

United States District Court,
D. New Mexico.

EMERGIS TECHNOLOGIES, INC., f/k/a BCE Emergis Technologies, Inc,
Plaintiff.

v.

PNM, TNMP, and First Choice Power,
Defendants.

No. CIV 06-0100 LCS/LFG

Jan. 2, 2007.

Alison R. Aubry, David K. Callahan, Joseph J. Jacobi, Kirkland & Ellis, Chicago, IL, J. Douglas Foster, Travis G. Jackson, Foster, Rieder & Jackson, PC, Albuquerque, NM, for Plaintiff.

Alice T. Lorenz, Miller Stratvert P.A., Albuquerque, NM, Douglas D. Salyers, James Hunt Yancey, Jr., Troutman Sanders LLP, Atlanta, GA, for Defendants.

CLAIM CONSTRUCTION ORDER

LESLIE C. SMITH, United States Magistrate Judge.

THIS MATTER came before the Court for a claim construction hearing on December 12, 2006 to construe the disputed terms of U.S. Patent No. 6,044,362 ("the '362 patent") pursuant to *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996). The parties have consented to have me serve as the presiding judge and enter final judgment under 28 U.S.C. s. 636(c) and Federal Rules of Civil Procedure 73(b). (*See* Docs. 2, 4.) The parties filed a Revised Joint Claim Construction Statement asking the Court to construe twelve claim terms; the parties have since agreed on a construction for one of the disputed terms. (*See* Docs. 40; 46 at 16; 50 at 20.) After having meticulously considered the parties' papers and oral arguments and the applicable law, I will now construe the disputed claim terms within the patent.

I. BACKGROUND

Emergis Technologies, Inc. ("Emergis") filed this lawsuit against PNM, TNMP, and First Choice Power (collectively "Defendants") on February 3, 2006 for infringement of the '362 patent. (*See* Doc. 1.) The United States Patent Office issued the '362 patent on March 28, 2000 to Mr. R. Alan Neely; Emergis later acquired the '362 patent and now licenses its propriety rights in the patented invention to various companies. (Docs. 46 at 1-2; 48 at 1.) The '362 patent, entitled "Electronic Invoicing and Payment System," describes "an automated payment system for presenting an electronic invoice to a customer for remote review and payment." (Docs. 42, Ex. 1 at C.1 L.8-10; 46 at 1.) FN1 The patentee described the paper and electronic billing systems known in prior art as labor and paper intensive. (Doc. 46, Ex. 1 at C.1 L.12-13.) He designed the present invention to address the "need for a simple, straight forward system and method of

automated electronic invoicing and payment that directly involves the invoicer and the customer while, at the same time, does not require a third party service provider...." (*Id.*, Ex. 1 at C.1 L.52-56.)

FN1. In this order, I will cite to the patent as granted using a column ("C.") and line(s) ("L.") format. For example, the first paragraph under the "Description of the Preferred Embodiments", found on PNM00006, would be cited as Doc. 42, Ex. 1 at C.3 L.24-29. For the remainder of the intrinsic evidence, I will cite only to the page numbers. For example, in the Amendment and Response to Office Action Dated February 16, 1999, the first page would be cited as Doc. 42, Ex. 7 at PNM00101.

II. LEGAL STANDARD FOR CLAIM CONSTRUCTION

"[C]onstruction of a patent, including terms of art within its claim," is a matter of law for the Court to decide. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 372 (1996). "[I]n interpreting an asserted claim, the court should look first to the intrinsic evidence of record...." *Vitronics Corp. v. Conceptiontronic, Inc.*, 90 F.3d 1576, 1582 (Fed.Cir.1996). "Intrinsic evidence consists of the claim itself, the specification, ... any prosecution history [,]" and prior art "cited in the prosecution history." *Zodiac Pool Care, Inc. v. Hoffinger Indus., Inc.*, 206 F.3d 1408, 1414 (Fed.Cir.2000). After examining the intrinsic evidence, the Court may also look to extrinsic evidence if appropriate. *Id.* (citing *Vitronics Corp.*, 90 F.3d at 1582-84).

"In construing claims, the analytical focus must begin and remain centered on the language of the claims themselves...." *Interactive Gift Exp., Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1331 (Fed.Cir.2001)). "If the claim language is clear on its face, then our consideration of the rest of the intrinsic evidence is restricted to determining if a deviation from the clear language of the claims is specified." *Id.* "[D]eviation may be necessary if a patentee has chosen to be his own lexicographer and use terms in a manner other than their ordinary meaning[,]" or "if a patentee has relinquished a potential claim construction in an amendment to the claim or in an argument to overcome or distinguish a reference." *Id.* (internal quotation marks, brackets, and citations omitted). An examination of the other intrinsic evidence may resolve a lack of clarity in the claim language. *Id.*

"[T]he words of a claim are generally given their ordinary and customary meaning." *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed.Cir.2005) (internal quotation marks and citations omitted). "[T]he ordinary and customary meaning of a claim term is the meaning that the term would have to a person of ordinary skill in the art ... at the time of the invention...." *Id.* Claim terms are to be read both "in the context of the particular claim in which the disputed term appears," and "in the context of the entire patent, including the specification." *Id.*

Claims are read in light of the specification. *Vitronics*, 90 F.3d at 1582 (citation omitted). The specification "is the single best guide to the meaning of a disputed term." *Id.* Courts must avoid, however, "importing limitations from the specification into the claims...." *Phillips*, 415 F.3d at 1323 (citing *Spectra-Physics, Inc. v. Coherent, Inc.*, 827 F.2d 1524, 1533 (Fed.Cir.1987)). It is error to confine the claims to the embodiments described in the specification. *Id.* (citations omitted). On the other hand, "[a] claim construction that excludes a preferred embodiment ... is rarely, if ever, correct." *Pfizer, Inc. v. Teva Pharm., USA, Inc.*, 429 F.3d 1364, 1374 (Fed. Cir.2005) (internal quotation marks and citations omitted). To exclude a preferred embodiment, courts "require highly persuasive evidentiary support." *Vitronics*, 90 F.3d at 1583 (citations omitted).

III. CONSTRUCTION OF THE DISPUTED TERMS

The parties have requested the Court to construe the following terms: FN2

FN2. (*See* Doc. 40 at 2-5.) The parties originally disagreed on the proper construction for the term "adapted to present customer billing data" or "presenting customer billing data," but have since agreed on a construction. (Docs. 46 at 16; 50 at 20.)

- (1) "automated billing" (included in Claim 1, *inter alia*)
- (2) "automated electronic invoicing and payment system" (included in Claim 1, *inter alia*)
- (3) "customer accessible site" (included in Claim 39, *inter alia*)
- (4) "invoice presentation electronics" (included in Claim 1, *inter alia*)
- (5) "presentation" (included in Claim 1, *inter alia*)
- (6) "customer payment instructions" (included in Claim 1, *inter alia*)
- (7) "directly" (included in Claim 1, *inter alia*)
- (8) "customer invoice account number" (included in Claim 1, *inter alia*)
- (9) "means for receiving customer billing data" or "means for receiving customer billing data for customer review and a request for payment instructions from said invoicer" (included in Claim 36, *inter alia*)
- (10) "means for receiving customer payment instructions" or "means for receiving customer payment instructions from the customer in response to said request for payment instructions from an invoicer" (included in Claim 36, *inter alia*)
- (11) "means for transmitting the customer payment instructions" or "means for transmitting the customer payment instructions from the customer directly to said invoicer" (included in Claim 36, *inter alia*)

A. "Automated Billing" and "Automated Electronic Invoicing and Payment System"

1. The Claim Terms and Proposed Constructions

Claim 1 reads, in relevant part: "An *automated electronic invoicing and payment system* for providing remote customer review of *automated billing* from an invoicer, wherein the customer payment instructions are sent from the customer directly to the invoicer..." (Doc. 42, Ex. 1 at C.8 L.45-47 (emphasis added).) Emergis proposes that the Court construe "automated billing" as "electronic billing information provided from an invoicer to a customer by automation, such as a systematic or mechanical process, i.e., electronic billing"; and the term "automated electronic invoicing and payment system" as "an electronic system in which invoicing and payment functions are done by automation, such as a systematic or mechanical process." (Doc. 40 at 2.) Defendants propose the term "automated billing" should be construed as "electronic billing information sent automatically from an invoicer to a customer, i.e., electronic billing"; and "automated electronic invoicing and payment system" as "an electronic system in which certain invoicing

and payment functions are done automatically." (*Id.*)

2. The Specification, Preferred Embodiments, and Prior Art

The parties agree that the term "automated billing" encompasses electronic billing information and admit that there is little disagreement about the construction of this term. (*See id.*; Doc. 65 at 16.) The primary issue is whether the electronic billing information is sent from the invoicer with or without a request from the customer. (*See* Doc. 50 at 17; Doc. 65 at 16-17.) The specification does not explicitly define this term. When referred to in the specification, the term is never associated with a customer request for electronic billing information; rather, the specification describes a system in which the invoicer transmits the billing information without a prior customer request. (*See, e.g.*, Doc. 42, Ex. 1 at C.2 L.5-7, 47-50 ("The control system of the invoice presentment electronics is adapted to provide billing data, regarding a customer invoice preauthorized for automated billing"; "another aspect of the present invention is to provide an automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer".)) In the preferred embodiments, the patentee explains that this "method starts with the electronic presentment of an invoice to customer." (*Id.*, Ex. 1 at C.4 L.22-23.) "[T]he electronic invoice presentment may also include customer notices relating to changes in credit terms and the like. Invoicer may also include sales and promotional materials informing customer of new products or sales on existing products." (*Id.*, Ex. 1 at C.4 L.46-51.) This language demonstrates that automated billing involves an invoicer sending electronic billing information without a customer request.

The disagreement about the term "automated electronic invoicing and payment system" appears to revolve around whether the invention covers a paper billing process.FN3 (*See* Doc. 50 at 18-19.) This invention, however, was designed to alleviate the labor and paper intensive process known in prior art. (Doc. 42, Ex. 1 at C.1 L.12-13.) Further, the patentee describes the invention as specifically involving *electronic* billing information. (*See, e.g. id.*, Ex. 1 at C.1 L.62-63.) The Plaintiff concedes that the term does not encompass a paper process, because the parties have agreed "that an 'automated electronic invoicing and payment system' refers to an electronic system." (Doc. 58 at 6.)

FN3. Defendants also argue unpersuasively that the term should be construed as involving an "automatic" process, but then concedes that payment by customers is not done automatically. (Doc. 50 at 18-19.)

3. Conclusion

The term "automated billing" means "electronic billing information sent from an invoicer to a customer without a prior customer request." The term "automated electronic invoicing and payment system" means "an electronic system in which invoicing and payment functions are done by automation, such as a systematic or mechanical process."

B. "Customer Accessible Site"

1. The Claim Terms and Proposed Constructions

Claim 39 claims: "The system according to claim 36, wherein said invoicer provides a *customer accessible site* for receiving said billing data and said request for payment instructions, said site accessible from said electronic customer authorization interface." (Doc. 42, Ex. 1 at C.10 L. 53-57 (emphasis added).) Emergis proposes that the term refers to "a specific configuration of the invention of the '362 patent wherein the

customer billing data and requests for payment are provided by the invoicer in a mechanism remotely accessible by customers. An internet website or a voice response unit are examples of customer accessible sites." (Doc. 40 at 2.) Defendants believe the term should be construed as "an internet website or voice response unit." (Id. at 3.)

2. The Preferred Embodiments and Claim Language

The first time this term appears in the intrinsic evidence is in the description of the preferred embodiments: "the *customer accessible site* may reside in an Internet website provided by invoicer for receiving the billing data and payment instructions from the customer." (Doc. 42, Ex. 1 at C.5 L.61-64 (emphasis added).) The patentee goes on to explain that this "website will be accessible from the customer electronic authorization interface. In this instance, the customer authorization interface would include an Internet browser for accessing the customer accessible site." (Id., Ex. 1 at C.5 L.64-67.) The customer accessible site, then, is something separate and apart from the electronic customer authorization interface. Plaintiff argues that the customer accessible site is not limited to an Internet website or a voice response unit, but that it could include an automated teller machine, a remote kiosk, a personal computer, an interactive television device, or a telephone. (Doc. 46 at 14 (citing Doc. 42, Ex. 1 at C.6 L.1-4).) Plaintiff is mistaken. The patent provides that the electronic customer authorization interface, *not the customer accessible site*, can include an automated teller machine, a remote kiosk, a personal computer, an interactive television device, or a telephone. (See Doc. 42, Ex. 1 at C.6 L.1-4; C.10 L.62-67; C.11 L.1-13.) Moreover, claim 39 itself requires that the customer accessible site be accessible from the electronic customer authorization interface; if the customer accessible site has to be *accessible from* a personal computer or an interactive television device, then that site cannot be the computer or television itself. (Id., Ex. 1 at C.10 L.56-57.)

Finally, Defendants correctly argue that the language of claims 39 and 86 requires that the customer accessible site have three features: (1) the invoicer must provide the site; (2) the site must be able to receive billing data and requests for payment instructions; and (3) the site must be accessible from the electronic customer authorization interface. (See Doc. 50 at 19 (citing Doc. 42, Ex. 1 at C.10 L.53-57).) The intrinsic evidence only specifically mentions two possibilities for a customer accessible site that the parties agree meets these three requirements: an Internet website and a voice response unit. (Doc. 42, Ex. 1 at C.5 L.61-64; C.8 L.1-4; see also Docs. 50 at 19-20; 58 at 7.) It is possible, however, that Plaintiff has the technology available for another type of customer accessible site that is provided by the invoicer, capable of receiving billing data and requests for payment instructions, and is accessible from the electronic customer authorization interface examples specified in the patent.

3. Conclusion

The term "customer accessible site" means "a specific configuration of the invention of the '362 patent that is provided by the invoicer, capable of receiving billing data and requests for payment instructions, and accessible from the electronic customer authorization interface. Examples of customer accessible sites include (but are not limited to) an Internet website and a voice response unit."

C. "Presentation" (Including "Present" and "Presentment") and "Invoice Presentation Electronics"

1. The Claim Terms and Proposed Constructions

Claim 1 provides that the invention's "automated electronic invoicing and payment system" is comprised of:

(a) *invoice presentation electronics* adapted to *present* customer billing data for customer review and to request payment instructions relating to automated billing to said customer; and

(b) a remote electronic customer authorization interface adapted to: (i) receive the customer billing data for customer review and the request for payment instructions from said *invoice presentation electronics*

(Doc. 42, Ex. 1 at C.8 L.44, 49-56 (emphasis added).) Plaintiff proposes that the term "presentation" should be construed as "to provide via electronic means an invoice incorporating client billing data, and does not include the specialized definition normally associated with commercial paper." (Doc. 40 at 3.) Defendants do not believe the term "presentation" requires construction and asserts that "it never appears alone in any claim of the patent. Rather, it always appears in the phrase 'invoice presentation electronics' and should be construed as such." (*Id.*)

Defendants contend that the term "invoice presentation electronics" means "an electronic device that submits an invoice." Plaintiff proposes that the term means "an electronic device *or system* that submits an invoice." (*Id.* (emphasis added).)

2. The Specification, Claim Language, and Dictionary Definitions

The specification explains that the "invoice presentment electronics [has] a control system and first communication electronics." (Doc. 42, Ex. 1 at C.1 L.65-67.) Claim 1 provides that the invoice presentation electronics performs three functions; it (1) presents customer billing data; (2) requests payment instructions; and (3) transmits the billing data and the request for payment instructions to the remote electronic customer authorization interface. (*See id.*, Ex. 1 at C.8 L.49-56.) More specifically, the control system provides the billing data to the first communication electronics, which in turn transmits the information to the second communication electronics which are located outside of the invoice presentment electronics configuration. (*See id.*, Ex. 1 at PNM00003; C.2 L.5-9.) The invoice presentation electronics may also "include a memory device to store invoice information relating to financial institutions associated with the customer." (*Id.*, Ex. 1 at C.6 L.47-50.) Finally, the invoice presentation electronics includes a "front-end processor [which] contains a template necessary to present the invoice and default payment arrangements...." (*Id.*, Ex. 1 at C.7 L.57-59.)

Defendants insist that the inclusion of the aforementioned components does not transform the configuration into a "system" and argue for a narrower construction of the claim term. (*See Doc. 56* at 19-21.) I disagree. The specification does not contain language limiting this term to a device, and the intrinsic evidence as a whole supports a broader construction. For purposes of this term, a system may be defined as "a group of devices or artificial objects or an organization forming a network especially for distributing something or serving a common purpose...." Merriam-Webster Online Dictionary, <http://www.m-w.com/dictionary/system> (last visited Dec. 29, 2006). A device may be defined as "a piece of equipment or a mechanism designed to serve a special purpose or perform a special function...." Merriam-Webster Online Dictionary, <http://www.m-w.com/dictionary/device> (last visited Dec. 29, 2006).FN4 While the invention as a whole can be described as a "system" of devices which serve a common purpose, each of the components may, standing alone, comprise a smaller system that performs one or more functions. Just as the invoice presentation electronics contains a control *system*, the larger invention can also contain a smaller sub-system.

FN4. A system may also be defined as "A group of interacting, interrelated, or interdependent elements

forming a complex whole." The Free Dictionary, <http://www.thefreedictionary.com/device> (last visited Dec. 29, 2006). Another definition for device is "A contrivance or an invention serving a particular purpose, especially a machine used to perform one or more relatively simple tasks." The Free Dictionary, <http://www.thefreedictionary.com/device> (last visited Dec. 29, 2006).

Defendants also contend that because the term "presentation" always appears within the claim term "invoice presentation electronics," it should not be separately construed. (Doc. 56 at 13-14.) Defendants are mistaken; claim 1 specifies that the invention "presents" customer billing data for customer review. (Doc. 42, Ex. 1 at C.8 L.49-52.) Plaintiff argues that the term refers to an important function of the invention, and points to the specification for support. (Doc. 58 at 7-8.) The specification instructs that "[t]he method starts with the electronic presentment of an invoice to customer." (Doc. 42, Ex. 1 at C.4 L.22-23.) In the context of this invention, presentment "refers to providing via electronic means an 'invoice' containing at least the same customer billing data typically included on a paper invoice." (*Id.*, Ex. 1 at C.4 L.27-29.) Presentment "does not include the specialized definition normally associated with commercial paper...." (*Id.*, Ex. 1 at C.4 L.24-26.) Because the presentment of customer billing data is not the only function of the invoice presentation electronics, it is appropriate to construe the term "presentation" or "present" separately.

3. Conclusion

The term "invoice presentation electronics" means "an electronic device or system that presents customer billing data, requests payment instructions, and transmits the billing data and the request for payment instructions to the remote electronic customer authorization interface." With respect to the presentment of customer billing data, the term "presentation," "presentment," or "present" means "to provide via electronic means an invoice incorporating client billing data, and does not include the specialized definition normally associated with commercial paper."

D. "Customer Payment Instructions"

1. The Claim Terms and Proposed Constructions

Claim 1 provides that this invention is: "An automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer, wherein the *customer payment instructions* are sent from the customer directly to the invoicer[,] ... said *payment instructions* including at least a customer invoice account number and an associated customer payment account." (Doc. 42, Ex. 1 at C.8 L.44-47, 63-65 (emphasis added).) Plaintiff contends the term should be construed as "data relating to a customer's authorized payment to an invoicer, and may include such information as an invoicer identifier corresponding to the payment, a selected method or source of the payment, a payment account number or other identifier, payment amount, and effective date." (Doc. 40 at 3.) Defendants argue the term should mean "data relating to payment directions from a customer, which includes at least an invoice number and a customer payment account." (*Id.*)

2. The Specification and Claim Language

The specification states that the customer payment instructions " *could* include the customer invoice number and an associated payment account." (Doc. 42, Ex. 1 at C.4 L.60-62 (emphasis added).) Claim 1 provides that the payment instructions will include " *at least* a customer invoice account number and an associated customer payment account." (*Id.*, Ex. 1 at C. 8 L.63-65 (emphasis added) .) While the specification does

inject some ambiguity into this construction, there is no reason to go beyond the claim language itself. "If the claim language is clear on its face, then [the Court's] consideration of the rest of the intrinsic evidence is restricted to determining if a deviation from the clear language of the claims is specified." *Interactive Gift Exp., Inc.*, 256 F.3d at 1331. "[I]n looking to the specification to construe claim terms, care must be taken to avoid reading 'limitations appearing in the specification ... into [the] claims.'" *Id.* (quoting *Intervet Am., Inc. v. Kee-Vet Lab., Inc.*, 887 F.2d 1050, 1053 (Fed.Cir.1989)). Here, however, the language of the claim itself provides the limitation: the words "at least" mean that those two pieces of information *must* be included in the payment instructions. (Doc. 42, Ex. 1 at C.8 L.63-65.)

3. Conclusion

The term "customer payment instructions" means "data relating to payment directions from a customer, which includes at least an invoice account number and an associated customer payment account."

E. "Directly"

1. The Claim Terms and Proposed Constructions

Claim 1 requires that "the customer payment instructions [be] sent from the customer *directly* to the invoicer...." (Doc. 42, Ex. 1 at C.8 L.46-47 (emphasis added).) Defendants contend that the term "directly" precludes the use of a third party service provider in this process and argues for a construction of: "the customer sends payment instructions to the invoicer without reliance upon or through a third party service provider." (Doc. 40 at 3.) Plaintiff argues that "[t]he invention specifically contemplates that 'directly' includes solutions in which the customer communicates payment instructions to an entity who is acting on behalf of the invoicer." (*Id.*) Plaintiff believes the term should be construed as "the customer communicates payment instructions to the invoicer without reliance upon a third party acting independently from the invoicer." (*Id.*)

2. The Prosecution History

Plaintiff contends the prosecution history demonstrates that the Patent Office did not intend to preclude the use of a third party agent acting on behalf of the invoicer in the practice of this invention. (Doc. 46 at 23-25.) In the original patent application, the patentee did not include the word "directly" in the claim language. (*See* Doc. 42, Ex. 2 at PNM00044.) The examiner rejected the initial application on November 12, 1998, noting that the submission was unpatentable over the prior art, including U.S. Patent No. 5,465,206 ("the Hilt reference"). (*Id.*, Ex. 5 at PNM00076.) "The Hilt reference discloses a bill consolidation model, whereby a customer ... initiates payment transactions to its bank or other service provider" rather than to the invoicer directly. (*See* Doc. 46 at 24; *see also* Doc. 47, Ex. A at C.12 L.47-50.) The examiner further explained this decision in an interview summary dated January 22, 1999, in which he required the patentee to amend each of the claims "to reflect that customer is *directly* communicating the invoice related matter with the invoicer." (Doc. 42, Ex. 6 at PNM00100 (emphasis added).)

In response, the patentee amended each of the independent claims "to recite that the customer directly communicates the invoice related matter to the invoicer." (*Id.*, Ex. 7 at PNM00109; *see also* Doc. 46 at 24 n. 7.) The patentee further explained in his remarks to the Patent Office that "the present invention eliminates the problems associated with using a third party service provider...." (*Id.*, Ex. 7 at PNM00109-PNM00110.) The examiner was not yet convinced; in the Final Office Action of May 20, 1999, the examiner rejected the amendments, explaining that

it would have been obvious to one of ordinary skill in the art at the time of the instant invention to ... transmit the bill/invoice instructions directly to the invoicer/biller[,] ... because it would provide a direct, convenient and faster communication between the customer and invoicer and thus, for the customer, eliminate the involvement of intervening institution/party.

(*Id.*, Ex. 10 at PNM00125.)

In a final effort to convince the examiner that the invention was patentable over prior art, the patentee contacted the Patent Office again on September 22, 1999. (*Id.*, Ex. 11.) In his submission, the patentee emphasized that "unlike the prior art of record, the present invention eliminates the problems associated with using a third party service provider...." (*Id.*, Ex. 11 at PNM00130.) The patentee also submitted a July 29, 1999 article from PC Magazine, "which discusses the next step in the development of the art of electronic billing in which the consolidator(s) (3rd party) puts the bills on a single portal." (*Id.* (citing Sharon Nash, *Paperless Bills*, PC MAGAZINE, July, 1999, at 28); *see also id.*, Ex. 11 at PNM00132.) The article "suggests that portals will eventually get rid of consolidators and deal directly with the billers themselves." (*Id.*, Ex. 11 at PNM00130 (citing Sharon Nash, *Paperless Bills*, PC MAGAZINE, July, 1999, at 28).) The patentee asserted that the "present invention ... already permits this type of function[.]" which demonstrates that "the present invention is not known or shown by the prior art." (*Id.*) The examiner was convinced; in a correspondence to the patentee dated October 8, 1999, the examiner said if amendments "relating to the 'directly' language" were presented, "the claims would be allowed." (*Id.*, Ex. 12 at PNM00134.) The patentee returned supplemental amendments, including language which addressed the "directly" issue into the preamble of each independent claim. (*See id.*, Ex. 13 at PNM00141.)

In approving the patent as amended, the examiner noted that "[t]he prior art does not teach or suggest ... [the] transmitting [of customer payment] instructions directly to the invoicer as in Figs. 2 and 3A." (*Id.*, Ex. 14 at PNM00157.) Plaintiff argues that in granting the patent, the examiner did not preclude invoicers from hiring an agent to manage the remittance process; instead, the examiner granted the patent because he understood that this invention was different from the prior art processes in which customers submitted payment instructions to their own banks. (Doc. 46 at 24-25.) I do not find support in the prosecution history for Plaintiff's argument. There is no reference made in any correspondence to or from the Patent Office regarding outsourcing or utilizing an agent. As discussed in the next section, outsourcing is only mentioned in one sentence of the entire patent. Because the meaning of the term "directly" was such a contested issue, the patentee had the responsibility for making it clear that the intended scope of the invention included the use of third party agents. *See Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1379 (Fed.Cir.2000). The patentee failed to capture this outsourcing option.

3. The Specification and Preferred Embodiments

In prior art, inventors attempted to automate the process of invoicing and payment collection by installing third party service providers-companies that acted as a go-between in connecting invoicers and customers for bill payment purposes. (*See* Doc. 42, Ex. 1 at C.1 L.11-58.) Figure 1 is an illustration of one such prior art invoicing system. (*Id.*, Ex. 1 at PNM00002; C.3 L.13-14.) The patentee explains that in Figure 1, the invoicer sends electronic invoice information to the third party service provider, which then communicates with the customer. (*Id.*, Ex. 1 at C.3 L.61-67; C.4 L.1-2.) Once the customer acknowledges to the third party service provider that the invoice is correct, the provider sends payment instructions to the customer's bank. (*Id.*, Ex. 1 at C.4 L.1-3.) The customer's bank then sends the payment to the invoicer's bank. (*Id.*,

Ex. 1 at C.4 L.7-9.)

The patentee describes the prior art's third party service provider system as cumbersome and time and labor intensive. (*Id.*, Ex. 1 at C.4 L.16-19.) Figures 2 and 3A illustrate the '362 patent. (*Id.*, Ex. 1 at PNM00002-PNM00003; C.3 L.15-20; C.5 L.22-29.) According to Figure 2 and the preferred embodiment, "[t]he method starts with the electronic presentment of an invoice to customer." (*Id.*, Ex. 1 at C.4 L.22-23.) The invoicer may include customer notices and promotional materials with the invoice. (*Id.*, Ex. 1 at C.4 L.46-51.) In the next step, the customer provides the invoicer with an electronic authorization so that the customer's account can be debited for the bill. (*Id.*, Ex. 1 at C.4 L.52-54.) This direct communication between the customer and the invoicer reduces the time delays involved in prior art. (*See id.*, Ex. 1 at C.4 L.16-19, 56-58.)

At the end of the description of the preferred embodiments, the patentee mentions that "an invoicer may choose to outsource webserver hosting or webserver and remittance processing to an outside company on behalf of the invoicer," but "the service to customers would be provided so that the customer would not normally be aware that *the invoicer was not actually operating the product directly.*" (*Id.*, Ex. 1 at C.8 L.31-36 (emphasis added).) Even though this option specifically provides that the invoicer does not interact "directly" with the customer, Plaintiff argues that "when a vendor is running a webserver on behalf of an invoicer, the customer is nonetheless interacting 'directly' with the invoicer." (Doc. 46 at 23.) Such a construction simply does not follow from the intrinsic evidence. While the patentee may have intended to capture the option of outsourcing certain processes of his invention, he did not make that intent clear to the patent examiner or to this Court. "[W]hat the patentee subjectively intended his claims to mean is largely irrelevant to the claim's objective meaning and scope...." Solomon, 216 F.3d at 1379 (citing *Markman*, 52 F.3d at 985-86).FN5

FN5. Plaintiff puts forth three additional arguments which merit mention. First, Plaintiff points out that the patentee had a business at the time of this patent that would benefit from the outsourcing of the invention's processes. (Doc. 46 at 23 n. 5.) While this may be true, it does not change the fact that the intrinsic evidence does not support Plaintiff's construction. What the patentee wanted to get patented does not matter so much as what the Patent Office actually granted. *See* Solomon, 216 F.3d at 1379 (citing *Markman*, 52 F.3d at 985-86). Second, Plaintiff argues that Defendants' construction "elevates a change in form" to a "change in kind...." (Doc. 46 at 26-27.) To illustrate this point, Plaintiff contends that if the term is construed as precluding an agent, then all a company has to do to get around the '362 patent is to reclassify the employee in charge of remittance processing as an independent contractor. (*Id.*) Such an argument depends on factual issues, however, which are not appropriate to decide in a claim construction order. *See, e.g.,* Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp., 93 F.3d 1572, 1583 (Fed. Cir.1996). Finally, Plaintiff argues that there is no evidence to show a clear and unambiguous disclaimer of claim scope. (Doc. 46 at 25-26 (citations omitted).) There is no persuasive evidence, however, to support Plaintiff's proffered construction. The single sentence in the specification is not enough. "The written description ... is not a substitute for, nor can it be used to rewrite, the chosen claim language." *SuperGuide Corp. v. DirecTV Enters., Inc.*, 358 F.3d 870, 875 (Fed.Cir.2004). " 'Specifications teach. Claims claim.' " *Id.* (quoting *SRI Int'l v. Matsushita Elec. Corp. of Am.*, 775 F.2d 1107, 1121 n. 14 (Fed.Cir.1985) (en banc)). As discussed previously, neither the claim language at issue ("the customer payment instructions are sent from the customer directly to the invoicer") nor the intrinsic evidence provide support for sending payment instructions to anyone but the invoicer, including an agent. (Doc. 42, Ex. 1 at C.8 L.46-47.) And as Plaintiff conceded at the *Markman* hearing, the dictionary definitions for "directly" do nothing to resolve this issue. (*See* Doc. 65 at 3.)

4. Conclusion

The term "directly" means "the customer sends payment instructions to the invoicer without reliance upon or through a third party service provider."

F. "Customer Invoice Account Number"

1. The Claim Terms and Proposed Constructions

The term "customer invoice account number" is first mentioned in claim 1: the "remote electronic customer authorization interface [is] adapted to ... (iv) transmit the customer payment instructions from the customer directly to said invoicer, said payment instructions including at least a *customer invoice account number* and an associated customer payment account." (Doc. 42, Ex. 1 at C.8 L.53-54, 61-65 (emphasis added).) Plaintiff proposes that the term should be construed as "a number or other identifier associated with the customer's account for its purchase of goods and services from the invoicer." (Doc. 40 at 4.) Defendants propose that it means "a unique number that identifies an invoice, i.e., an invoice number." (*Id.*)

2. The Prosecution History, Specification, and Claim Language

The prosecution history does little to shed light on what the patentee meant by this term. Even after the examiner advised the patentee to elaborate on the meaning of "invoice account number," the resulting amendment fails to clarify what the patentee intended. (*See id.*, Ex. 5 at PNM00075.) There are few differences with respect to this term from the original patent application to the language of the '362 patent as granted. The relevant changes after the first office action in November, 1998 include:

(1) in the summary of the invention and in the description of the preferred embodiments, the patentee changed "*invoice account number* and an associated customer payment account" to "*customer invoice number* and an associated customer payment account" (*see id.*, Ex. 2 at PNM00032, PNM00036; Ex. 5 at PNM00075, PNM00077; Ex. 7 at PNM00102; *see also* Ex. 1 at C.3 L.1-3; C.4 L.60-61) (emphasis added));

(2) in claims 1, 36, 50, 98, and 99, the patentee changed "including at least an *invoice account number* and an associated customer payment account" to "including at least a *customer invoice account number* and an associated customer payment account" (*see id.*, Ex. 2 at PNM00044, PNM00048, PNM00051, PNM00057, PNM00058; *see also* Ex. 1 at C.8 L.63-65; C.10 L.46-48; C.11 L.56-58; C.14 L.46-48; C.16 L.1-3 (emphasis added).)

Because the language used in the relevant portions of the summary of the invention and the description of the preferred embodiments are almost an exact replica of the language used in the claim terms, the Court is hard-pressed to find a reason why the patentee would have used "a customer invoice number" in the former, and "a customer invoice account number" in the latter. (*See id.*, Ex. 1 at C.3 L.1-3; C.4 L.60-61; C.8 L.63-65; C.10 L.46-48; C.11 L.56-58; C.14 L.46-48; C.16 L.1-3.) To determine the meaning of this term, it is instructive to view it in light of the entire specification and in view of the term's intended purpose. *See Grain Processing Corp. v. Am. Maize-Prods. Co.*, 840 F.2d 902, 908 (Fed.Cir.1988) (citations omitted). As explained by Plaintiff's counsel during the hearing on this matter, the invoicer needs to have at least three pieces of information returned by the customer in order to credit the customer's bill: (1) what account the customer is paying, or in other words, what the customer's account is with the invoicer; (2) how much the customer is paying; and (3) how the customer is paying, or, from what financial institution the payment is

coming to the invoicer. (*See* Doc. 65 at 12-13.) This explanation is supported by the specification, which provides that "[t]he invoice presentment electronics may include a memory device to store *invoice information relating to customer bills and account information relating to financial institutions associated with the customer.*" (Doc. 42, Ex. 1 at C.6 L.47-50 (emphasis added).) When compared to the actual claim language, "account information relating to financial institutions associated with the customer" is describing the "associated customer payment account," and "invoice information relating to customer bills" is referring to the "customer invoice account number." FN6 (*Id.* at C.6 L.47-50; C.8 L.63-65.)

FN6. Furthermore, just as in the traditional paper method of invoicing, once the customer submits payment instructions, the invoicer credits the customer's *account*. (*See id.*, Ex. 1 at C.3 L.40-44.)

Defendants attempt to narrow the meaning of the term to an "invoice number" but never define exactly what an "invoice number" should mean. (*See* Docs. 50 at 13-15; 56 at 18-19.) The Court can only imagine Defendants would like the construction to be limited to some type of "itemized list of goods [,]" much like a retailer would present to a purchaser. *See* Merriam-Webster Online Dictionary, <http://www.m-w.com/dictionary/invoice> (last visited Dec. 29, 2006). The Plaintiff's broader construction is more appropriate and is supported by other intrinsic evidence. For example, in the description of the preferred embodiments, the patentee explains that in some instances, a customer will not have to resubmit payment instructions each time. (Doc. 42, Ex. 1 at C.4 L.63-65.) If the Defendants' construction was adopted, the "invoice number" would often be different for each payment period, and so the payment instructions could not be resubmitted.

3. Conclusion

The term "customer invoice account number" means "a number or other identifier associated with the customer's account for its purchase of goods and services from the invoicer."

G. The Three Means-Plus-Function Terms

The parties submitted three means-plus-function terms to the Court for construction. (Doc. 40 at 4-5.) Upon a careful examination of the parties' submissions, the Court is unable to ascertain with any clarity the parties' exact arguments on the terms .FN7 Indeed, at the hearing on this matter, counsel for the Plaintiff indicated there was little disagreement among the parties on the three terms. (*See* Doc. 65 at 19-20.) Therefore, the three terms will not be construed at this time. In the event the parties determine construction of the means-plus-function terms is necessary to this suit, either party may request further argument on the terms. Further oral argument will be held telephonically. The deadline to request such argument will be announced in the Court's opinion on Defendants' motion for summary judgment, which they filed on November 3, 2006.FN8 If no request for argument on the means-plus-function terms is made by either side, the Court will assume that those terms no longer require construction by the Court.

FN7. For example, the parties agree on the structure for the first means-plus-function term. (*See* Doc. 58 at 17.) It also appears that the parties agree on the function for the second means-plus-function term. (*See* Doc. 40 at 4-5.)

FN8. The deadline will likely be fifteen days from entry of the opinion on the motion for summary judgment. Please take notice that immediately following entry of this Claim Construction Order, the Court

will enter a separate notice allowing the parties to file supplemental briefing on Defendants' motion for summary judgment.

IV. CONCLUSION

Based on the analysis set forth above, the Court adopts the foregoing constructions of the disputed claim terms.

IT IS SO ORDERED.

D.N.M.,2007.

Emergis Technologies, Inc. v. PNM

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