

United States District Court,
N.D. California.

ON COMMAND VIDEO CORPORATION, a Delaware Corporation,

Plaintiff.

v.

LODGENET ENTERTAINMENT CORPORATION, a Delaware Corporation,

Defendant.

No. C 95-0546 SBA

March 4, 1997.

SUPPLEMENTAL ORDER RE DEFENDANT'S MOTION FOR SUMMARY JUDGMENT

ARMSTRONG, District J.

Plaintiff, On Command Video Corporation ("plaintiff" or "OCV"), is the current owner of United States Letters Patent No. Re. 34,611 ("the '611 patent"), which encompasses technology for a video movie delivery system designed for hotel use. OCV brings the instant patent infringement action alleging that defendant, Lodgenet Entertainment Corporation ("defendant" or "LodgeNet") has infringed and continues to infringe the '611 patent (and its predecessor patent) by manufacturing and selling its own video distribution system known as the "Pay Per View Video System."

The parties are presently before the Court on defendant's Motion for Summary Judgment of Invalidity For Failure to Disclose Best Mode; of Claim Construction and of Non-Infringement of the '611 Patent. Having read and considered the papers filed in connection with the motion, and being fully informed, the Court denies defendant's motion for summary judgment. FN1

FN1. Pursuant to Civil Local Rule 7-1(b), the Court adjudicates the instant motion without oral argument.

BACKGROUND

On August 7, 1990, the Patent and Trademark Office ("PTO") issued to plaintiff United States Letters Patent No. 4,947,244 ("the '244 patent"). The '244 patent contained seven claims. FN2 On May 17, 1994, the PTO reissued the '244 patent as the '611 patent. The '611 patent repeats the seven original claims of the '244 patent and includes five new claims, for a total of twelve claims.

FN2. As discussed in more detail below, the "claims" of a patent define the scope of protection.

The '611 patent discloses a Video Selection and Distribution System which allows a hotel guest to view a

movie "on demand" rather than waiting for the movie to air at a prescheduled time. FN3 To select a movie, the guest views the television screen, which displays an on-screen "menu" of choices. From the "Welcome Menu," the guest can select a television program available on a VHF channel or a specific movie by pressing the "movie" button on the television remote control. Selecting the movie button will result in the display of a "Main Menu." From the Main Menu, the guest is able to prompt a "Submenu" which lists different types of movies, i.e., action, drama, comedy, etc. Upon selecting the type of movie, another Submenu appears which lists the titles of movies in that category available for immediate viewing. Whenever a guest selects a movie, that particular movie is removed from the list of available movies displayed on other guests' television screens. In other words, if a movie is being viewed by another guest, that movie cannot be selected for viewing.

FN3. The '611 patent is not limited to use in hotels. ('611 Patent at Col. 1:16-23.) For simplicity, however, the Court will discuss the patent as it is applied in a hotel setting. (Id.)

Plaintiff's video distribution system is managed by a "central controller," which is a device containing a central processing unit ("CPU") responsible for the management of the system. The controller and a number of video cassette players ("video sources") are stored at a central location generally available only to hotel staff. The video sources are connected to televisions ("video monitors") located in each hotel room. The video sources and video monitors are "coupled" or connected by a "video switch apparatus" via a "transmission cable." FN4

FN4. Each transmission cable is "frequency multiplexed" to permit the transmission of different programs in each cable. For example, the "Welcome Menu" is broadcast on channel 6 and the "Main Menu" is transmitted on channel 98.

The video monitors are connected in groups. Each monitor is capable of receiving standard VHF channels and has a dedicated or specific transmission channel, called a "special services channel," associated with it; this channel permits the transmission and display of programs from the video sources (as opposed to VHF sources). Each monitor is governed by its own "remote controller."

A guest may select a VHF channel or a specific movie by using a "wand," similar to a television remote control, which transmits a signal to the remote controller associated with the video monitor. Upon receiving a signal from the wand, the remote controller interprets the received signals to determine what action should be taken. The remote controller sends a signal to the video monitor informing it which channel to select. When a guest selects a movie, the remote controller also generates and transmits a "video selection request" to the controller. The video selection request is a signal which informs the controller (1) which movie is being requested and (2) to which monitor the movie should be sent.

Upon receiving a video selection request, the controller converts the request into two signals. One signal is sent as an on/off command to the video cassette player containing the movie requested, instructing it to commence. The other signal is a "setup signal" which is sent to a "video switch apparatus" to direct the selected movie to the transmission cable and frequency band for the guest's television.FN5 In effect, the video switch apparatus "couples" or links the video source with the video monitor. The selected movie is then displayed on the guest's television. The system is set up such that only one video source may be connected to one video monitor at any given time.

FN5. The "video switch apparatus" actually consists of several components: a video crossbar switch and a set of video modulators and combiners. The crossbar switch permits any one of the video sources to be directed to any one of two hundred and fifty-six output lines. From the output line, the signal flows to the modulators and combiners where a "composite" signal is created and sent to the specified video monitor.

On February 16, 1995, plaintiff filed a complaint in this Court, alleging that defendant's video system, known as System 3000, infringes claims 1-7, 9, and 11-12 of the '611 patent. Claims 8 and 10 are not in issue in this litigation. (See Pl.'s Opp'n at 1.) Plaintiff seeks compensatory and statutory damages, an accounting, and attorneys' fees and costs. Defendant denies it has infringed plaintiff's '611 patent.

Defendant moves for summary judgment seeking: (1) a declaration that the '611 patent is invalid; (2) claim construction of Claims 1-12 of the '611 patent; (3) a determination that defendant's product, known as "System 3000," does not infringe any claim of the '611 patent either literally or under the doctrine of equivalents.FN6

FN6. In its reply brief, defendant contends that plaintiff's assertion that it is not pursuing Claims 8 and 10 in this litigation is insufficient to constitute a withdrawal of said claims from the Court's consideration. (Def.'s Reply at 5-6.) Defendant asserts that pursuant to its counterclaims for declaratory judgment, the Court should enter summary judgment in favor of defendant with respect to Claims 8 and 10. (Id.) However, defendant's motion for summary judgment is directed at the affirmative claims alleged by plaintiff, and makes no mention of defendant's counterclaims against plaintiff. The Court denies defendant's request for summary judgment as to these claims.

DISCUSSION

A. OVERVIEW OF APPLICABLE LAW

1. Legal Standard for Summary Judgment

Under Federal Rule of Civil Procedure 56, a court may properly grant a motion for summary judgment if the pleadings and materials demonstrate that there is "no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law." Celotex Corp. v. Catrett, 477 U.S. 317, 322, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986). The party moving for summary judgment bears the initial burden of demonstrating the "absence of a genuine issue of material fact." Id. at 323. If the movant satisfies this burden, the non-movant must come forward with evidence sufficient to demonstrate a genuine issue of fact. Id. at 324. A dispute about a material fact is genuine "if the evidence is such that a reasonable jury could return a verdict for the nonmoving party." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986).

A court may grant a summary judgment motion in a patent infringement case, as in any other action. Avia Group Int'l, Inc. v. L.A. Gear Cal., Inc., 853 F.2d 1557, 1561 (Fed.Cir.1988). However, a district court should approach summary judgment on a fact issue with great care. See Palumbo v. Don-Joy Co., 762 F.2d 969, 974 (Fed.Cir.1985). Any doubts or inferences are construed in favor of the nonmovant. See Transmatic,

Inc. v. Gulton Indus., Inc. , 53 F.3d 1270, 1274 (Fed.Cir.1995). Nevertheless, "where the patentee's proof is deficient in meeting an essential part of the legal standard for infringement," summary judgment on the ground of non-infringement is proper. *Johnston*, 885 F.2d at 1577.

2. Protection under the Patent Act

a. Generally

"A patent confers the right to exclude others from making, using, or selling the invention defined by the claims." Standard Oil Co. v. American Cyanamid Co., 774 F.2d 448, 452 (Fed.Cir.1985) (citing 35 U.S.C. s. 154).FN7 A patent contains a "specification" and "claims." 35 U.S.C. s. 112. A specification describes the patent, while the claims define the scope of patent protection:

FN7. The Federal Circuit has exclusive jurisdiction over appeals in patent cases. See *Baldwin Hardware Corp. v. Franklin Enterprise Corp.*, 78 F.3d 550, 555 (Fed.Cir.), *cert. denied*, 519 U.S. 949, 117 S.Ct. 360, 136 L.Ed.2d 251 (1996). Accordingly, the Court applies herein the case law from that Circuit.

The specification shall contain a written description of the invention, and of the manner of making and using it, in such full, clear, concise and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and *shall set forth the best mode contemplated by the inventor of carrying out his invention*.

The specification shall conclude with one or more *claims* particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

35 U.S.C. s. 112 (emphasis added). "Claims, not the specification embodiments, define the scope of [patent] protection." *American Pemahedge, Inc. v. Barcana, Inc.*, -F.3d-, 105 F.3d 1441, 1997 WL 35428 at (Fed. Cir. filed Jan. 31, 1997); *Lucas Aerospace, Ltd. v. Unison Indus. L.P.*, 890 F.Supp. 329, 332 (D.Del.1995) (noting that the patent specification defines terms in the patent while the claims define the scope of the patent).

b. Infringement Analysis

The burden of proving infringement rests with the plaintiff. See *SRI Int'l v. Matsushita Elec. Corp.*, 775 F.2d 1107 (Fed.Cir.1985). Patent infringement analysis consists of two steps: "(1) claim construction to determine what the claims cover, i.e., their scope, followed by (2) determination of whether the properly construed claims encompass the accused structure." *Cole v. Kimberly-Clark Corp.*, 102 F.3d 524, 528 (Fed.Cir.1996) (citation omitted).

In construing claim language (often termed a "claim limitation" or "requirement"), the Court looks to the claim language, the specification, and the prosecution history. *Quantum Corp. v. Rodime, PLC*, 65 F.3d 1577, 1580 (Fed.Cir.1995), *cert. denied*, 517 U.S. 1167, 116 S.Ct. 1567, 134 L.Ed.2d 666 (1996). "Although a patentee can be his own lexicographer, the words of a claim will be given their ordinary meaning to one skilled in the art unless he appeared to use them differently." *Id.* (citation omitted). All words in a claim must be given meaning. *Ethicon Endo-Surgery v. U.S. Surgical Corp.*, 93 F.3d 1572, 1582 (Fed.Cir.1996) (citation omitted). Claim construction is a question of law. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979 (Fed.Cir.1995) (en banc), *aff'd*, 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996).

After construing a claim, the next step in patent infringement analysis requires a *comparison* between the

properly construed claim to the accused device or method. Id. at 976. An accused device or method may infringe a patent either literally or under the doctrine of equivalents. *See Johnston v. IVAC Corp.*, 885 F.2d 1574, 1577 (Fed.Cir.1989). "Literal infringement requires that every limitation of the patent claim be found in the accused infringing device [or method]." *General Mills, Inc. v. Hunt-Wesson, Inc.*, 103 F.3d 978, 1997 WL 6211 at (Fed.Cir.1997). If even a single element is missing from the accused product, there can be no infringement. *London v. Carson Pirie Scott & Co.*, 946 F.2d 1534, 1539 (Fed.Cir.1991). Whether properly construed claims "read onto an accused product or method" is a question of fact. *General Mills*, 103 F.3d 978, 1997 WL 6211 at *3.

In contrast to literal infringement, "[t]he doctrine of equivalents enables a patent owner to prove infringement, despite a lack of literal infringement, where the differences between the claimed product and accused product are insubstantial." Id., 103 F.3d 978, 1997 WL 6211 at *7 (citations omitted). "It must be ... determined from whether the entirety of the accused device or process is so 'substantially the same thing, used in the same way, to achieve substantially the same result' as to fall within that range." *Intel Corp. v. U.S. Int'l Trade Comm'n*, 946 F.2d 821, 842 (Fed.Cir.1991) (quoting *D.M.I., Inc. v. Deere & Co.*, 755 F.2d 1570, 1575 (Fed.Cir.1985)). As in the case of literal infringement, the determination of infringement under the doctrine of equivalents is a question of fact. *General Mills*, 103 F.3d 978, 1997 WL 6211 at *7.

B. PATENT INVALIDITY

Patents are presumed valid. *Litton Sys., Inc. v. Honeywell, Inc.*, 87 F.3d 1559, 1567 (Fed.Cir.1996). However, as a defense to a claim of patent infringement, the defendant may assert that the patent-in-suit is invalid. *See, e.g., Carpet Seaming Tape Licensing Corp. v. Best Seam, Inc.*, 694 F.2d 570 (9th Cir.1982), *cert. denied*, 464 U.S. 818, 104 S.Ct. 78, 78 L.Ed.2d 89 (1983). Here, defendant contends that the '611 patent is invalid because plaintiff failed to disclose the "best mode contemplated by the inventor of carrying out his invention." 35 U.S.C. s. 112 (emphasis added). "[T]he sole purpose of the best mode requirement is to restrain inventors from applying for patents while at the same time concealing from the public preferred embodiments of their inventions which they have in fact conceived." *Glaxo Inc. v. Novopharm Ltd.*, 52 F.3d 1043, 1050 (Fed.Cir.1995) (internal quotations and citations omitted), *cert. denied*, 516 U.S. 988, 116 S.Ct. 516, 133 L.Ed.2d 424 (1995).

A defendant relying on the "best mode" defense must show by clear and convincing evidence: (1) that "subjectively the inventor knew a better mode of practicing the invention than the specification discloses"; and (2) the inventor concealed the better mode. *See Wang Laboratories, Inc. v. Mitsubishi Elec. America, Inc.*, 103 F.3d 1571, 1997 WL 1910 at (Fed.Cir.1997). Compliance with the best mode requirement is a *question of fact*. *Zygo Corp. v. Wyko Corp.*, 79 F.3d 1563, 1567 (Fed.Cir.1996). The subjective knowledge of the inventor is assessed "at the time the patent application was filed." *Great Northern Corp. v. Henry Molded Prods., Inc.*, 94 F.3d 1569, 1571 (Fed.Cir.1996) (citation omitted).

In the present case, the relevant date for assessing plaintiff's knowledge is *May 3, 1989*, the date the application for the '611 patent was filed. Defendant contends that plaintiff knew but failed to disclose that a "stacked switch" (also referred to as a "video crossbar switch") was the best mode for connecting video sources (video players) to the video monitors (televisions). Defendant argues that other types of switches were ruled out by plaintiff "sometime in early 1988 or early 1989, well before the May 3, 1989 filing date" of the patent application. (Def.'s Mot. at 6.) Given this knowledge, defendant asserts that plaintiff was obligated under 35 U.S.C. s. 112 to disclose the stacked switch as the "best mode" for effectuating coupling the video sources to the display.

In response to defendant's motion, plaintiff presents evidence that by May 3, 1989, it had not yet determined that one particular switch configuration was superior to others. Plaintiff's evidence also shows that plaintiff did not view the stacked switch as the superior design for implementing the video delivery system. (*E.g.*, Peden Report para. 9-11; McMaims Report para. 6-9; Snyder Report para. 8-11.) Because the evidence concerning whether plaintiff subjectively knew the best mode for video coupling is in dispute, defendant's motion for summary judgment on the ground that plaintiff failed to comply with the best mode disclosure requirement of 35 U.S.C. s. 112 is denied.

C. CLAIM CONSTRUCTION AND LITERAL INFRINGEMENT

In its motion for summary judgment, defendant advocates certain construction for Claims 1-7, 9, and 11-12 of the '611 patent. Based on its interpretation of these claims, defendant then asserts that its System 3000 does not infringe any of the claims of the patent in suit. Plaintiff largely objects to defendant's construction of the claims at issue and contends that there are factual disputes with respect to literal infringement and infringement under the doctrine of equivalents. As noted above, claim construction is a question of law, while patent infringement is a question of fact.

1. *Claims 1-6 and 9*

a. *Construction*

Defendant contends that Claims 1-6 and 9 each contain limitations which specify the use of a "video crossbar switch" or a "video switch" as the means for coupling or connecting a video source to a video monitor. Claim 1 reads, in pertinent part:

said *video switch means couples* specified video sources to specified video monitors by transmitting the video signals from said specified video sources on the transmission mediums and frequency bands corresponding to said specified video monitors;

('611 Patent at Col. 12:11-15 (emphasis added).) The other claims referenced by defendant use the term "video crossbar switch means" instead of a "video switch means." Claims 2, 3, 5 and 9 each contain the following claim language:

video crossbar means for simultaneously *coupling* each video monitor to a specified one of said video sources, said video crossbar switch means responsive to set up signals for connecting specified ones of said video sources to specified ones of said video monitors;

(Id. at Col. 12:45-48 (Claim 2); 13:25-28 (Claim 3); 14:36-41 (Claim 5); 16:55-60 (Claim 9) (emphasis added).) Claims 4 and 6 do not contain the above language, but are related to Claims 3 and 5, respectively.

The parties agree that the claim language in dispute is written in a "means-plus-function" format. *See* 35 U.S.C. s. 112 para. 6.FN8 This type of clause recites a means for performing a specific function, and is useful for securing broader protection in a claim. In a mean-plus-function claim, the words "means for" are generally followed by a recitation of the *function* performed; there is no reference to the *structure* which performs the function. Cole, 102 F.3d at 531; Greenberg v. Ethicon Endo-Surgery, Inc., 91 F.3d 1580, 1582 (Fed.Cir.1996) (noting that the effect of means-plus-function language is to allow the use of "purely functional language" in patent claims). However, to avoid having a means-plus-function claim limitation as

literally encompassing any conceivable means of performing a particular function, the Patent Act limits the breadth of such claim language "by restricting its scope *to the structure disclosed in the specification and equivalents thereof.*" *Id.* (emphasis added).

FN8. Paragraph six of 35 U.S.C. s. 112, which governs this type of claim, states:
An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

35 U.S.C. s. 112 para. 6.

Here, the parties disagree on whether Claims 1-6 and 9 require the use of either a video crossbar switch or video switch. Defendant contends that these claims require that the "coupling" between the video sources and video monitors utilize a video crossbar switch. (Def.'s Mot. at 12.) In other words, defendants' position is that the "switch means for coupling" must, by definition, use a video crossbar switch means or video switch means, as opposed to *any* "switch means." (*Id.*)

In contrast, plaintiff contends that the claims at issue should not be limited to a coupling means accomplished exclusively through a video crossbar or video switch. (Pl.'s Opp'n at 9-10.) Specifically, plaintiff asserts that the "video crossbar switch means for coupling" is a "function" for connecting the video cassette players to the televisions. (*Id.*) According to plaintiff, the structure for carrying out this function is a "host of electrical components" consisting of switches, modulators, combiners, video cable and a tuner associated with each television. (*Id.*) As such, plaintiff contends that "this element should be interpreted as covering the function of coupling and the *multiple component structure* disclosed in the specification to accomplish that function and its equivalents." (*Id.* at 10 (emphasis in original).)

To properly construe these claims, it is first necessary to review the '611 patent's method of coupling video sources to video monitors. According to the specification, once a movie has been selected, the controller sends a setup signal to the two-stage "video switching apparatus." (*Id.* at Col. 5:15-20.) As plaintiff correctly notes, the switching apparatus consists of the video crossbar switch and a set of video modulators and combiners. (*Id.* at Col. 5:51-54.) At the first stage of the switch apparatus, the signal from the video source is set to a specific frequency or channel which corresponds to the specified monitor.FN9 At the second stage, the signal is multiplexed which permits the signals to be sent to the monitor using a single transmission cable.

FN9. As noted, the remote controller sets the television to the "designated frequency band for that monitor." (*Id.* at Col. 4:38-48.)

From the terms of the specification, it is readily apparent that the '611 patent requires the use of a video switch apparatus (as opposed to solely a video crossbar switch). The video switching apparatus is essential to the function of coupling a video source to a specified video monitor. Thus, the Court finds that the '611 patent requires use of a video switch apparatus. To construe "video switch means ... for coupling" as simply descriptive language,FN10 as advocated by plaintiff, would be inconsistent with the patent specification.FN11

FN10. As support for its argument that the terms "video crossbar switch" and "video switch" are merely "descriptive," plaintiff relies on *Manville Sales Corp. v. Paramount Sys., Inc.*, 1989 WL 104953 (E.D.Pa.1989). (Pl.'s Opp'n at 10.) In *Manville*, the district court construed the term "rod," as used in the phrase "rod means," was a "tag" word included for "ease of reference." *Id.* at *8. However, the Court finds *Manville* to be unpersuasive, as that court cited no authority and provided no analysis for this conclusion.

FN11. The Court notes that Claim 1 specifically refers to a "video switch means... for coupling," while the other claims in dispute refer to a video crossbar switch means ... for coupling." (Compare *id.* at Col. 11:52 with Col. 12:45.) These are two different things. The video crossbar switch is a component of the video switch (also called the video switch apparatus). (*Id.* at Col. 5:51-52.) According to the specification, the video crossbar does not by itself complete the coupling; rather, the video crossbar in tandem with the frequency modulator and combiner complete said task. (*Id.* at Col 7:30-34.) The parties do not discuss the import of this distinction.

b. Infringement

To literally infringe a means-plus-function claim, the accused device or method must employ a means that is identical to or the equivalent of the structures described in the patent specification. *Valmont Indus. v. Reinke Mfg. Co.*, 983 F.2d 1039, 1042 (Fed.Cir.1993). This determination is a question of fact. *D.M.I., Inc.*, 755 F.2d at 1575.

In its motion, defendant advances a one-sentence long argument that "OCV will be unable to prove LodgeNet infringes any of claims 1-6 or [9] because no LodgeNet System 3000 uses a video switch or video crossbar switch component." (Def.'s Mot. at 22.) While plaintiff has conceded that the System 3000 has "no discrete video switch," (see Zelkind Decl. Ex. U (plaintiff's responses to defendant's Requests for Admissions), defendant provides no reasoning nor analysis which establishes that the System 3000 does not utilize a coupling means which is the equivalent of the '611 patent's video switch apparatus. See *Glaverbel Societe Anonyme v. Northlake Mktg. & Supply*, 45 F.3d 1550, 1560-62 & n. 4 (Fed.Cir.1995) (noting that the party moving for summary judgment bears the burden of informing the court of the basis for the motion). In addition, plaintiff presents evidence suggesting that defendant's system utilizes a switch coupling structure which is equivalent to the video switch coupling structure disclosed in the '611 patent. (E.g., Smith Report para.41-42; Zimmerman Report para. 18.) Thus, the Court finds that there is a question of material fact concerning whether defendant has infringed Claims 1-6 and 9. FN12

FN12. The parties' arguments concerning infringement do not distinguish between literal infringement and the doctrine of equivalents. The Court therefore finds that both types of infringement are in dispute.

2. Claims 1 and 3-7

a. Construction

Claims 1 and 3-7 disclose that:

each video monitor within each said groups including *tuning means* for receiving and displaying the video signal *in a distinct one of said frequency bands* on the transmission medium coupled to said video monitor;

...."

('611 Patent at Col. 11:66-12:2 (Claim 1); 13:56-60 (Claim 3); 14:63-65 (Claim 5); 15:67-16:2 (Claim 7) (emphasis added).) Claims 4 and 6 do not contain the above language, but are related to Claims 3 and 5, respectively.

Defendant argues that the above claim language represents two separate claim limitations. *First*, defendant asserts that Claims 1 and 3-7 contain a requirement that each monitor have a "tuning means" for receiving and displaying movies on one discrete channel. *Second*, defendant argues that Claims 1 and 5-6 disclose a related requirement that the video signals be transmitted to the television on a frequency band corresponding to that particular television. (Def.'s Mot. at 13.) FN13 Plaintiff, on the other hand, contends that the claim language should "simply be interpreted to require that the distinct channel on which the video signal is transmitted from the video source match the distinct channel to which the guest's television tuner is set." (Pl.'s Opp'n at 12.)

FN13. In its proposed order, defendant requests that the Court construe Claims 1 and 3-7 such that the "'611 patent require each monitor to have one distinct frequency band or channel permanently assigned to it for receiving special services video signals, such as on demand movies." (Order at ii.)

The Court agrees with defendant's proffered construction. The specification indicates that when a hotel guest selects a certain movie, the request is sent from the wand to the remote controller which, in turn, generates a video selection request. (Id. at Col. 4:48-55.) The video selection request is essentially a code which informs the controller which video monitor has requested which movie. (Id.) As such, the reason each monitor utilizes a *specific frequency* is to enable the central controller to recognize the *origin* of the movie request. This is important because in order to send the selected movie to the requesting video monitor, the controller needs to send the proper signal (setup signal) to the video switching apparatus which switches the video signal to the proper video monitor.FN14 This interpretation is corroborated by the specification's repeated notation that each video monitor uses a single frequency to receive special services programming. ('611 Patent at Col. at 2:30-33 ("[e]ach video monitor within each group of monitors has a tuner that is tuned to receive the video signal in *a distinct one* of the frequency bands"); 4:17-24 ("[e]ach video monitor ... has a tuner that is tuned to receive *a distinct one* of the frequency bands."); 4:41-44 ("each monitor receives programs on *only one* of the frequency bands.")) (emphasis added).)

FN14. Each video monitor "is tuned to receive the video signal in a distinct one of the frequency bands." ('611 Patent at Col. 4:17-20; *see also* id. at 4:41-44 ("each monitor receives programs on only one of the frequency bands, plus the VHF channels.")) Correspondingly, "the remote control for any particular video monitor is programmed so that it will only select VHF channels and the one designated frequency band for that monitor." (Id. at Col. 4:44-47.)

Plaintiff argues that there is no limitation that each video monitor be limited to one channel for receiving special services video signals. (Pl.'s Opp'n at 12.) Instead, plaintiff asserts that " *various channels* are used to deliver special services" as evidenced by the fact that the "Welcome Menu" is transmitted over channel 6, the "Main Menu" over channel 58, and movies transmitted over one of thirty-two other channels. (Id.; '611 Patent at Col. 4:3-16.)

Plaintiff's argument is misplaced. Defendant does not contend that the '611 patent requires that *system menus* are required to be transmitted over a single associated channel associated with a particular monitor. Rather, defendant's position is that *for purposes of receiving and displaying special services programs* (movies), the transmission of the video signal must be on a channel specifically designated for that particular video monitor. Thus, the fact that system menus are transmitted over other channels is irrelevant for purposes of claim construction.

At bottom, while plaintiff's proposed interpretation (i.e., that the claim simply requires that the distinct channel on which the video signal is transmitted from the video source *match* the distinct channel to which the guest's television tuner is set) is not technically incorrect, such construction does not fully reflect the scope of the claims at issue. Thus, the Court concludes that, as a matter of law, Claims 1 and 3-7 require that each monitor have a "tuning means" for receiving and displaying movies on one discrete channel and Claims 1 and 5-6 require that the video signals be transmitted to the television on a frequency band corresponding to that particular television.

b. *Infringement*

Defendant contends that it is entitled to a finding of non-infringement because in the System 3000, "each monitor receives on demand video services on a variety of channels depending on which channel is associated with the video source from which the monitor is receiving signals." (Def.'s Mot. at 23.) Unfortunately, defendant's failure to support this contention with any citations to evidence in the record is fatal to its motion. *See Celotex*, 477 U.S. at 323 ("Of course, a party seeking summary judgment always bears the initial responsibility of informing the district court of the basis for its motion, and identifying those portions of 'the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any' which it believes demonstrate the absence of genuine issue of material fact."); *Seal-Flex, Inc. v. Athletic Track and Court Constr.*, 98 F.3d 1319, 1321 (Fed.Cir.1996) ("[t]he party moving for summary judgment bears the burden of identifying the evidence that demonstrates the absence of a disputed material issue of fact and establishes that the moving party is entitled to summary judgment."); *Glaverbel Societe Anonyme*, 45 F.3d at 1561-62 (reversing summary judgment as to claims as to which the movant failed to meet its initial burden on summary judgment). Without such references, the Court is neither able to determine the accuracy of defendant's contentions nor engage in the requisite comparison between the patent claim and the accused method. FN15 *See Markman*, 52 F.2d at 976 (finding that second step of infringement analysis requires Court to compare properly construed claim to the accused device or method).

FN15. The Court is not obligated to consider matters not specifically brought to its attention. *See Schwarzer, Tashima & Wagstaffe, Cal. Prac. Guide: Fed. Civ. Pro. Before Trial* s. 14.145.2 (The Rutter Group 1993).

Given defendant's failure to meet its burden on summary judgment, coupled with the rule that summary judgment on fact issues such as literal infringement must be approached with caution, the Court finds that there is a question of material fact concerning whether defendant has infringed Claims 1-3 and 7.

3. *Claims 1-12*

a. *Claims 7, 11, and 12*

i. *Construction*

Defendant seeks construction of language in Claims 7, 11, and 12 with respect to "video connection requests." Claim 7 contains language which states:

wherein said locally generating step generates *video connection requests* which specify a video source selected from said currently available video sources represented by said video display image.

('611 Patent Col. 16:13-16 (emphasis added).) Claims 11 and 12 contain the following language:

locally generating at the site of said video monitors, *video connection requests*, each said request specifying a video source to be connected to a specified one of said video monitors; *wherein said specified video source is selected from said currently available video sources* represented by said video display image.

(Id. at Col. 18:17-22, 18:47-52 (emphasis added).)

Defendant contends that these claims must be construed as requiring that " *each and every* video connection request specify an *available* video source." (Def.'s Mot. at 14 (emphasis in original).) Plaintiff "agrees with [defendant] that each 'video connection request' is to be for an *available video source*." (Pl.'s Opp'n at 13.) The Court agrees with the parties' construction of the above claim language.

ii. *Infringement*

Defendant contends it has not infringed Claims 7, 11 and 12, because its System 3000 "allow[s] the *creation* of video connection requests for *unavailable* movies." (Def.'s Mot. at 23 (emphasis added).) Because defendant fails to cite to any evidence in the record or provide any cogent analysis in support of this contention, the Court is unable to verify the accuracy of this statement or engage in the requisite infringement analysis under *Markman*. Thus, the Court finds that there is a question of fact concerning whether defendant has infringed Claims 7, 11, and 12. See Celotex, 477 U.S. at 323; Seal-Flex, 98 F.3d at 1321; Glaverbel Societe Anonyme, 45 F.3d at 1561-62.FN16

FN16. In its opposition, plaintiff presents evidence that defendant's System 3000 operates in a manner which precludes a hotel guest from *selecting* an unavailable movie. (E.g., Schoppers Report para. 47; Ellis Decl. Ex. 26; Pl.'s Ex. 5 at 1.) Such evidence, however, does not address defendant's apparent contention that the '611 patent discloses a system in which video connection request can be *created* for available movies only.

b. *Claims 1-6 and 9*

i. *Construction*

Claims 1-6 and 9 contain a limitation that:

program selection means associated with each said video monitor for *generating video connection requests*, each said video connection request specifying a video source to be connected to a specified video monitor;
....

('611 Patent Col. 11:61-65 (Claim 1); 12:51-55 (Claim 2); 13:31-35 (Claim 3); 14:42-46 (Claim 5); 16:60-64 (Claim 9) (emphasis added).) As noted above, Claims 4 and 6 do not contain the above language, but are related to Claims 3 and 5, respectively.

Defendant contends that the above language must be interpreted as a requirement that, *in response to each and every video connection request*, the following must result: (1) the *generation of setup signals* in response to each and every video connection request; and (2) the *transmission of setup signals* to the video crossbar switch or video switch. (Def.'s Mot. at 15.) Plaintiff does not dispute defendant's construction of the above claim language. Having reviewed claim language and specification, the Court agrees that said construction is reasonable.

ii. Infringement

Defendant fails to articulate the basis of its contention that the System 3000 does not infringe Claims 1-6 and 9, as construed above. (See Def.'s Mot. at 22-23.) Therefore, as in the case of the claims discussed above, the Court denies defendant's motion for summary judgment as to Claims 1-6 and 9. See Celotex, 477 U.S. at 323; Seal-Flex, 98 F.3d at 1321; Glaverbel Societe Anonyme, 45 F.3d at 1561-62.

4. Claims 1-7 and 11

a. Construction

Defendant seeks construction of the language in Claims 1-7, and 11 with respect to the '611 patent's menu limitations. Claims 1-6 state, in pertinent part:

menu generating means coupled to said status means for generating a menu display image *representing a set of currently available video sources which are not coupled to any of said video monitors.*

('611 Patent at Col. 12:21-25 (Claim 1); 13:3-7 (Claim 2); 13:66-14:2 (Claim 3); 15:10-15 (Claim 5) (emphasis added).) Claims 7 and 11 provide slightly different language as follows:

generating a menu display image representing a set of *currently available video sources which are not coupled to any video monitors.*

(Id. at Col. 16:7-9 (Claim 7); 18:12-15 (Claim 11) (emphasis added).) Claims 4 and 6 do not contain the above language, but are related to Claims 3 and 5, respectively.

Defendant contends that these claims must be construed as requiring the use of a video display menu which lists "only" *available video sources* which are not currently coupled to another video monitor. (Def.'s Mot. at 15-18.) In other words, defendant asserts that the '611 patent applies only to systems in which the on-screen menu "drops off" those movies which other viewers have selected, leaving on the menu display *only* those video programs which are *currently* available.

Defendant asserts that its construction of the claims at issue is supported by the plain language of the claims. The Court disagrees. The claim language merely requires that the menu displays represent which movies are "currently available;" there is no limitation that such information is displayed to the exclusion of all other information. Moreover, the patent specification expressly notes that movie title deletion is *not* the exclusive method for accommodating this requirement. The specification states that "the particular menu setup of the

preferred embodiment is illustrative of *just one of the many possible ways* of informing the users at the remotely located terminals of the available programming choices." ('611 Patent at Col. 11:16-19 (emphasis added).)

Equally misplaced is defendant's contention that its claim construction is supported by the prosecution history of the '244 patent, the predecessor to the '611 patent. (Def.'s Mot. at 16.) Defendant argues that in connection with the '244 patent review process, plaintiff's claims "were repeatedly rejected as unpatentable over the prior art until they were all amended after final rejection to include these express limitations on menu content and prohibition against connecting multiple monitors to any video source." (Def.'s Mot. at 16.) Unfortunately, defendant fails to cite specifically to which portion of the *voluminous* prosecution history of the '244 patent supports this proposition.FN17 As a result, the Court is unable to adequately assess the merit of defendant's argument with respect to the significance of this exhibit. *See Celotex*, 477 U.S. at 323; *Seal-Flex*, 98 F.3d at 1321; *Glaverbel Societe Anonyme*, 45 F.3d at 1561-62.

FN17. Exhibit M consists of approximately 150 pages of material comprising the prosecution history of the '244 patent. Defendant cites only to "Exhibit M" of the Zelkind declaration without any specific page references, thereby making it unclear which portion of the exhibit allegedly supports defendant's contention.

As a corollary matter, defendant asserts that plaintiff represented to the PTO during the prosecution of the '611 patent that it interpreted the claims as "*excluding* from the menu image all video sources already coupled to a video monitor." (Def.'s Mot. at 17 (citing Zelkind Decl. Ex. P para. 8 (emphasis added).) FN18 The Court agrees with plaintiff that defendant has taken this quote out of context. The full text of the sentence *partially* cited by defendant reads as follows:

FN18. This statement is contained in a Declaration for Reissue Application by Inventors for the reissue of the '244 patent.

The menu generating means, *instead of excluding from the generated menu image all video sources already coupled to a video monitor*, states that the menu displays are generated and updated to indicate currently available video sources based on the status information and predefined availability criteria.

(Zelkind Decl. Ex. P para. 8 (emphasis added).) Thus, plaintiff's representations to the PTO in connection with the patent prosecution actually support, rather than detract from, plaintiff's claim interpretation.FN19 FN19. In its reply brief, defendant provides an expansive discussion of the prior art with respect to video menu displays, particularly in regard to the "Stijl publication". (Def.'s Reply at 12-13.) This argument was not raised in defendant's moving papers and therefore will not be considered by the Court. *See United States v.. Montoya*, 45 F.3d 1286, 1300 (9th Cir.), *cert. denied*, 516 U.S. 814, 116 S.Ct. 67, 133 L.Ed.2d 29 (1995) ("[i]ssues not 'specifically and distinctly raised and argued' in the opening brief need not be considered by the court.") (citations omitted).

Finally, defendant asserts that the '611 patent requires that the menu *not* display a movie title which is being viewed by another guest (i.e., coupled to another video monitor). The Court finds no such limitation in '611 patent. In fact, as discussed above, the specification notes that there "are many possible ways" of informing guests of which programs are available. ('611 Patent at Col. 11:16-19 (emphasis added).)

Given the prosecution history of the '244 patent and the '611 patent, the '611 patent specification, and the claim language at issue, the Court construes Claims 1-7 and 11 as mandating the display of currently available video sources on the submenu. However, the Court finds that while the submenu displays must delineate that a particular video source is currently available, these claims do not impose the added limitation that currently available video sources constitute the sole information displayed.

b. Infringement

Defendant argues that it does not infringe Claim 1-7 or 11 of the '611 patent because System 3000:(1) uses menus which list available titles as well as unavailable titles and does not delete movie titles in response to usage status information; (2) uses menus which list available titles which are already coupled (in use) to another video monitor; and (3) allows a viewer to view a movie which is already being viewed by another user, in effect, permitting more than one video monitor to be connected to the same video source. (Def.'s Mot. at 23.)

Defendant's argument is based on an erroneous interpretation of the above claims. In addition, defendant fails to cite to any evidence in the record to support its contentions. See Celotex, 477 U.S. at 323; *Seal-Flex*, 98 F.3d at 1321; *Glaverbel Societe Anonyme*, 45 F.3d at 1561-62. In any event, plaintiff has submitted sufficient evidence to create a triable issue of fact. Plaintiff has presented evidence that System 3000 does, in some circumstances, delete movie titles which are unavailable from the user menu. (E.g., Burd Depo. at 26:17-21; Truckenmiller Depo. at 58:4-11; Ellis Decl. Ex. 25; Pl.'s Exs. 9-12.) In addition, there is evidence that defendant's menus display information based on the "availability status" of the movies. (Burd Depo. at 28:3-18). Based on the evidence cited by plaintiff, the Court finds that there is an issue of material fact concerning whether defendant has infringed Claims 1-7 and 11 of the '611 patent.

5. Claims 9 and 12

a. Construction

Defendant seeks construction of language in Claims 9 and 12 with respect to the '611 patent's limitations relating to updating menu displays. Claims 9 and 12 provide, in pertinent part, as follows:

generating and *updating of menu display images* that indicate which of said video sources are *currently available* for selection in accordance with said status information and predefined availability criteria;

('611 Patent at Col. 17:11-16 (Claim 9); 18:41-44 (Claim 12) (emphasis added).) Defendant contends this claim language should be construed as a requirement that "the on-screen title listings be updated to reflect usage status information as to whether or not video sources and monitors are coupled." (Def.'s Mot. at 19.) Further, defendant asserts that the "drop-off" feature (the deletion of unavailable movies from the on-screen user menu) is the *only* form of "updating" disclosed by the '611 patent. (Id.)

In its opposition, plaintiff asserts that defendant is again arguing that the '611 patent requires the use of a drop-off feature, and as such, incorporates its analysis with respect to Claims 1-7 and 11 in the preceding section. (Pl.'s Opp'n at 20.) Plaintiff misconstrues defendant's argument. With regard to Claims 9 and 12, defendant is not arguing that the '611 patent requires a drop-off feature. Rather, defendant maintains that the drop-off feature is the *only form of updating* the display menus which is disclosed under the patent in suit.

Turning to the merits of defendant's contention, the Court agrees that defendant's interpretation of Claims 9

and 12 is reasonable and proper. The patent specification discloses that:

The status information array 254 is updated whenever a valid video selection request for a specified video source is received. In particular, the status information array is updated to denote which movie was selected, the monitor to which it is coupled, the time that the movie began playing, and the projected play-completion time. *All changes in the status information array cause the controller CPU 250 to run a "submenu updating routine" which updates the system's submenu buffers to show currently available video programs.*

('611 Patent at Col. 10:8-18 (emphasis added); *see also*, id. at Col. 10:47-49 ("Whenever a viewer rents a movie or other program, it instantly becomes unavailable to other potential viewers ."); *but see* id. at Col. 10:63-11:1 (noting that plaintiff's system can be modified to allow a single video source to be displayed on more than one video monitor at a time).) Interpreting the above specification language in tandem with the actual claim language at issue, the Court construes Claims 9 and 12 as disclosing a structure of menu updating whereby unavailable video sources are deleted from the list of video sources which are displayed on the monitor as being currently available.

b. Infringement

Defendant contends that it is entitled to a judgment of noninfringement with respect to Claims 9 and 12 "because the Lodgenet menu (i.e. title listing) screens from which video connection requests are made are not changed in *any* manner in response to user status information." (Def.'s Mot. at 24.) Again, defendant is not entitled to summary judgment on these claims, as it has not properly supported its argument. *See Celotex*, 477 U.S. at 323; *Seal-Flex*, 98 F.3d at 1321; *Glaverbel Societe Anonyme*, 45 F.3d at 1561-62. Also, plaintiff presents sufficient evidence to the contrary to demonstrate a question of material fact concerning whether defendant has infringed Claims 9 and 12 of the '611 patent. (*E.g.*, Burd Depo. at 28:5-18 (testimony from LodgeNet software engineer); Schoppers Report para. 66-68 (expert report).)

D. DOCTRINE OF EQUIVALENTS

The doctrine of equivalents enables a patent owner to prove infringement where the differences between the patent and the accused device or method are "insubstantial." *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512, 1521-22 (Fed.Cir.1995), *cert. granted*, 516 U.S. 1145, 116 S.Ct. 1014, 134 L.Ed.2d 95 (1996). Evidence of copying and designing around a patent are relevant considerations in assessing infringement under the doctrine. *Id.* at 1522. An infringement determination under the doctrine of equivalents is a question of fact. *Id.* at 1520.

In its motion, defendant sets forth the legal standard applicable to the doctrine of equivalents, but fails to proffer any specific argument or evidence applying the doctrine specifically to the facts of this case. Defendant's generalized and unsupported assertions of noninfringement (which actually appear to be germane to defendant's arguments regarding literal infringement), (Def.'s Mot. at 22-24), are insufficient to warrant a grant of summary judgment. *See Celotex*, 477 U.S. at 323; *Seal-Flex*, 98 F.3d at 1321; *Glaverbel Societe Anonyme*, 45 F.3d at 1561-62. In any event, plaintiff has proffered evidence sufficient to demonstrate that there is a triable issue of material fact with respect to infringement under the doctrine of equivalents. (*See* Pl.'s Opp'n at 22-25 and evidence cited therein.)

CONCLUSION

For the reasons stated above,

IT IS HEREBY ORDERED THAT:

1. Defendant's motion for summary judgment is DENIED.
2. The patent claims at issue in this case shall be construed as determined by the Court above.
3. The Clerk shall serve a copy of this order on (a) counsel for plaintiff and defendant (b) Magistrate Judge Bernard Zimmerman, United States District Court, 450 Golden Gate Ave., San Francisco, CA 94102, and (c) Judge Daniel Weinstein, Judicial Arbitration and Mediation Services, Two Embarcadero Center, San Francisco, CA 94111.

IT SO ORDERED.

N.D.Cal.,1997.

On Command Video Corp. v. Lodgenet Entertainment Corp.

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