannot meet its evidentiary burden in response to Norseman's motion for summary judgment.

The Court therefore concludes that Norseman's motion for summary judgment that the NPL 403 does not infringe this Claim element is granted.

## **2. Integral With Lower Wall Portion**

Norseman also moves for summary judgment on the basis that the NPL 403 does not possess an interior lower wall that is "integral with" the interior surfaces of the pylon as required by Claim 1 and 12 of the '843 patent and Claim 1 of the 277 patent. The Court construes this language to require these two elements to physically connect, or form a unit.

Norseman argues that the middle rib, even if considered the equivalent to a wall, is not integral with the interior surfaces of the pylon. The Court finds Norseman's analysis persuasive and holds that the NPL 403 does not infringe Claim 1 and 12 of the '843 patent. Norseman's motion for summary judgment that the NPL

403 does not infringe the '843 and the '277 patent is therefore granted.

### 3. Comfortably Grasping The Handle Structure

Norseman also moves for summary judgment on the basis that the handle of the NPL 403 crate, like the handle in the Hammett patent distinguished as prior art in the prosecution history, includes a column extending from the midpoint of the handle to the floor. Rehrig contends that Norseman's entire argument is based on the handle being bisected by the "a thin strut" with a width of approximately 1/6 inch and contends that this "strut" does not meet Norseman's construction requiring a "column." The Court disagrees with Rehrig's characterization of Norseman's argument and the conclusion it derives therefrom. Norseman's argument is that the obstruction prevents a user from freely grasping the entire periphery of the handle.FN7 In addition, a column is a supporting pillar.FN8 It is unclear if Rehrig contends that the "strut" does not meet the definition because of its width, shape, or some other characteristic.

FN7. It should be noted that Rehrig's preferred construction of this claim was "[a] handle which if comfortably grasped about the entire periphery and is open above and below the handle." Opposition, at 12.

FN8. Merriam-Webster Dictionary defines column as "a supporting pillar; *especially*: one consisting of a usually round shaft, a capital, and a base." The round shaft, capital and base are clearly not necessary conditions for a structure to qualify as a column.

As discussed above, the Court holds that Rehrig is estopped from asserting that a handle is the subject matter of the '277 patent. The Court holds that the NPL 403 does not infringe Claim 1 of the '277 patent. Accordingly, Norseman's motion for summary judgment that the NPL 403 does not infringe the '277 patent is granted.

### IV. Norseman's Motion for Summary Judgment that the NPL 404 Does Not Infringe U.S. Patent No. 5,979,654

Norseman moves for summary judgment with respect to Rehrig's claim that Norseman's NPL 404 beverage crate infringes U.S. Patent No. 5,979,654 ("654 patent"). The Motion is denied.

The '654 patent has five Claims. Norseman's motion focuses on Claim 1, the only independent Claim. Claim 1 reads in relevant part:

Claim 1. A low depth nestable display crate for six-pack bottle carriers comprising:

a floor for supporting the bottle carriers; and

*a doubled thickness wall structure having endwalls and sidewalls extending around the periphery of said floor and comprising*

a lower wall portion including a solid exterior surface along said sidewalls and interior bottle carrier support surfaces connected to said floor,

an upper wall portion comprising spaced tooth members extending upward from said lower wall portion an

defining display openings between said tooth members along said sidewalls, wherein said display openings are sized to reveal labels on the bottle carriers for displaying the bottle carriers in a loaded create, and

A handle bar integrally molded with said tooth members along said endwalls and said lower wall portion defining a cut-out, said cut-out providing said handle bar complete clearance below said handle bar, and complete clearance above said handle bar from a stacked crate thereabove, and provide sufficient clearance between said handle bar and the bottle carriers loaded in said create to enable a user's hand to completely encircle the handle bar. (Emphasis supplied.)

Norseman argues that the NPL 404 does not infringe the '654 patent because the side wall of the NPL 404 does not include the "doubled thickness wall structure" comprising a lower wall portion.

### **A. Interpretation of "Doubled Thickness Wall Structure"**

The Court must construe the phrase "doubled thickness wall structure" to determine if that language limits Claim 1 to structures with two separate and distinct walls. Norseman asserts that the Claim language demands that the lower wall portion or any infringing beverage crate must consist of two separate and distinct walls. Norseman supports its position by reference to patent language using the words "double-walled construction." ('654 Patent, col. 3, lines 6-9.) Additionally, Norseman points to language in the '654 Patent stating that the "wall structure is hollow throughout allowing the contoured upper wall portions to be received within the lower wall portion of a crate nested above." ('654 Patent, col. 2, lines 54-60.) Norseman argues further that each figure in the '654 patent depicts a lower wall structure consisting of a hollow wall structure consisting of two distinct, separated walls.

Rehrig contends that proper construction of this element is "a wall structure having a thickness that is at least double that of just a single thickness wall." Opposition, at 10. Norseman objects to this construction on the grounds that it would render the claim hopelessly indefinite. Motion, at 11. Specifically, Norseman contends that in order to give such a construction any meaning, the '654 Patent must specify a reference structure or unit in order to give "double" or "twice" meaning. Rehrig responds that the full specification of the '654 Patent discloses the '819 patent, a crate consisting of a single wall, is the proper reference object.

Rehrig's construction is not persuasive. First, the disclosure of the '819 patent alone does not identify that crate as unit of analysis for measurement of crate thickness. Second, Rehrig's assertion that Claim 1 would extend to crates bearing wall structures "at least" of double thickness is unsupported by the '654 patent and its specification. The Court finds that proper construction of the '654 patent requires that the phrase "doubled thickness wall structure" refers to a wall structure consisting of two walls rather than a single wall of double thickness.

### **B. Literal Infringement**

Rehrig asserts that even under this construction, Norseman's NPL 404 beverage crate infringes the '654 patent. Rehrig argues that the NPL 404 has a "continuous outer wall surface and an inner wall surface with interior panels at numerous places including under each handle and on the teeth." Opposition, at 17. Rehrig essentially contends that parallel portions of flat interior and exterior panels on around the NPL 404 satisfy this Claim. The Court disagrees. The NPL 404 is comprised of a single wall structure throughout the lower wall portion of the sidewalk. The closest that the NPL 404 comes to literally satisfying this element is the lower wall portion of the sidewall in the areas below the troughs wherein the outer wall surface is complemented by three spaced apart ribs connecting to the crate floor. The Court holds that these spaced

apart ribs do not combine with the outer wall portion to create a doubled thickness wall structure as disclosed by Claim 1.

### **C. Doctrine of Equivalents**

Rehrig further contends that Norseman's NPL 404 infringes Claim 1 through the Doctrine of Equivalents. Opposition, at 17. Rehrig argues that the wall disclosed in the '654 patent and the structure of the NPL 404 achieve substantially the same result of strengthening the crate and adding rigidity in substantially the same way by adding thickness to a single walled crate so that ribs and flat sections interact to provide the added strength. Opposition, at 18.

Rehrig's burden in response to Norseman's motion for summary judgment includes the requirement that Rehrig submit particularized evidence supporting a jury finding that the accused product performs the same function, in the same way and to produce the same result as the particular element cited in the Claim at issue. Here, Rehrig relies only upon a comparison of the accused product to the Claims and the Brueggeman Report, which was afforded no weight by the Court. Therefore, Rehrig cannot meet its evidentiary burden in response to Norseman's motion for summary judgment.

Norseman's motion for summary judgment that the NPL 404 does not infringe the '654 patent is granted with respect to all Claims at issue.

### **V. Norseman's Motion for Summary Judgment that the NPL 406 Does Not Infringe the '002, '176 and '874 Patents**

Norseman moves for summary judgment on Rehrig's claims that the NPL 406 infringes U.S. Patent Nos. 4,978,002 ("002 patent"), 5,529,176 ("176 patent") and 4,899,874 ("874 patent"). Rehrig is asserting forty-three Claims of the '002 patent, forty-seven Claims of the '874 patent, and nine Claims of the '176 patent against the NPL 406.FN9

FN9. The Court will construe those Claims that are independent because a dependent claim cannot be infringed without infringement of an independent claim. *Wahpeton Canvas Co. v. Frontier, Inc.*, 870 F.2d 1546, 1552 n. 9 (Fed.Cir.1989).

The '002 patent is entitled "Cross-Stacking Bottle Case" and issued on December 18, 1990. Claims 1, 11, 23 and 31 are the independent claims of the '002 patent asserted against the NPL 406. The '874 patent is entitled "Stackable Low Depth Bottle Case" and issued on February 13, 1990. Of the forty-seven Claims asserted against the NPL 406, Claims 1, 3, 19, 21, 33, 39, 40, 47, 48, 55 and 56 are the only independent claims. The '176 patent is entitled "Stackable Low Depth Tray" and issued on June 25, 1996. Claims 1, 4 and 7 are the independent Claims of the '176 patent asserted against the NPL 406.

### **A. Claim Construction**

#### **1. "Extending Above a Top Surface"**

Claims 1, 3, 19, 33, 39, 48 and 55 of the '874 patent, 11 and 23 of the '002 patent and Claim 1 of the '176 patent use this language. Three variants arise using the "above a top surface" language. Each variant requires a column, recess or similar means "extending above a top surface of one of said side walls." Claim

23 of the '002 patent uses "disposed" instead of "extending." Claims 39, 48, and 55 of the '874 patent add "at least" in front of the term "above a top surface of one of said side walls." Claims 1, 11, and 23 of the '002 patent add "the height of" in front of that term. Claims 1, 11 and 23 also use "first" in place of "one" of the side walls.

#### **a. Norseman's Position**

Norseman argues that the language must be interpreted to mean that a column, recess or structure must extend higher than the peaks of the sinusoidally patterned side walls, i.e. the topmost surface of the side walls. Motion, at 13.

#### **b. Rehrig's Position**

Rehrig argues that the plain and proper meaning of this language requires "a column, recess or similar means that extends to a height above that of a top surface of one of the side walls of the bottle case. It is not required that the column, recess or similar means extend above the topmost surface of the side wall." Opposition, at 15.

#### **c. Court's Construction**

The debate between the parties' competing constructions centers primarily around the definition of "a top surface." Norseman's interpretation of the language requires a column or other structure that extends in height beyond the topmost surface of the side walls. Norseman contends that the language "a top surface" must be given different meaning: "*the* top surface." (Emphasis supplied). Rehrig argues that there are several top surfaces and that the language merely requires a column or structure extending above one of these "upper or top surfaces" of the side wall. Rehrig supports its position by citing cases indicating that Claims using the opening term "comprising," such as utilized in this Claim, are generally understood in patent claim parlance to allow for 'one or more' articles. *See Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.2d 973, 977 (Fed.Cir.1999). Additionally, Rehrig contends that the doctrine of Claim differentiation rebuts Norseman's construction because some claims use "top" and "topmost" in the same Claim, thereby implying that the language needed to express Norseman's construction was available and not consciously not utilized. Opposition, at 16.

The Court construes the language to mean that the column or recess must extend beyond above the topmost surface of one of the said side walls as opposed to simply extending beyond any top surface. For the purpose of determining the top of the wide wall, the column or recess is not part of the side wall.

The Court similarly construes language in Claim 31 of the '002 patent and Claim 4 of the '176 patent. Claim 31 uses the language that bottle supporting means includes "a portion extending above the height of a top surface of a first of said side walls." FN10 Claim 4 of the '176 patent includes language that the structure "extends above said outer shell." For each of these claims, the Court construes the language to require the structure at issue to extend beyond the topmost surface of the side wall as opposed to any top surface, or indeed the top most surface of the crate as a whole.

FN10. Claim 7 of the '176 patent uses similar language "a portion thereof which extends above a top surface of one of the said side walls."

## **2. "Means for Resting the Case Bottom on Closures of Bottles"**

Claims 1,3, 19, 21 and 33 of the '874 patent use the language:

"means for resting said bottom portion on closures of bottles on which said case is stacked and for guiding each closure coaxially with a centerline of one of said bottle retaining pockets."

Claim 39, 40, 47, 48, 55 and 56 of the '874 patent use:

"means for resting the case bottom on closures of bottles in a subjacent case and for aligning each closure with said case bottom for stacking and closure." FN11

FN11. Claims 1 and 4 of the '176 patent use "resting" and "aligning" language similar to Claim 39 of the '876 patent.

### **a. Norseman's Position**

Norseman argues that the relevant language requires a "circular concave structure that guides bottle tops into the desired position." Motion, at 16.

Claim elements that are expressed as "means for" performing a function are construed by first determining the function of the recited element and then identifying the structure in the patent specification that performs the claimed function. *Micro Chem., Inc. v. Great Plains Chem. Co.*, 194 F.3d 1250, 1258 (Fed.Cir.1999). Norseman's position is that the function of "resting means" claimed in the '874 patent is to align bottle tops for stacking and the structure that performs this function is a circular concave indentation on the bottom surface of the '874 crate. Motion, at 17. The '874 specification states that "bottle tops will contact circular concave portions which, because of their concave shape, will guide bottle tops into central retaining openings." Ex. 1, Col. 6: 24-30.

### **b. Rehrig's Position**

Rehrig contends that Norseman's interpretation is improper because the means described in the patent specification correspond to the array of circular concave portions located on the underside of the case's bottom. Rehrig asserts that the claim element "means for resting ... and guiding ..." should be construed to include an array of circular concavities in the underside of the case's bottom portion and "equivalents" of such concavities as dictated by 35 U.S.C. s. 112 para. 6.

Therefore, Rehrig's interpretation is that this limitation is:

"An array of circular concavities in the underside of the case's bottom portion, and structures that differ 'insubstantially' from such an array."

Opposition, at **21**.

### **c. Court's Construction**

The Court is persuaded that Rehrig's interpretation of this claim is proper.

### **3. "An upper surface which is substantially flat across the bottle retaining pockets"**

Claims 1, 3, 19, 21, 23, 33, 39 and 56 of the '874 patent and Claim 7 of the '176 patent use the language for a case bottom that includes "an upper surface which is substantially flat across the bottle retaining pockets."

#### **a. Norseman's Position**

Norseman construes this limitation to require the upper surface of the case bottom to be continuously and substantially horizontal across the bottle retaining pocket. Motion, at 20-21.

#### **b. Rehrig's Position**

Rehrig argues that construction of the term "substantially flat" must be made in light of the patent's specification and drawings which show the surfaces to have multiple openings and recesses and are not relatively smooth and even. Rehrig also contends that the degree to which the surfaces may deviate from absolute flatness is indicated by the function of the surfaces as described in the specification. Namely, the bottle retaining pockets are meant to perform the functions of allowing retention of bottles without base indentations and permitting bottle rotation. Ex. 1, col. 3:61-64. Rehrig therefore argues for a construction of "substantially flat" that would allow any deviation from absolutely horizontal such that the surface was still able to perform these two functions.

Rehrig's construction is therefore:

"A pocket bottom with a relatively smooth or even surface at the bottle contact area, which may include small deviations from an even surface provided the bottle intended for the case may be easily rotated."

Opposition, at 23.

#### **c. Court's Construction**

As each of the parties point out in their briefs, the dictionary definitions of flat include: "having a continuous horizontal surface," "having a relatively smooth or even surface," and "having or marked by a continuous surface that is horizontal or nearly so, without significant curvature, without noteworthy elevations or depressions." Opposition, Ex. F; Websters Third New International Dictionary (1969). In light of the patent's specification, drawings, and the plain meaning ordinarily giving to the terms "substantially" and "flat," the Court declines to accept Rehrig's invitation to interpret this language to mean any pocket bottom with small deviations so long as the surface still performs the functions of retaining bottles without base indentations and rotation of bottles.

Such an interpretation merely shifts the construction question from the term "substantial" to the term "small deviations." In either event, the crucial question is the degrees of freedom away from horizontal afforded in this instance by the modifying term "substantial." The Court construes the language to allow deviations such as imperfections and inconsistencies on an otherwise continuous and horizontal surface. Therefore the Court construes this term to require a pocket bottom with a relatively smooth or even surface at the bottle contact area without significant curvature or noteworthy deviations from horizontal.

### **4. "Curved to substantially conform"**

Claims 21, 40 and 47 include language requiring at least one surface of columns or means that is "curved to substantially conform to the shape of the bottles to be retained and transported."

#### **a. Norseman's Position**

Norseman does not propose a construction for this claim element. Norseman does contend that proper construction cannot include columns that are not curved to conform substantially. Norseman argues that because Claims 33, 40 and 48 of the '874 patent express the requirement that columns curve to conform to the shape of the transported bottles as a "means" for performing the function of "increasing the height of the case to thereby limit the tilting movement of the bottles ..." the Claims expressed are limited to the structures recited in the specification that perform that function and its equivalents. Motion, at 23.

Norseman also argues that the prosecution history of the '874 patent distinguishes the Warwick patent by arguing that the '874 crate prevented bottle tilting using a surface that was curved to conform to the shape of the bottles. Motion, at 24. Rehrig indeed argued that the curved surfaces enhances the stability of the bottles. However, Norseman's proposition that Rehrig is estopped from arguing that a structure with minimal or tangential contact with the bottle can be considered within the scope of the patent does not follow. The scope of the Claim may properly include "structures expressly disclosed in the specification *and their equivalents*." *Symbol Technology, Inc. v. Opticon*, 935 F.2d at 1575 (emphasis added). The Court finds that Norseman has not established a prosecution estoppel.FN12

FN12. Rehrig's argument distinguishing the Warwick patent discusses circular posts with convex surface tangential contact between the bottle and a portion of the separating post.

#### **b. Rehrig's Position**

Rehrig proposes that the Court construe this claim element to mean "a surface curved to substantially conform to the shape of the bottles to be retained and transported, the surface not being convex ." Opposition, at 25.

#### **c. Court's Construction**

The Court does not agree that the language is limited to concave sides. In accordance with 35 U.S.C. 35 para. 6, the Court must determine the function claimed and the structure disclosed in the specification that performs the function. The Court construes the function to be supporting bottles and the means is a series of columns. Because the scope of the Claim includes structures disclosed and their equivalents, the Court must determine whether columns with side designs other than concave are equivalent to perform the function of supporting and stabilizing bottles. The Court finds that the relevant language is not limited to concave sides.

#### **5. "Means increasing effective height of the case"**

Claims 33, 40 and 48 of the '874 patent all have language requiring "a plurality of means ... for increasing the effective height of the case to thereby limit the tilting movement of the bottles to be retained and transported." Claim 40, discussed above, requires "each of said plurality of effective case height increasing means including at least one surface which ... is curved to substantially conform to the shape of the bottles to be retained and transported." Claims 1 and 4 of the '176 patent include the means for increasing the effective height without the curvature requirement.



### **a. Norseman's Position**

Norseman proposed Conclusion of Law 35 states that construction of this element should include a requirement that columns are curved to substantially conform to the shape of the bottles.

### **b. Rehrig's Position**

Rehrig argues that the proper interpretation of the language is "a plurality of structures that provides support for the outer surfaces of bottles carried in the case in the form of columns or their equivalents." Opposition, at 27.

### **c. Court's Construction**

The Court does not find any basis in the specification of prosecution history to limit the claims as proposed by Norseman. The Court therefore interprets the claim consistent with Rehrig's proposed construction.

## **6. "Means for Supporting the Outer Surfaces of Bottles"**

As construed when discussing Norseman's motion for summary judgment that the NPL 400 does not infringe the '002 patent, the Court interprets this language to include bottle supporting surfaces that are equivalent to the surfaces of the '002 crate.

Therefore, the Court adopts Rehrig's construction of the Claim language, "a plurality of structures that provides support for the outer surfaces of bottles carried in the case in the form of columns or their equivalents." Opposition, at 32.FN13

FN13. Norseman's estoppel argument relies on statements in the parent application 26 relating to different Claims which in fact contain the "curved surface" limitation. *Medtronic, Inc. v. Advanced Cardiovascular*, 248 F.3d at 1315; *Al- Site Corp. v. VSI International, Inc.*, 174 F.3d at 1322-23.

## **B. Infringement**

### **1. "Extending Above a Top Surface"**

The Court construed this language to require a column or recess that extends above the top most surface of one of the side walls as opposed to simply extending beyond any top surface or region.

Rehrig argues that under this construction, the NPL 406 infringes the claims including this language. Rehrig argues that the "topmost" surface of the NPL 406 is about two-thirds up the case, rather than at the top of the side walls. The Court disagrees. The Court finds that the topmost surface of the NPL 406 is not the top of the pads located two-thirds up the case, but rather the bottom of the recess on each lengthwise side.

In as much as the column in the NPL 406 exceeds this height, the Court finds that the NPL 406 literally infringes the '874, '176 and '002 patents because both contain this limitation. The Court now turns to the alleged infringement of other Claim elements of the relevant patents.

## **2. "Means for Resting the Case Bottom on Closures of Bottles"**

The '874 and '176 patents includes this language. The Court construed this language to require "an array of circular concavities in the underside of the case's bottom portion, and structures that differ 'insubstantially' from such an array."

Norseman argues that the NPL 406 does not have any circular concavities because the bottom surface of the NPL 406 consists of a series of oval shaped grooves. Motion, at 17. Norseman argues that the oval shaped grooves on the underside of the NPL 406 case bottom do not guide bottle tops into a central opening or good stacking position and are therefore not literally a "means for testing the case bottom on closures of bottles."

The Court finds that the NPL 406 infringes this Claim element. The array of elliptical concavities on the underside of the NPL 406 does not substantially differ from the circular array disclosed by the claim language.FN14 Because the elliptical concavities on the underside of the NPL 406 are shaped nearly like a circle, they literally infringe the '874 and '176 Claims at issue.FN15

FN14. Definitions of circular include: (1) Of or relating to a circle and (2)(a) Shaped like or nearly like a circle; round. American Heritage Dictionary of the English Language, 4th edition (2000).

FN15. The Court does not address whether the NPL 406 infringes the '874 and '176 patents by equivalents because it concludes that the '874 and '176 patents are literally infringed. The Court notes that Rehrig would not satisfy its evidentiary burden to submit 26 particularized testimony linking evidence to argument indicating that the NPL 406 performs substantially the same function, in the same way, to achieve the same result as 27 the patented product.

## **3. "An Upper Surface Which is Substantially Flat Across the Bottle Retaining Pockets"**

The '874 and '176 both use this language. The Court construed this language to require a pocket bottom with a relatively smooth or even surface at the bottle contact area without significant curvature or noteworthy deviations from horizontal.

The Court finds that the NPL 406 does not infringe this Claim element. Specifically, the NPL 406 does not contain the requisite relatively even surface without significant curvature across the bottle contact area. The projections in the NPL 406 floor surface are designed to permit retention of bottles with indentations. Rehrig characterizes the deviation from horizontal as slight and inconsequential. Opposition, at 42. However, the Court finds that the deviation is not a matter of imperfection or inconsistency but rather a noteworthy deviation from horizontal meant to permit retention of bottles with indentations. The Court finds that the NPL 406 does not literally infringe this Claim element.

Additionally, the Court finds that the NPL 406 does not infringe this Claim element equivalently. Rehrig's burden in response to Norseman's motion for summary judgment includes that requirement that Rehrig submit particularized evidence supporting a jury finding that the accused product performs the same function, in the same way and to produce the same result as the particular element cited in the Claim at issue. Rehrig cannot meet its evidentiary burden in response to Norseman's motion for summary judgment by relying solely on the accused products and the Brueggemann Report, which was afforded no weight.

The Court therefore finds that the NPL 406 does not infringe this Claim element of the '874 and '176 patents literally or equivalently.

#### **4. "Curved Substantially to Conform"**

The Court interpreted this claim language as not limited to surfaces that with concave sides. Norseman argues that the NPL 406 does not infringe this Claim element of the '874 patent because it does not have columns with bottle contact surfaces curved to conform to the shape of the transported bottles. Motion, at 26. Norseman contends that the limitation must be read to provide continuous contact with the bottle and that therefore the columns of the NPL 406 do not infringe since they contact the bottles at two points. Motion, at 26. The Court disagrees. Given the Court's construction of the Claim, continuous contact with the bottles is not required. The Court finds the column structure of the NPL 406 curved substantially to conform to the bottles.

The Court therefore finds that Norseman literally infringes this Claim element.

#### **5. "Means increasing effective height of the case"**

Claims 33, 40 and 48 of the '874 patent all have language requiring "a plurality of means ... for increasing the effective height of the case to thereby limit the tilting movement of the bottles to be retained and transported." Claim 40 discussed above, requires "each of said plurality of effective case height increasing means including at least one surface which ... is curved to substantially conform to the shape of the bottles to be retained and transported." Claims 1 and 4 of the '176 patent include the means for increasing the effective height without the curvature requirement.

The Court interpreted this language to require "a plurality of structures that provides support for the outer surfaces of bottles carried in the case in the form of columns or their equivalents."

Given the Court's construction of this Claim language, the Court finds that the NPL 406 literally infringes this Claim language.

### **C. Conclusion**

Inasmuch as the NPL 406 does not infringe the asserted Claims of the '874 and '176 patents which require the case bottom to have an upper surface which is substantially flat across the bottle retaining pockets, Norseman's motion for summary judgment is granted with respect to claims 1-4, 6-7, 11-19, 21, 27-28, 30-21, 33-39, 41, 49, and 56-59 of the '874 patent and Claims 7-8 of the '176 patent. Norseman's motion for summary judgment that the NPL does not infringe the '002 patent is denied.

## **VI. Norseman's Motion for Summary Judgment that the NPL 407 Does Not Infringe the '874, '002, '176, '461 and '572 Patents**

Norseman brings this motion for summary judgment that the NPL 407 bottle crate does not infringe U.S. Patent Nos. 4,889,874 ("874 patent"), 4,978,002 ("002 patent"), 5,529,176 ("176 patent"), 5,561,461 ("461 patent"), and 5,842,572 ("572 patent").

### **A. Claim Construction**

### **1. "At least above a top surface of one of said side walls"**

Claims 1, 3, 33, 39, 48 and 55 of the '874 patent and Claim 1 of the '176 patent use this language requiring a column or structure "extending at least above a top surface of one of said side walls."

The Court has construed this language for the purposes of Norseman's motion for summary judgment that the NPL 406 does not infringe the relevant patents to mean that the column or recess must extend beyond above the topmost surface of one of the said side walls as opposed to simply extending beyond any top surface. For the purpose of determining the top of the wide wall, the column or recess is not part of the side wall.

### **2. "Means for resting the case bottom on closures of bottles"**

Claims 1, 3, 33, 39, 48 and 55 of the '874 patent incorporate this limitation. FN16 Claim 1 of the '176 also uses this language. The Court has construed this language in its analysis to mean an array of circular concavities in the underside of the case's bottom portion, and structures that differ "insubstantially" from such an array.

FN16. Claims 39, 48 and 55 add slightly different language not relevant to this claim construction.

### **3. "An upper surface which is substantially flat across the bottle retaining pockets"**

Claims 1, 3, 33 and 39 of the '874 patent contain this language. The Court has interpreted this language to allow deviations such as imperfections and inconsistencies on an otherwise continuous and horizontal surface. Therefore the Court construes this term to require a pocket bottom with a relatively smooth or even surface at the bottle contact area without significant curvature or noteworthy deviations from horizontal.

### **4. "Curved to substantially conform"**

The Court has construed the relevant language and determined that the columns are not limited to concave sides.

### **5. "A cross-stacking low depth case"**

Claim 31 of the '002 patent is directed to a "cross-stacking" case. Cross-stacking is defined in the '002 patent. Cross-stacking "generally involves stacking rectangular bottle cases to build up a layered structure, with each layer having cases oriented parallel to each other and with the cases in the adjacent layers being oriented at right angles to each other," Ex. 2, col. 1: 38-59.

#### **a. Norseman's Position**

Norseman contends that proper claim construction of this language refers to ability of the crates to "cross-stack" an empty crate. Norseman argues that the NPL 407 cannot cross-stack. That portion of Norseman's argument will be taken up in the infringement analysis.

#### **b. Rehrig's Position**

Rehrig offers the following interpretation: "A case with side walls lower than the height of the stored bottles, in which the bottles support the weight of additional cases stacked on top, and where cases filled with bottles can be stacked on adjacent layers at right angles."

### **c. Court's Construction**

Norseman supports its proposed construction by referencing patent language from the '461 patent. Specifically, the '461 patent indicates that the "commonly assigned U.S. Patent Nos. 4,899,874 and 4,978,002 ... disclose a low depth bottle case for two-liter bottles that is cross-stackable when empty." '461 patent, col. 3:44-48; '572 patent, col. 3:49-51. The language of the '002 patent itself refers to "a recess for receiving a side wall of an upper identical case when said lower cross-stacking case is empty." '002 patent, col.8:1-3. The Court is persuaded that the proper construction of this claim limitation requires that the claimed crate allow empty crate cross-stacking.

### **6. A handle "suspended between adjacent corner pylons" and a "generally open area being defined below said handle," or a "handle structure that can be freely grasped about substantially the entire periphery thereof"**

The '461 and '572 patents require that the handle be "suspended between adjacent said corner pylons" and also require the presence of a "generally open area being defined below said interior and exterior surfaces of said handle structure and between said interior surface of said handle structure ...."

Rehrig asserts that the modifiers "generally" and "substantially" indicate that absolute openness below the handle and freedom to grasp the entire periphery of the handle are not required. Norseman contends that the plain language of the claim requires suspension of the handle, meaning "to hang so as to be free on all sides except at the point of support." The Court construes this requirement to allow for some minor deviation from absolute openness below the handle and some obstruction of the freedom to grasp the entire periphery of the handle. However, the Court also interprets this language to require that the structure not be supported from below in order to give some meaning to the term "suspended."

## **B. Infringement**

### **1. Structure Extending "at least above a top surface of one of said side walls"**

The '874 and '176 patent Claims include the requirement that the claimed beverage crate include a structure extending "at least above the top surface of one of said side walls." In as much as the column in the NPL 407 exceeds the height of the side wall as construed by the Court, the Court finds that the NPL 407 literally infringes this Claim element.

### **2. "Means for resting case bottom on closures of bottles" in a subjacent case "and for aligning [or guiding] each closure"**

The '874 patent also contains the Claim limitation that the claimed structure must contain an array of circular concavities in the underside of the case's bottom portion. For the same reasons as the Court set forth with respect to the NPL 406's literal infringement of the same limitation, the Court finds that the NPL 407 literally infringes this element of the '874 patent.

### **3. "An Upper Surface Which is Substantially Flat Across the Bottle Retaining Pockets"**

Claims in the '874 and '176 patents contain the requirement that the upper surface of the claimed case bottom be substantially flat across the bottle retaining pockets. As construed by the Court in its analysis of the NPL 406, the Court found that this Claim requires a pocket bottom with a relatively smooth or even surface at the bottle contact area without significant curvature or noteworthy deviations from horizontal. For the same reasons as the Court set forth in its analysis of the NPL 406's alleged infringement of these claims, the Court finds that the NPL 407 does not infringe this Claim literally or equivalently. The Court therefore finds that the NPL 407 does not infringe this Claim element of the '874 or '176 patents. The Court notes that this Claim language does not appear in Claims 1-6 of the '176 patent and Claims 40, 42-54, and 50-55 of the '874 patent.

#### **4. "Curved Substantially to Conform"**

The '874, '176 and '002 patents include the requirement that columns are "curved substantially to conform" to the shape of the transported bottles. As the Court set forth in its analysis of the NPL 406's infringement of this Claim element, the Court finds that the NPL 407's structure literally infringes the Claim.

#### **5. "Cross Stacking Case"**

The '002 patent requires "a cross-stacking low depth case." The Court has construed this language to require the claimed crate to cross-stack while empty. Here, Norseman claims that the NPL 407 cannot be cross-stacked. Motion, at 33. Norseman points to the specification of the '002 patent which states that a cross-stacking case involves "stacking rectangular bottles cases to build up a layered structure, with each layer having cases parallel to each other and with the cases in adjacent layers being oriented at right angles to each other. Since each case in the cross-stacked layer rests on at least two cases in the layer below, the cases of the cross-stacked layer tend to keep the cases on which they rest from moving apart from each other." '002 patent, col. 1:49-59.

The Court agrees that the NPL 407 cannot cross-stack in this fashion. As such, the Court finds that the NPL 407 does not infringe the '002 patent.

#### **6. A handle "suspended between adjacent corner pylons" and a "generally open area being defined below said handle," or a "handle structure that can be freely grasped about substantially the entire periphery thereof"**

Claim 1 and 16 of the '461 and '572 patents require a handle that is "suspended between adjacent said corner pylons." Because the Court construes this term to require no support for the handle from below, the NPL 407 does not infringe this Claim element as the handle is supported by a bisecting column from below.

#### **C. Conclusions**

Norseman's motion for summary judgment that the NPL 407 does not infringe is granted with respect to the each of the patents-in-suit to the extent that the claims contain the language discussed above. Specifically, Norseman is entitled to summary judgment of non-infringement as to Claims 1-4, 10-11, 18, 27-28, 33, 35, 38-39, and 49 of the '874 patent, Claims 31-32, 37 and 39 of the '002 patent, claims 1-5, 7-13 and 15-16 of the '461 patent, and Claims 1-4, 10, 11 and 15-16 of the '572 patent.

### **VII. Norseman's Motion for Summary Judgment that Norseman's NPL 403, NPL 404 and NPL 407 Do Not Infringe Various U.S. Design Patents**

Norseman moves for summary judgment that the NPL 403 does not infringe U.S. Design Patent Nos. 379, 121 ("121 patent"), 399,060 ("060 patent") and 399,061 ("061 patent"), the NPL 404 does not infringe U.S. Design Patent No. 400,012 ("012 patent"), and the NPL 407 does not infringe U.S. Design Patent No. 380,901 ("901 patent").

## A. Claim Construction

With a design patent, "the scope of the claim must be construed in order to identify the non-functional aspects of the design as shown in the patent." *Oddzon Prods., Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1405 (Fed.Cir.1997). FN17 Two important considerations for the Court when determining whether the patented design is ornamental are the availability of alternative designs and whether the patented design is dictated by function of the article of manufacturer. *L.A. Gear, Inc. v. Thom McAn Show Co.*, 988 F.2d 1117, 1123 (Fed.Cir.1993).FN18

FN17. Courts also typically identify novel features of the patented design relative to prior art during claim construction. *See Goodyear Tire & Rubber Corp. v. Hercules Tire & Rubber Co.*, 162 F.3d 1113, 1118 (Fed.Cir.1998). Here, Norseman's motion does not address whether any particular features of Rehrig's designs are novel and instead asserts that whatever ornamental features are present in the Rehrig designs are not present in the accused crates. Motion, at 17.

FN18. [Missing text].

First, Norseman argues with respect to each of the five design patents that the extent to which the appearance of each of the designs is functional is apparent from the teachings of the utility patents claiming the same beverage crates claimed in Rehrig's design patents. Motion, at 19. For example, the crate of the '121, '060 and '061 patents is claimed in the '277 utility patent. Norseman contends that because a utility patent must be useful under 35 U.S.C. s. 101, the specifications of these utility patents demand a conclusion that "much, if not all, of the appearance of Rehrig's crates is dictated by function." Motion, at 19. The Court disagrees that Rehrig satisfying the conditions of a utility patent is a sufficient condition for the conclusion that the appearance of the design is motivated by function. *See Best Lock Corp. v. Ilco Unican Corp.*, 94 F.3d 1566, 1567 (Fed.Cir.1996) ("the validity of a patent must be evaluated based on what it claims rather than on the totality of the claims of multiple patents"). A utility patent specification explaining the function of a particular element may certainly be relevant, as Norseman argues, to the determination of whether a design is functional or ornamental. The Court considers Norseman's arguments that the utility patents establish the functionality of each of the designs below. The Court now turns to claim construction of the design patents.

### 1. Norseman's Position

Norseman's claim construction argument is quite similar for each of the design patents. Norseman claims that the true ornamental features of each design patent are limited precisely by the appearance of those features as shown in the patent drawings. Motion, at 20.

In Norseman's attempt to identify the ornamental features of the '121 and '012 patents, Norseman contends that the only true ornamental features of these designs are the following, precisely as drawn: the crate floor, the side walls and the handle. Motion at 20. Norseman adds the exact appearance of the columns as shown

in the '901 patent to those listed above as the ornamental features of the '901 patent. Norseman contends that the exact appearance of the pylon as viewed from the inside, and from the outside, of the crate are the ornamental features of the '060 patent. Norseman contends that the only ornamental feature of the '061 patent is the precise appearance of the handle as shown. Motion, at 20.

## **2. Rehrig's Position**

Rehrig's opposition to the motion simply asserts that the proper construction of these Claims is the "overall ornamental visual impression created by their respective figures." Opposition, at 11. However, Rehrig contends that Charles Woodring's Expert Report ("Woodring Report") identifies Rehrig's position on what ornamental elements distinguish each Claim from prior art. Opposition, at 47.

### **i. The '012 Patent**

With respect to the '012 patent, the Woodring Report indicates that the combination of the crate floor, the side walls having three upwardly undulating projections, hollow end walls forming a hollow handle and an outer side wall. Brandenburg Decl., Ex. A ("Woodring Report"), at 10.

### **ii. The '901 Patent**

The Woodring Report identifies the distinguishing point of novelty as the combination of floor with eight generally square cavities, each containing circular elements, the partitioning walls, the three towers in external bottle retaining pockets and the four towers in internal pockets, Woodring Report, at 11.

### **iii. The '121 Patent**

The Woodring Report identifies the distinguishing point of novelty of this design as the combination of the rectangular shaped floor having 24 cells containing circular elements, low perimeter side walls having no internal strut and the towers on each of the crate's ends bridged by a top mounted hollow handle with a plurality of openings on its top surface. Woodring Report, at 13.

### **iv. The '060 Patent**

The Woodring Report identifies the following as the distinguishable point of novelty of the '060 design patent: "an upwardly tapering column having a small generally rectangular top surface with the interior facing corners removed, the column having an interior facing downwardly tapering strut, and the column having an interior facing rib extending upwardly from the column's base to the top of the column's interior facing voids on both sides of the strut." Woodring Report, at 14.

### **v. The '061 Patent**

The Woodring Report identifies the following combination of elements as the distinguishing point of novelty of the '061 patent: "Two upwardly tapering columns horizontally bridged by a top mounted hollow handle having a plurality of openings in its top surface, the columns having small generally rectangular top surfaces with the interior facing corners removed, and the bridging portion of the handle being substantially vertical, abutting the exterior surfaces of the columns, and having soft radiused corners facing downwardly." Woodring Report, at 15.



### 3. Court's Construction

In each of the given design patent Claims, Rehrig includes the language "as shown and described" in the patent. The Claims at bar, as in all design cases, are limited to what is shown in the application drawings. *See In re Mann*, 861 F.2d 1581, 1582 (Fed.Cir.1988). The central dispute between the parties with respect to identification of the ornamental features is whether the functional elements attributed to Rehrig's utility patents are sufficient, as Norseman argues, to deem certain design elements functional rather than ornamental.

For example, Rehrig contends that the floor, side walls, end walls, and outer side wall skirt combine as the novelty of the '012 design patent. A design's point of novelty need not be one individual newly developed feature, but may be a specific combination of elements not found in the prior art. *See Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1444 (Fed.Cir.1984).FN19 While a combination of design elements may establish a point of novelty, the overall appearance of a design may not be so considered. *Winner Int'l Corp. v. Wolo Mfg. Corp.*, 905 F.2d 375, 276 (Fed.Cir.1990).

FN19. Norseman argues that Rehrig's construction employs the "shopping list approach" to construction criticized by the Court in *Bush Industries, Inc. v. O'Sullivan Industries, Inc.*, 772 F.Supp. 1442, 1453 (D.Del.1991). The Court disagrees. The Woodring Report's analysis clearly identifies the point of novelty of each design patent before comparing the patented design to the accused design. The "shopping list approach" criticized in *Bush Industries* is to identify the point of novelty after a comparison of the patented and accused designs.

Norseman argues that Rehrig's utility patents establish the functional motivation of each of these elements. First, Norseman contends that Rehrig's '654 utility patent establishes that the floor is "substantially flat to accommodate flat bottomed bottles and so as not to interfere with bottle carriers." '654 Patent, col. 5: 56-57. Norseman argues that the tapered and hollow side walls facilitate nesting according to the '654 patent. '654 Patent, col. 2:60-64. The "undulating projections" achieve the function of supporting the bottles and allowing them to remain visible. *Id.*, col. 2:65-col.3:9. Norseman also argues that the '654 patent establishes that the outer side wall skirt functions to facilitate handling of the crate ensuring that the floor supports the weight of the loaded crates. *Id.*, col. 4:27-40. FN20

FN20. Norseman makes similar arguments with respect to the combination of design elements Rehrig asserts creates the point of novelty for each design patent. Norseman's argument in each case relies on language of Norseman's '277, '843, '654, '461 and '572 utility patents. Motion, at 28-37.

Rehrig asserts that each of these combinations of design elements asserted in the Woodring Report establishes a point of novelty because they have not appeared in conjunction in the prior art. *Brandenburg Decl.*, Exs. 14, 16, 18, 20, 22. Rehrig's assertion is only accurate if these design elements are not functional. The Court finds that Norseman has met its initial burden in this motion for summary judgment by establishing evidence that each of these design elements is functional and not ornamental as evidenced by the functional qualities attributed to these characteristics in Rehrig's utility patents.

Even assuming that it is possible to identify a combination of features in each design that qualifies as a point of novelty, Rehrig must also establish that the Norseman products are substantially similar by visual

comparison and appropriate any novel elements of the Rehrig designs. Although the Court finds that Rehrig has not identified any such points of novelty due to the functionality of the elements, the issue of infringement is addressed below.

## **B. Infringement**

The first step of design patent infringement analysis is to visually compare the patented and accused designs to compare overall similarity in the eyes of the ordinary observer. To prevail on the first step of the infringement analysis, Rehrig must show that an ordinary observer of the products would be deceived such that one design would be confused with the other. In other words "if, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other." *Gorham*, 81 U.S. at 528. Norseman grounds its argument here on the assertion that the allegedly infringing Norseman crates are not substantially the same due to apparent visual differences. In particular, Norseman argues that the "ordinary observer" in this instance is a purchasing agent for Coca-Cola or Pepsi who is not likely to be deceived into purchasing the wrong product. Motion, at 14. FN21

FN21. Rehrig claims that Norseman's assumption about the identity of the ordinary purchaser is made without any evidence. Opposition, at 7. Both parties apparently agree that the manner by which the product is sold should determine the identity of the ordinary purchaser under *Gorham*. Application of the *Gorham* standard requires identification of the ordinary purchaser. The evidence before the Court supports the conclusion that the ordinary purchaser is a purchasing agent for Coca-Cola or Pepsi. In light of this determination, the Woodring Report's assertion that the ordinary purchaser would be deceived is not particularly probative.

The Court first points out a number of substantial visual dissimilarities between the design drawings and the allegedly infringing Norseman products. First, the NPL 403 handle is connected to the floor by a bisecting handle while the '121, '060 and '061 patents depict a free floating handle.FN22 The NPL 403 internal walls contain three ribs as opposed to the solid wall depicted in the '121 patent. The NPL 403 pylons have two holes on the outside top of their exterior surface while the '121 and '060 pylons do not. With respect to the NPL 404, the Court notes several visual differences from the '012 patent it is alleged to infringe. First, the upper wall pattern of the NPL 404 is sinusoidal as opposed to flat-topped design depicted in the '012 patent. The NPL 403 has three ribs on the interior wall as opposed to the solid design of the '012 patent. Finally, the Court notes that the NPL 407 is visually differentiable from the '901 patent asserted against it in several ways. First, the NPL 407 handle is bisecting as opposed to the free floating handle of the '901 patent. Second, the internal pillars of the NPL 407 are circular as opposed to the octagonal shape of the pillars of the '901 design.

FN22. The NPL 403 is alleged to infringe the '121, '060 and '061 patents.

The crucial question is whether the ordinary observer would determine that the Norseman crates and the designs are substantially the same and whether that ordinary observer would be deceived by the appearance of the NPL crates such that he would mistakenly purchase the design patent crates.

Norseman contends that there is no possibility that actual confusion would occur with respect to the Norseman crates. Motion, at 15. Norseman argues that a purchaser dealing in large volumes of crates at substantial cost would notice the differences between the Rehrig and Norseman crates and that Rehrig has not submitted any competent evidence that actual confusion has occurred. Rehrig's opposition identifies deposition testimony of Rehrig's National Account Manager for the Coke account, Mr. Solvason, and Norseman's Mr. Williams. Rehrig's evidence consists of an anecdote conveyed by Solvason that a purchasing agent mistook a Rehrig crate for a Norseman crate. Brandenburg Decl., Ex. C, Solvason Depo., p. 88:25-p.89:21. Williams' testimony does not seem relevant to the issue of the perspective of an ordinary purchaser. Williams Depo., p. 95:19-p.96:14.

Norseman responds to Rehrig's evidence with the testimony of Rehrig's Mr. Lynch who elaborated on the type of confusion that seemed to be occurring at the purchasing level. The confusion seemed to emanate not from the question of whether or not a purchasing agent mistakenly purchased a Norseman product for a Rehrig product but from whether Pepsi employees knew which of two noticeably different crates belonged to which manufacturer.FN23

FN23. Lynch asserted that the employees knew there were two different shells and answered the question "[t]hey know they are different but they're not sure whose is whose?" with the response "[c]orrect." Exh. 15, pp. 209:8-13; 210:23-25; 214:13-19.

It is Rehrig's burden to prove infringement. Norseman has met its initial burden of showing sufficient evidence for a finding of non-infringement based on lack of novelty and Rehrig's failure to satisfy the "ordinary observer" test. The Court finds that Rehrig has not responded sufficiently to establish a genuine issue of material fact sufficient to preclude summary judgment.

The Court notes that even if Rehrig had established points of novelty and satisfied the *Gorham* inquiry into the visual similarities of the products, Rehrig would have to show that the appropriation of the ornamental features of the designs was the cause of the similarity between the products as opposed to the overall design concept. The Court does not address that issue here in light of its ruling that Rehrig cannot establish such ornamental features nor sufficient evidence to defeat Norseman's motion for summary judgment on the grounds that Rehrig does not meet the *Gorham* standard for substantial similarity to the ordinary observer

### **C. Conclusion**

The Court finds that Rehrig has not demonstrated the existence of any genuine issues of fact under the infringement test. Norseman's motion for summary judgment that the NPL 403, 404 and 407 do not infringe Rehrig's design patents is granted.

## **VIII. Norseman's Motion for Summary Judgment on Plaintiffs Willful Infringement Claim**

Norseman moves for summary judgment on Rehrig's willful infringement claim seeking enhanced damages pursuant to this Court's discretion under section 284, Title 35.

### **A. Standard of Review**

Summary judgment is properly granted when a party fails to make a showing sufficient to establish the existence of a genuinely disputed issue of material fact. It is the burden of the non-moving party to go

beyond the pleadings, admissions, declarations, and other evidence on file and designate specific facts showing a genuine disputed issue of material fact. *Celotex v. Catrett*, 477 U.S. at 323-34. An issue is "genuine" only if there is a sufficient evidentiary basis such that a reasonable fact finder could find for the non-moving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. at 248-249. Here, the burden of the non-moving party is enhanced because it must come forward with clear and convincing evidence which would permit the fact-finder to find willfulness. *Comark Communications, Inc. v. Harris Corp.*, 156 F.3d 1182, 1190-91 (Fed.Cir.1998).

## **B. Willful Infringement**

Willful infringement is determined by the totality of the circumstances. *Kalman v. Berlyn Corp.*, 914 F.2d 1473, 1483 (Fed.Cir.1990). An infringer with actual notice of a patentee's rights has an affirmative duty of care. *Avia Group Int'l Inc. v. L.A. Gear Cal., Inc.*, 853 F.2d 1557, 1566 (Fed.Cir.1988). This affirmative duty generally includes the duty to seek and obtain competent legal advice from counsel regarding the potential infringement. *Ryco Inc. v. Ag-Bag Corp.*, 857 F.2d 1418, 1428 (Fed.Cir.1988).

While it is well settled that one important factor in determining whether willful infringement has been shown is whether or not the infringer obtained opinion of counsel, the legal opinion obtained by the infringer must be "competent" in order to show good faith belief on the part of the infringer. *Comark Communications Inc. v. Harris Corp.*, 156 F.3d at 1990-91. When willful infringement is found despite the presence of an opinion of counsel, it is generally due to a finding that the infringer ignored the opinion or that the opinion was incompetent. *Read Corp. v. Portec, Inc.*, 970 F.2d at 826.

Norseman's motion for summary judgment is grounded on the basis that the opinions were both competent and relied upon in moving forward with the allegedly infringing activity. Norseman began working with the law firm of Nixon & Vanderhye regarding the NPL 403 crate at least as early as January 18, 1999, more than ten months before it purchased its first NPL 403 mold on October 28, 1999. *Speranza Decl.*, Ex. 33. Norseman received formal non infringement-opinions before it purchased the mold. *Speranza Decl.*, Ex. 1, 6, 8, 11, and 29-32. Norseman contends that it supplied its attorneys with drawings and prototypes of the proposed beverage crates and with the information necessary to form a competent opinion. *See, e.g.*, *Speranza Decl.*, Ex. 1 at 2. Norseman also asserts that it received advice not only from Nixon & Vanderhye, but also from Norseman patent attorney Dennis Lambert ("Lambert") and Pepsi's attorneys, the law firm Fitzpatrick Cella Harper & Scinto. Specifically, Norseman received non-infringement opinions from Nixon & Vanderhye, design approval from Fitzpatrick Cella Harper & Scinto, and a formal written clearance from Lambert. *See Speranza Decl.*, Exs. 1, 6, 8, 9, 26, 28.

Rehrig opposes the motion for summary judgment on the grounds that Norseman did not in fact submit letters from Pepsi's counsel to this Court, that the approval letters Norseman did receive were not competent, and that Norseman did not in fact rely on those letters.

### **1. Letters from Pepsi's Counsel**

Norseman contends that it received approval from Pepsi's counsel for the design of the NPL 403 and 407. *Motion*, at 8. Norseman purports to submit these clearances as *Speranza Declaration Exhibits 26 and 28*. The first of these exhibits is an agreement between the parties not purporting to grant approval to the designs of the NPL 403 or 407. The second of these exhibits is an e-mail from Norseman to Pepsi's Steve Duffy in which a statement is made "Steve, as you know, your patent attorneys gave the verbal go ahead to this mold ...". *Speranza Decl.*, Ex. 28. Rehrig objects to these statements because they are hearsay and additionally,

because they do not mention any non-infringement opinions. Opposition, at 10.

Norseman's only response to Rehrig's contention that this evidence does not purport to show what Norseman's motion claims it does is that Rehrig misunderstands its burden to prove willfulness. Reply, at 3. However, this is Norseman's motion for summary judgment and therefore Norseman's burden to point to the record to show a lack of evidence supporting Rehrig's claims or evidence in support of its own defense. In this case, Norseman asserted that the record included evidence of approval and clearance by Pepsi's counsel. Given the significant weight that would likely be granted multiple, independent non-infringement letters in a determining willfulness, Norseman must venture beyond mere assertion that these letters exist in order to support summary judgment. The Court finds that this evidence does not support a finding of summary judgment.

## **2. The Relevance and Timing of Norseman's Opinion Letters**

Norseman has submitted formal non-infringement opinions from counsel to 27 show that the infringement was not willful. Rehrig objects to all but one of the exhibits submitted by Norseman as irrelevant because they do not properly connect the non-infringement opinion to the particular product. The Court finds that the non-infringement opinions are relevant and is able to connect the infringement letter with the relevant NPL crate without much difficulty.

In addition, Rehrig objects to certain exhibits because the non-infringement letters are untimely. As to the timeliness of the opinion letters, Rehrig asserts that many of the letters came after infringement. Opposition, at 12. Specifically, Rehrig argues that Exhibits 3, 4, and 5 are untimely with respect to NPL 403, and that Exhibits 5 and 6 are untimely with respect to NPL 404. Additionally, Rehrig asserts that because there are some documents that may show that an NPL 403 and NPL 404 were being offered for sale as early as July 1999, and a NPL 407 as early as February 1999, predating all opinion letters, Exhibits 1-6 and 12-13 should be disregarded. Rehrig's claim that Norseman engaged in infringing activity before seeking competent legal counsel would render the opinions irrelevant only if the predicate showing of infringing activity had been made. Here, Norseman asserts that Rehrig's evidence of an offer of sale is insufficient to show that actual infringing activity had taken place before Norseman sought legal counsel. The Court is not persuaded by Rehrig's argument that the letters should be disregarded as evidence at this point because Rehrig has not sufficiently established that the letters came after actual infringing activity.

## **3. Competence of the Non-Infringement Letters**

Incompetent opinions of non-infringement by legal counsel are of little or no value in showing the good faith belief of an infringer. *Comark Communications, Inc. v. Harris Corp.*, 156 F.3d at 1190. Rehrig objects to many of the assumptions made by the opinion authors and to the proposed claim construction set forth in many of the opinions. Ex post accuracy of non-infringement opinions is not required to defend a willful infringement claim. The legal advice must be found competent such that the client was reasonable in believing that a court might hold the patent invalid, not infringed or unenforceable. *See Johns Hopkins Univ. v. CellPro Inc.*, 152 F.3d 1242, 1364 (Fed.Cir.1998); *Ortho Pharmaceutical Corp. v. Smith*, 959 F.2d 936, 944 (Fed.Cir.1992); *SRI Int'l, Inc. v. Advanced Tech. Lab.*, 127 F.3d 1362, 1465 (Fed.Cir.1997). Indeed, the issue of willful infringement only arises if the infringer's counsel was ultimately wrong. Here, Norseman provided the relevant information to counsel, counsel's analysis is not the type of superficial, "off the cuff" analysis that would objectively be known by Norseman to be incompetent and not a reasonable basis for reliance.

## **4. Reliance**

A competent opinion may not be probative on the issue of willfulness if the infringer did not rely on counsel's advice. *See, e.g., In re Hayes Microcomputer Prods. Patent Litig.*, 982 F.2d 1527, 1543-44 (Fed.Cir.1992). Rehrig asserts that Norseman did not rely on these opinions. Rehrig supports this assertion by pointing out that Norseman only submitted one opinion by Mr. Lambert for the NPL 404 crate and therefore a jury might conclude that Mr. Keenan ("Keenan"), the other outside counsel, provided a negative opinion. Rehrig also contends that a lack of reliance is shown by the fact that Norseman was not charged for many of these opinions. Specifically, Rehrig asserts that Lambert did not bill for three of his letters and this supports an inference that Norseman did not have a good faith belief of non-infringement. Lambert Depo., 68:1-16, 86:1-12 and 105:15-106:2.FN24

FN24. Rehrig apparently ignores the portion of Lambert's deposition testimony where he attempts to explain that he intended to bill Norseman but had not yet done so because he was tardy in billing. Lambert Depo., pp. 128-29.

Norseman rebuts Rehrig's assertions that the absence of Keenan's opinion as to the NPL 404 implies that he was approached and gave a negative opinion by asserting that the one opinion was sufficient because Keenan's opinion on the NPL 403 had dealt with issues paralleled in the NPL 404 opinion. Further, Keenan testified that he was not asked to provide an opinion as to the NPL 404. Keenan Depo., 123:12-14.

The Court finds that Rehrig has not come forward with sufficient evidence to prevent summary judgment on the grounds that Norseman did not actually rely on the opinions it sought.

## **5. The NPL 400 Crate**

Norseman asserts that summary judgment with respect to the NPL 400 is appropriate because Rehrig has not submitted any evidence that Norseman had actual notice of Rehrig's patents when engaging in infringing activity. Rehrig contends that Norseman was in fact aware of Rehrig's '002 patent in 1997 prior to its introduction of the NPL 400 crate in the United States. Rehrig submits the deposition testimony of Andrew Williams in support of that position. Williams Depo., 161:17-162:23. The Court finds that the cited deposition testimony does not establish that Norseman was specifically aware of the '002 patent before the NPL 400 was sold in the United States. Rehrig has not met its burden of establishing a genuine issue of material fact. Norseman's motion for summary judgment on Rehrig's willful infringement claim is granted with respect to the NPL 400.

## **C. Analysis**

The Court finds that Rehrig has not established a genuine dispute as to a material fact concerning whether the Keenan and Lambert opinions were both competent and actually relied upon by Norseman. Nor has Rehrig carried its burden in establishing a genuine issue of material fact with respect to its assertion that Norseman sought opinion letters only after infringing activity. The Court finds that counsel's opinion was thorough enough to provide the basis for a good faith belief by Norseman that their conduct was not infringing. Therefore, Norseman's motion for summary judgment with respect to the remaining NPL 403, 404, 406 and 407 beverage crates is granted with respect to Rehrig's enhanced damages claims.

Rehrig falls back on the legally correct proposition that a finding of willful infringement must flow from the

totality of the evidence, not just legal opinions which may have been relied upon. Opposition, at 2 (citing Comark Communications, 156 F.3d at 1190). Into the mix, Rehrig advances the view that Norseman intentionally copied ("knocked off") its designs. Rehrig does not acknowledge that it is perfectly legitimate to design around a patent, and indeed one of the purposes of the patent disclosure system is to encourage this valuable form of competition. *State Industries, Inc. v. A.Q. Smith Corp.*, 75 F.2d 1226, 1335 (Fed.Cir.1985) ("conduct such as Smith's, involving keeping track of competitor's products and designing new and possibly better or cheaper functional equivalents is the stuff of which competition is made and is supposed to benefit the consumer."). It is not that Rehrig has failed to come forward with a fuller view of the evidence to support its willfulness claim in light of Norseman's extensive and valid reliance on opinions of counsel. It is simply that when the totality of the evidence is considered it does not create a jury issue under the clear and convincing standard.

#### **D. Conclusions**

In light of the above, Norseman's motion for summary judgment on Rehrig's willful infringement claims is granted.

### **IX. Norseman's Motion for Summary Judgment on Rehrig's Lanham Act Claims**

Rehrig's complaint includes allegations that Norseman has infringed two Rehrig trademarks. The two marks at issue are Norseman's "Merchandiser" and "Castle Crate" marks. Norseman moves for summary judgment on Rehrig's Lanham Act claims.

Rehrig asserts that Norseman used the "merchandiser" and "castle crate" marks not only to compare Norseman's products with Rehrig's or promote their compatibility with those products, but also used the words "Merchandiser," "Merchandizer," "MERCHANDISER," "merchandiser," "merchandizer," "merch." and "Merch" to describe its products. Exs. F-J.

#### **A. Standard of Review**

Summary judgment is proper where "the pleadings, depositions, answers to interrogatories, and admissions on file, together with affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law. Fed.R.Civ.P. 56(c). The moving party bears the burden of demonstrating the absence of a genuine issue of material fact. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. at 256. Summary judgment is appropriate where the nonmoving party fails to make a sufficient showing on an essential element of the case on which that party will bear the burden of proof at trial. *Celotex Corp. v. Catrett*, 477 U.S.at 323.

In trademark infringement actions, courts generally disfavor summary judgment because of the inherently factual nature of most disputes. *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 185 F.3d 1107, 1109 (9th Cir.1999).

#### **B. Analysis**

Norseman's motion for summary judgment on Rehrig's Lanham Act claims is based on three arguments that: (1) the classic fair use defense to trademark infringement applies; (2) the nominative fair use defense applies; and (3) likelihood of confusion, as required by 15 U.S.C. s. 1114 and s. 1125(a), is absent in this case. Because the classic fair use defense is not available if there is a likelihood of customer confusion as to

the original product, customer confusion will be addressed first.

## **1. *Sleekcraft* Factors**

The traditional likelihood of confusion test is set forth in *AMF v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir.1979). The requisite likelihood of confusion is a probability of confusion caused by use of the marks at issue. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 328 F.3d 1061, 1072 (9th 2003). The *Sleekcraft* factors are non-exclusive guidelines meant to assist the Court in determining whether likelihood of confusion exists. Those factors are: (1) the strength of the plaintiff's mark; (2) relatedness of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the likely degree of purchaser care; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines. *Sleekcraft*, 599 F.2d at 348-49. These factors are not necessarily of equal importance and each factor does not necessarily apply to every case. *Downing v. Abercrombie & Fitch*, 265 F.3d 994, 1008 (9th Cir.2003). Both parties concede that the marks used are similar or the same, that the goods are related and the marketing channels used are identical, and that the likelihood of expansion in product lines is not significant. As such, the Court will examine the relevant *Sleekcraft* factors, specifically the strength of the mark, evidence of actual confusion, the likely degree of purchaser care, and the defendant's intent in using the mark.

### ***a. Strength of the Marks***

Norseman argues that "Castle Crate" and "Merchandiser" are weak and entitled only to limited protection. Motion, at 10. Specifically, Norseman argues that the marks are generic or descriptive, weak, and therefore entitled only to narrow protection. A mark that the public understands to describe the products with which it is used will be protected only when secondary meaning is shown. Norseman's argument is based on several pieces of evidence. First, Norseman submits the deposition of Norseman's CFO, Mr. Williams, containing William's statements that the mark is generic. Williams Depo., 104:18-21, 105:10-14. Second, Norseman contends that Rehrig's own use of the term "merchandiser" in a descriptive manner on its website without trademark registration notation and not capitalized or otherwise emphasized indicates that the term "merchandiser" is generic or descriptive. Williams similarly testified that he believes "Castle Crate" is descriptive of the design of the beverage crates at issue. Williams Depo., 116:16-20, 112:9-14. Third, Norseman points to Rehrig's design patent applications which refer to the "castle crate" which use the name in their titles and testimony from Rehrig's Mr. Koefeldt using the terms "merchandising crate" and "castle crate" in a descriptive manner. Koefeldt Depo., pps. 104, 107-08.

Rehrig contends that the use of the term "merchandiser" on its website was a mistake that is being corrected. Diamond Decl, para. 3. Further, Rehrig contends that Williams's testimony should not be entitled to significant weight because it is self-serving. Opposition, at 15. Rehrig also argues that Norseman does not accurately characterize Koefeldt's testimony. Rehrig contends that Koefeldt testified that he called the columns of the Rehrig Castle Crate "castles." Opposition, at 19. Rehrig points to a Norseman salesperson's testimony that the "Castle Crate" trademark is associated with Rehrig products. Rindfleisch, Ex. B., 6:11-8:13.

Norseman carries its initial burden of establishing that no genuine issue of material fact exists precluding the granting of summary judgment. However, the Court finds that Rehrig has responded with sufficient conflicting evidence to establish an issue of material fact regarding whether or not secondary meaning attaches to the marks. This factor does not support summary judgment.



### ***b. Evidence of Actual Confusion***

Rehrig asserts that actual confusion has taken place as a result of Norseman's infringing activities. Opposition, at 11. In addition to Norseman's trade literature using the marks for comparative purposes or to promote the compatibility of Norseman products with Rehrig products, Rehrig also asserts that Norseman uses the words "castle style crate" to designate its product in a trade brochure. Ex. K. Rehrig asserts that Pepsi has purchased a "20 oz. Merchandizer" from Norseman, and a supplier offered an estimate for a "MERCHANDISER" case mold and another supplier made a blueprint for a "20-24 MERCHANDISER" for Norseman. Exs. N, O.

Norseman argues that Rehrig has not produced any actual evidence of confusion *resulting from* Norseman's alleged infringing use of the marks. The Court agrees that Rehrig has not produced evidence sufficient to establish a causal link between the Pepsi employee's confusion and Norseman's allegedly infringing behavior. However, the Court notes that the absence of evidence of actual confusion is not generally accorded great weight. *Brookfield Comms., Inc. v. West Coast Ent. Corp.*, 174 F.3d 1036, 1050 (9th Cir.1999). This factor only slightly supports summary judgment.

### ***c. Degree of Purchaser Care***

Norseman argues that the purchasers of crates are large beverage companies like Pepsi and Coca-Cola who purchase directly from the manufacturers. Motion, at 13. Norseman therefore contends that purchasers are highly unlikely to confuse the source of the product. Norseman's only evidence on this point is the hearsay statement of Williams that a customer has specifically requested that Norseman manufacture a product compatible with Rehrig's product. Rehrig submits similar evidence of its own salesperson of constant confusion expressed by the customer. The Court does not find the evidence submitted by either party sufficient to support granting or rejecting this motion.

### ***d. Norseman's Intent in Selecting the Mark***

Rehrig argues that Norseman selected these marks as a part of its "campaign to copy Rehrig's business." Opposition, at 16. It is the plaintiff's burden to show that the defendant selected the mark intending "to profit by confusing customers." *Newtown v. Thomason*, 22 F.3d 1455, 1463 (9th Cir.1994) (quoting *Toho Co. v. Sears, Roebuck & Co.*, 645 F.2d 788, 792 n. 2 (9th Cir.1981)).

The Court finds that Rehrig has not established sufficient evidence of Norseman's bad faith and intent to profit by confusing customers rather than simply comparing its products and promoting their compatibility with other crates. This factor supports summary judgment.

The Court finds that in light of the genuine issue of material fact regarding the strength of Rehrig's marks, summary judgment is not appropriate.

## **2. Classic Fair Use**

Classic fair use is generally applied to infringement cases involving descriptive marks used in their primary, descriptive sense. The classic fair use defense is not available if there is a likelihood of confusion as to the original product. *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1151 (9th Cir.2002). A defendant must show that the defendant's use of the term is not as a trademark, that the defendant uses the product in good faith and that the defendant uses the term only to describe its own goods. *Cairns*, 292 F.3d at 1151. This defense

applies when the mark at issue "possess both a primary meaning and a secondary meaning-and only when the mark is used in its primarily descriptive sense rather than its secondary trademark sense." *Brother Records v. Jardine*, 318 F.3d 900, 905-06 (9th Cir.2003).

Rehrig argues that classic fair use is not applicable because Norseman used the mark to describe Rehrig's goods. Opposition, at 20. Specifically, Rehrig contends that the references "comparable with existing merchandizer style crates" and "Designed especially for existing second generation castle crate customers" refer clearly to Rehrig crates.

Norseman uses Rehrig's mark to reference Rehrig's crates even if Norseman's ultimate goal is to describe its own products. Despite the Williams deposition testimony that the term "merchandiser" is a generic, descriptive term, the Court is not persuaded that this Norseman's usage does not reference Rehrig's products. References to compatibility with existing "merchandizer style" or "castle" crates appear to refer to Rehrig's products. The Court thus finds that the classic fair use defense is not available to Norseman. Further, the Court notes that the classic fair use defense is not available where there is a likelihood of confusion as to the origin of the product. Because the Court holds that a genuine issue of material fact exists with respect to the strength of Rehrig's marks, it could not find for Norseman at this juncture even if it ruled that Norseman's use of the marks did not reference Rehrig's products.

### **3. Nominative Fair Use**

The nominative fair use defense is appropriate where defendant has used the Plaintiff's mark to describe the plaintiff's product rather than its own. *Cairns v. Franklin Mint Co.*, 292 F.3d at 1150-52. In order to establish nominative fair use, the defendant must show that the plaintiff's product is not readily identifiable without use of the mark, only so much of the mark may be used as is necessary to identify the product, and the defendant does nothing in conjunction with the use of the mark that would suggest sponsorship or endorsement by plaintiff. *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302, 208 (9th Cir.1992). Unlike the classic fair use defense, the nominative fair use analysis replaces the customer confusion analysis set forth in *Sleekcraft*, *Playboy v. Enters., Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir.2002).

#### ***a. Readily Identifiable Without Use of the Mark***

Norseman argues that this element is satisfied because Norseman could not have found another means of effectuating product comparison without using the terms "Merchandiser" or "Castle Crate." Motion, at 6. Rehrig contends that it is not necessary to use its marks for comparative purposes because Norseman can identify its own products with the relevant NPL numbers, i.e. NPL 400, 403, 404, etc. This argument misses the point of the nominative fair use defense which is to protect comparisons to other products, even where the point of that comparison is ultimately the description of its own product. Norseman asserts that the most logical manner to identify and describe Rehrig's products is to use the terms that describe them in the industry. The Court agrees and finds that Norseman has satisfied this element of the nominative fair use defense.

#### ***b. Reasonably Necessary Usage to Identify the Product***

The second element of the nominative fair use test is that "only so much of the mark or marks may be used as is reasonably necessary to identify product or service." *New Kids on the Block*, 971 F.2d at 308. The Ninth Circuit explained in that case that "a soft drink competitor would be entitled to compare its product to

Coca-Cola or Coke, but would not be entitled to use Coca-Cola's distinctive lettering." *Id.* Norseman contends that this element is satisfied because Norseman's usage of the marks is stripped to the basics, not reflected with capital letters, stylized lettering, or any image intimately associated with Rehrig. *See, e.g., Toho Co. v. William Morrow & Co.*, 33 F.Supp.2d at 1209, 1211. Norseman asserts that its comparisons to Rehrig's products were reasonably necessary to convey the fact that Norseman's products were compatible with Rehrig products. Norseman had to identify Rehrig products to ensure that its customers understood the products compatibility features. The Court agrees with Norseman's contentions and does not find any bad faith usage of the marks, or usage greater than reasonably necessary to convey the products compatibility. Norseman has satisfied this prong of the nominative fair use defense.

### ***c. No Suggestion of Sponsorship or Endorsement***

The third element of the nominative fair use defense is that "the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder." *New Kids on the Block*. 971 F.2d at 308. Norseman contends that its usage of the "Merchandiser" and "Castle Crate" marks simply convey compatibility and do not suggest or suggest sponsorship by Rehrig of the Norseman products. Norseman points out the "tag line": "Good competition ... good business ... good sense" that is attached to each of Norseman's promotions. Rehrig does not submit evidence of such endorsement but argues that Norseman has "done everything it can to make itself confusingly similar to Rehrig by making virtually identical cases and using the same marks for those cases."

Norseman has submitted sufficient evidence to support its claim that the third element of the nominative fair use defense is satisfied. The Court finds that Rehrig has not established any genuine issue of material fact as to Norseman's nominative fair use defense. Further, the Court notes that the nominative fair use replaces the *Sleekcraft* analysis complementing the classic fair use analysis and therefore the issue of material fact regarding consumer confusion and the strength of Rehrig's marks does not preclude Norseman's motion for summary judgment based on nominative fair use.

Norseman's motion is granted.FN25

FN25. Rehrig filed a separate motion for summary judgment on Norseman's federal affirmative defenses and counterclaims which included Norseman's claim that the Rehrig marks are not valid as generic or descriptive. In light of this ruling, the Court would conclude that a genuine issue of material fact exists as to whether the marks carry secondary meaning. However, because Norseman's motion for summary judgment on Rehrig's Lanham Act claims is granted on the basis of Norseman's nominative fair use defense, Rehrig's motion is moot in that regard and is denied.

## **X. Rehrig's Motion for Summary Judgment on NPL's Federal Affirmative Defenses and Counterclaims**

Norseman raises three federally grounded defenses to Rehrig's patent infringement claims: s. 101 invalidity, s. 112 invalidity, and inequitable conduct.FN26 Rehrig moves for summary judgment on Norseman's defenses and federal law counterclaims that the patents-in-suit are invalid under 35 U.S.C. s. 101, 35 U.S.C. s. 112 and that the patents are unenforceable. The Court addresses each of Rehrig's claims in turn.

FN26. Rehrig includes its motion for summary judgment on Norseman's trademark invalidity defenses along with its motion for summary judgment on Norseman's patent invalidity defenses. The Court separates these

arguments for organizational simplicity and addresses the trademark issues separately.

## **A. Standard of Review**

The usual summary judgment standard applies here. It is the burden of the non-moving party to go beyond the pleadings, admissions, declarations, and other evidence on file and designate specific facts showing a genuine disputed issue of material fact. *Celotex v. Catrett*, 477 U.S. at 323-34; *Anderson v. Liberty Lobby, Inc.*, 477 U.S. at 249.

## **B. Analysis**

The Court now turns to Rehrig's motion for summary judgment on three Norseman affirmative federal defenses and counterclaims.

### **1. Section 101 Invalidity**

35 U.S.C. s. 101 provides that "whoever invents or discovers any new and useful process ... may obtain a patent therefor." The statutory language suggests, and has been interpreted as, a rule that a patentee may not obtain more than one patent for a single invention.

Rehrig argues that "Norseman has produced no evidence nor made any argument in discovery that any of the patents are invalid under 35 U.S.C. s. 101. Rehrig contends that without any such argument the presumption of validity pursuant to 35 U.S.C. s. 282 should prevail. Motion, at 9. Norseman's opposition brief contends that Norseman's s. 101 defense is based upon the claim that U.S. Patent No. 5,842,572 ("572 patent") is double-patented.FN27

FN27. The '572 patent is claimed to be the equivalent of U.S. Patent No. 5,651,461 ("461 patent').

Norseman asserts that the evidence necessary to defeat Rehrig's motion for summary judgment is available on the record in the form of the '572 and '461 patents. Norseman argues Claims 1, 14, and 16 of the '572 patent, issued to Rehrig on December 1, 1998, are identical to Claims 1, 14 and 16 of the '461 patent issued to Rehrig on July 29, 1997. Norseman contends that the only difference between these independent claims is that the '572 Claims state that the case bottom is "attached to said outer shell" while the '461 patent Claims state that the case bottom is "disposed substantially within said outer shell." Opposition, at 2.

The Federal Circuit's predecessor provided useful guidelines for determining whether two sets of claims constituted double-patenting in *In re: Vogel*, 57 C.C.P.A. 920, 422 F.2d 438, 441 (CCPA 1970), where it stated that "[a] good test, and probably the only objective test, for 'same invention,' is whether one of the claims would be literally infringed without literally infringing the other. If it could be, the claims do not define identically the same invention." *Id.* At oral argument, Rehrig asserted that the language "attached to said outer shell" as opposed to "disposed substantially within the outer shell" allowed for a crate with a case bottom extending beyond the walls of the outer shell. Rehrig contends that such a crate would infringe the '572 patent but not the '461 patent and therefore warrants a conclusion that the two inventions are not the same. Upon examination of the '572 and '461 patent claims, the Court agrees with Rehrig that the claims are not of identical scope as required for double-patenting invalidity under *In re: Vogel*. Rehrig's motion for summary judgment on Norseman's same invention double-patenting defense is granted.

## 2. Section 112 **Invalidity**

Rehrig also moves for summary judgment on Norseman's affirmative defense pursuant to 35 U.S.C. s. 112 para. 2 which provides that a patent "specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." Whether an issued Claim is sufficiently definite is determined by analyzing whether the Claim, in conjunction with the specification, reasonably communicates to one ordinarily skilled in the art the scope of the invention. *Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1378 (Fed.Cir.2000). This requirement has also been stated as a requirement that the Claims must be "sufficiently precise to permit a competitor to determine whether or not he is infringing." *Morton International Inc. v. Cardinal Chemical Co.*, 5 F.3d 1464, 1470 (Fed.Cir.1993).

Norseman's opposition brief sets forth its Section 112 defense that certain Claims of the disputed Rehrig patents are invalid for "indefiniteness." Opposition, at 3. Specifically, Norseman claims that the term "double thickness wall structure" is indefinite. Norseman argues that should the Court accept Rehrig's construction that "double thickness wall structure" is a wall structure having "at least double that of just a single thickness wall," then the patent would be rendered impermissibly indefinite for the purposes of Section 112. The Court agrees that the Claims and specification do not identify a reference structure sufficient to meet establish the meaning of "double thickness." However, in construing the relevant Claim of the '654 patent, the Court did not construe the claim to require a single wall of any particular level of thickness, but rather a requirement of two distinct walls.

In light of the Court's construction of the relevant Claims, the Court grants Rehrig's motion for summary judgment of Norseman's Section 112 defense.

## 3. **Inequitable Conduct**

Rehrig moves for summary judgment on Norseman's defense that the '654, '277, '843 and '121 patents are unenforceable because Rehrig committed inequitable conduct in procuring these patents by deliberately withholding information regarding the existence of the "Tulip" beverage crate as prior art.

The inequitable conduct defense results from an applicant's breach of his or her duty to prosecute a patent application with good faith and honesty. A defense of inequitable conduct requires a showing that the inequitable conduct, such as providing false or misleading information to the PTO, must be both material and intended. *See generally*, *Life Techs, v. Clontech Lab*, 224 F.3d 1320, 1324 (Fed.Cir.2000). Inequitable conduct will therefore be found where a defendant shows by clear and convincing evidence that the patentee failed to disclose material information with the intent to deceive or mislead the Patent Examiner. *Critikon, Inc. v. Becton Dickinson Vascular Access, Inc.*, 120 F.3d 1253, 1256 (Fed.Cir.1997) *cert. denied*, 523 U.S. 1071 (1998).

### ***a. Materiality***

The starting point in determining materiality is PTO Rule 1.56, which was changed substantially in 1992.FN28 Prior art will be deemed material where there is a substantial likelihood that a reasonable examiner would have considered it important in deciding to issue the patent. *Mollins PLC v. Textron, Inc.*, 48 F.3d 1172, 1179 (Fed.Cir.1998). If the threshold levels of materiality and intent are established, the court balances the actual levels of materiality and intent and determines as a matter of equity whether or not the

inequitable conduct before the PTO has occurred.

FN28. 37 C.F.R. s. 1.56 (1986) stated that undisclosed information is material when there is a substantial likelihood that a reasonable patent examiner would consider the information important to deciding whether to allow the application to issue as a patent. Pursuant to new Rule 1.52, which applies to prosecutions taking place after March 1992, information is material when it is not cumulative and "it refutes, or is inconsistent with, a position the applicant takes in: (i) opposing an argument of unpatentability relied on by the [PTO]; or (ii) asserting an argument of patentability."

Rehrig asserts that Norseman has not made a sufficient showing of materiality for the purposes of the inequitable conduct defense. Motion, at 12. Rehrig argues that Norseman has not shown that the Tulip crate was prior art or material to any of the five patents at issue. Norseman contends that the Tulip crate is highly material to the patentability of the '843, '277, '654 and '121 patents. Opposition, at 11. Upon review of the Tulip crate lodged with this Court and the claims of the relevant patents, the Court finds that the Tulip crate is material prior art. The Tulip crate was manufactured before the Rehrig patent applications were filed. The Tulip crate is of double-walled construction, with no internal partitions, a latticed floor, and sidewalls with pylons separated by cut-outs.

Viewing evidence in the light most favorable to Norseman as the non-moving party, the Court finds that Norseman has established a genuine issue of material fact sufficient to defeat Rehrig's motion for summary judgment.

### ***b. Intent to Deceive or Mislead***

Rehrig also claims in support of its motion for summary judgment that Norseman has not submitted sufficient evidence to create a triable issue of fact with respect to Rehrig's requisite intent to deceive the PTO during the patent prosecution. Motion, at 12. Norseman submits Mr. Koefeld's deposition testimony indicating that Koefeld saw a crate made by Tulip. Koefeld Depo., Exh. 8, 141:6-143:15.

Norseman need not submit direct proof of intent to mislead as such evidence is rarely available. Rather, such intent may be inferred from circumstantial evidence. *Lipman v. Dickinson*, 174 F.3d 1363, 1370 (Fed.Cir.1999). Here, Norseman has produced evidence that Koefeld at least knew of the Tulip crate and his obligation to disclose it to the PTO. Whether or not Rehrig had the requisite intent as a result of Koefeld's knowledge creates a genuine issue of material fact that precludes granting Rehrig's motion.

Where the facts of intent and materiality are reasonably disputed, the issue is generally not amenable to summary disposition. *See Baker Oil Tools, Inc. v. Geo Vann, Inc.*, 828 F.2d 1558, 1566 (Fed.Cir.1987) (citing *KansaROOS U.S.A., Inc. v. Caldor, Inc.*, 778 F.2d 1571, 1577 (Fed.Cir.1985)).

## **C. Conclusion**

In light of the above, the Court denies Rehrig's motion for summary judgment with respect to Norseman's inequitable conduct claims. FN29 The Court grants Rehrig's motion for summary judgment with regard to Norseman's double-patenting and Section 112 invalidity defenses.

FN29. Norseman has conceded to dismissal of its state law counterclaims concerning unfair competition and interference with prospective economic advantage without prejudice to its 35 U.S.C. s. 285 claim that

this dispute qualifies as an "exceptional case" justifying the award of reasonable attorneys' fees and expenses to the prevailing party as a result of Rehrig's alleged inequitable conduct in proceedings before the PTO. Reply, at 9. The Court dismisses Norseman's fourth and fifth counterclaims for interference with prospective economic advantage and unfair competition. The Court denies Rehrig's request for reasonable expenses in connection with preparing its motion for summary judgment on Norseman's state law claims.

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