

United States District Court,
W.D. Tennessee, Western Division.

BARRY FIALA, INC,
Plaintiff and Counter-Defendant.

v.

ARTHUR BLANK & COMPANY, INC., Defendant, Counter-Plaintiff,
and Third-Party Plaintiff.

v.

Moore North America, Inc,
Third-Party Defendant.

No. 02-2282 Ma

Aug. 25, 2004.

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MEMORANDUM OPINION AND ORDER ON MARKMAN MOTION

SAMUEL H. MAYS, JR., District Judge.

Before the court is the parties' request for patent claim construction pursuant to *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed.Cir.1995), *aff'd*, 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996). The court held a Markman hearing on December 5, 2003. For the reasons stated herein, the court construes Claims 12, 29, and 30 as follows.

I. Background

On July 6, 1999, the United States Patent and Trademark Office ("PTO") issued U.S. Patent No. 5,918,909 (the "'909 patent"), entitled Package for Card with Data-Encoded Strip and Method of Using Same, to inventors Barry Fiala and Ronald Blythe Selby. The card at issue is a prepaid debit card. U.S. Patent No. 5,918,909, Column 1:26-27 (issued July 6, 1999). The abstract describes the invention as both "a method of activating a metered account that is associated with a personal identification number ("PIN"), where the personal identification number is affixed to a card and the metered account is activated at the time of sale of the card, and an apparatus comprising a package adapted for holding the card." Id., Abstract. The goal of the

invention is to decrease theft by obscuring the PIN from view with a tamper-evident device prior to purchase and by activating the account only at the time of purchase (without requiring the card to be removed from the package to allow for activation). *Id.* at Column 2:29-53, 8-12. Fiala and Selby assigned the patent to Plaintiff Barry Fiala, Inc. ("Fiala"). *Id.* Fiala brings this action asserting that Defendant Arthur Blank & Company, Inc. ("Blank") willingly and knowingly infringed the '909 patent. (Compl. at para. 9.)

II. Legal Standard for Claim Interpretation

A patent is a fully integrated written instrument, and claim construction is a matter of law for the court. *See Markman*, 52 F.3d at 978. In construing the language of a claim, the court should look primarily to intrinsic evidence. *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed.Cir.1996). Intrinsic evidence includes the claims themselves, the specification, and the prosecution history. *Id.* Although a patentee may act as his own lexicographer, claim terms should be given their ordinary and customary meaning unless the patentee explicitly defines a term to have a different meaning. *See Johnson Worldwide Assoc., Inc. v. Zebco Corp.*, 175 F.3d 985, 990 (Fed.Cir.1999). The ordinary and customary meaning of a term may be determined by considering what a person of ordinary skill in the art would have considered the term to mean at the time of invention, not the subjective intent of the patentee. *Markman*, 52 F.3d at 986. The prosecution history should be consulted as well, because the patentee may not advocate an interpretation which he earlier disavowed in order to obtain allowance. *See Standard Oil Co. v. American Cyanamid Co.*, 774 F.2d 448, 452 (Fed.Cir.1985).

Where intrinsic evidence is dispositive, extrinsic evidence, such as expert testimony, inventor testimony, and prior art, should not influence the court's claim interpretation. *Vitronics*, 90 F.3d 1584. Judges, however, may "rely on dictionary definitions when construing claim terms, so long as the dictionary definition does not contradict any definition found in or ascertained by a reading of the patent documents," although dictionaries are extrinsic evidence. *Id.* at 1584 n. 6.

III. Claim Construction

A. Claim Language

Fiala asserts infringement of claims 29 and 30. Claim 29, however, is dependent on claim 12, and claim 30 is dependent on both claims 12 and 29.

Claim 12 provides as follows:

In combination:

a first card generally defining a plane and including an exposed data-encoded strip; and

a package including a first panel, said first panel having an outer perimeter; said first card being secured to said first panel so that at least a portion of said data-encoded strip is exposed and displaced externally remote from a portion of said outer perimeter of said first panel in a direction substantially parallel to the plane of said first card.

U.S. Patent No. 5,918,909, Column 22:40-49.

Claim 29 provides:

A method of using the first card and package combination as recited in claim 12 to activate a metered account, said method comprising the steps of:

- (a) encoding a first identification number onto said data-encoded strip;
- (b) associating a first representation of said first identification number with said metered account within a processing apparatus;
 - i. then using a data-encoded strip reader to read said encoded first identification number from said exposed data-encoded strip while first card is secured to said first panel;
 - ii. then transmitting a first characterization of said first identification number from said data-encoded strip reader to said processing apparatus;
 - iii. then using said first characterization of said first identification number to identify said metered-account by said processing apparatus;
 - iv. then activating said metered account by said processing apparatus;
- and
- (c) crediting said metered account with a certain predetermined balance.

Id. at Column 24:60-25:16.

Claim 30 provides:

The method of claim 29 which further comprises the steps of:

- (a) associating a second representation of a second identification number with said metered account within said processing apparatus; then
- (b) using a second characterization of said second identification number to identify said metered account by said processing apparatus; and then
- (c) providing access to services and debiting said balance of said metered account for said providing of said services.

Id. at Column 25:17-27.

Within these three claims, the parties disagree as to the meaning of four phrases. In claim 12, the meaning of "in combination," "package," and "secured to" is in dispute. In claim 29, the parties disagree as to the proper interpretation of "a certain predetermined balance." The court will construe only those parts of the claims actually in dispute. *See U.S. Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1568 (Fed.Cir.1997).

B. Package

The parties' dispute centers on the meaning of the word "package." Webster's defines package as: "(1) the act or process of packing; (2)(a) a small or moderate-sized pack (b) a commodity or a unit of a product uniformly wrapped or sealed (c) a preassembled unit; (3) a covering, wrapper or container; (4) something that suggests a package as (a) package deal...." WEBSTER'S NINTH NEW COLLEGiate DICTIONARY 845 (1990) [hereinafter WEBSTER'S]. Blank proposes that "package" should be construed to mean "an independently created bundle or container into or onto which items are subsequently encased or attached." (Def.'s Markman Brief at 12.) Fiala would interpret "package" to mean "a small or moderately sized pack, something that suggests a package, a preassembled unit, for merchandising and display of the product prior to purchase." (Pl.'s Markman Brief at 20.) Either construction is consistent with the dictionary definition.

Considering first the language of the claim itself, the court must eliminate part of Fiala's proposed definition. "Package" cannot mean a "preassembled unit," because the claim language makes clear that the package is something distinct from the first card. Preassembled unit, in the context of the patent, means a unit consisting of the first card and the package together. Thus, it would make no sense to read the claim language "in combination a first card ... and a [preassembled unit]." The claim language does not further require, however, that either party's construction be accepted or rejected.

The specification repeatedly refers to the package holding a card. *See e.g.*, U.S. Patent No. 5,918,909, Column 4:59, 5:6-7, 9:65-66. The specification also refers at several points to cards "in" or "within" a package. *See id.* at Column 20:37, 49, 63. The court notes that these stated functions of a package comport with the ordinary and customary meaning of "package." The specification, however, indicates that the "independently created" part of Blank's proposed definition should be rejected. The specification states that "the package *can be* separately manufactured," thus implying that the package could also be manufactured simultaneously with the product itself. *Id.* at Column 5:11-12 (emphasis added). Nothing in the ordinary and customary meaning of "package" requires that a package be created independently of the product or that the product be inserted or attached to it after creation. Those aspects of Blank's definition, therefore, must be rejected.

The court also has reviewed the file wrapper for this patent. Nothing in the prosecution history, however, aids in interpreting the meaning of package.

Having considered the claim language, specification and prosecution history, the court construes "package" to mean: a covering, wrapper or container capable of holding a product for the purposes of merchandising and display prior to purchase. This definition is consistent with the ordinary and customary meaning of the word. The evidence before the court also indicates that a person of ordinary skill in the art would have so defined "package" at the time the patent was prosecuted.

C. Secured To

Webster's defines secure as "(1)(a) to relieve from exposure to danger: act to make safe against adverse contingencies ... (b) to put beyond hazard of losing or of not receiving: guarantee ... (2)(a) to take (a person) into custody: hold fast: pinion (b) to make fast: seal ... (3)(a) to get secure usually lasting possession or control of ... (b) bring about, effect (4) to release (naval personnel) from work or duty...." WEBSTER'S at 1062. Blank proposes that "secured to" should be construed to mean "attaching two or more separate items together." (Def.'s Markman Memo. at 12.) Fiala would interpret "secured to" to mean "held in any manner whatsoever." (Pl.'s Markman Brief at 24).

The claim language itself offers minimal assistance in construing the term. Either interpretation is plausible. However, because the claim language cannot be read to require two separate pieces, it would be inappropriate to read Blank's proposed limitation into the claim language. *See Cordis Corp. v. Medtronic Ave, Inc.*, 339 F.3d 1352, 1356-57 (Fed.Cir.2003).

The specification presents some support for Blank's position. Several times while discussing preferred embodiments, the specification indicates that the manufacturer "secure[s] the first card C to the package." U.S. Patent No. 5,918,909, Column 19:9-10, 20: 46-48. This usage necessarily indicates that the parts were distinct at one time. Other language from the preferred embodiments further supports this interpretation. *See id.* at Column 19:18-19 ("Once the first card C is secured to the package...."). The claim, language, however, is broader than any of the preferred embodiments. In such circumstances, claim limitations should not be read from the preferred embodiments into the claim language itself. *See Enviro Corp. v. Clestra Cleanroom, Inc.*, 209 F.3d 1360, 1366 (Fed.Cir.2000). "Being secured" does not necessarily indicate that two separate things were joined. Although language from the preferred embodiments indicates the presence of two separate things joined together, that indication is not sufficient to establish that Fiala claimed only card package combinations where the card and package originally were separate.

The prosecution history adds little to the discussion. The claim originally read "retaining means securing said first card to said first panel," rather than "said first card being secured to said first panel." Pros. Hist. at FH155. Fiala's attorney described this revision as slight. *Id.* at FH153. Although the patent examiner previously had disallowed claim 12, this revision was not a response to that rejection. *See id.* at FH142 (stating reasons claim 12 was rejected); FH147 (detailing Fiala's changes to claim language in order to attain allowance of claim 12). If anything, the revision supports Fiala's contention that "secured to" should be given a broader interpretation, because it appears that the intention was to avoid a means plus function reading of the claim. Having considered the claim language, specification, and prosecution history, the court construes "secured to" to mean "held fast." This meaning is consistent with the ordinary and customary meaning of the word. The evidence before the court also indicates that a person of ordinary skill in the art would have so defined "secured to" at the time the patent was prosecuted.

D. In Combination

Webster's defines combination to mean: "(1) a result or product of combining; ... (2) an ordered sequence ... (5)(a) the act or process of combining ... (b) the quality or state of being combined." WEBSTER'S at 262. Blank proposes that "in combination" should be construed to mean "two separate items joined together." (Def.'s Markman Brief at 12. Fiala would interpret "in combination" to mean "the aggregate of the first card and the package." (Pl.'s Markman Brief at 23.)

Blank presents a unique argument. "In combination" is a standard introductory phrase in patent claims. The court, however, could find no Federal Circuit opinion which interprets that phrase. Given the ubiquitousness of the phrase in patent claims, the claim language, the specification, and the prosecution history offer no help in interpreting its meaning. All seem to assume that the reader already knows the meaning. Given this situation, the court has surveyed the relevant case law. There is no indication that the presence of the phrase "in combination" indicates that two separate items will be "joined together" as Blank uses that phrase. Cf. *Berg Tech., Inc. v. Foxconn Int'l, Inc.*, 1999 WL 96414, at (Fed.Cir. Feb.23, 1999) (stating that terms commonly used in patent claims which have a generally understood meaning should not be given a meaning inconsistent with the generally understood meaning absent some indication in the claims, specification, or prosecution history that such a departure was intended). "In combination" simply indicates

that all of the combined elements must be present. *See, e.g.*, Gen. Mills, Inc. v. Hunt Wesson, Inc., 103 F.3d 978, 989 (Fed.Cir.1997) (discussing in combination a food item and a wrapping material).

The court, therefore, interprets the phrase "in combination" to mean: "the aggregate of." The evidence before the court indicates that a person of ordinary skill in the art, as well as the patent bar, would have so defined "in combination" at the time the patent was prosecuted.

E. A Certain Predetermined Balance

The meaning of "a certain predetermined balance" turns on the intended meaning of the word predetermined. Webster's defines predetermine as "(1)(a) foreordain, predestine (b) determine beforehand (2) to impose a direction or tendency on beforehand." WEBSTER'S at 926. Although both parties agree that the correct meaning is "determine beforehand," they disagree as to how far beforehand the certain balance must be determined. Blank proposes that "a certain predetermined balance" should be construed to mean "a value given to a card during the manufacturing process prior to shipment to retailers." (Def.'s Markman Memo. at 18.) Fiala would interpret "a certain predetermined balance" to mean "crediting the metered account with a balance that is fixed and stated prior to crediting of the metered account." (Pl.'s Markman Brief at 30).

The specification conflicts with Blank's proposed meaning. Nothing in the specification indicates that a value must be assigned to the card "during the manufacturing process prior to shipment." In fact, the specification provides for the opposite. "The metered account may have been credited with a certain predetermined balance when the metered account was entered into the digital computer [prior to shipping], but, if not, the digital computer will ... credit the metered account with a certain predetermined balance [when the card is activated by the store clerk at the time of purchase]." U.S. Patent No. 5,918,909, Column 20:1-5. The specification supports Fiala's construction and permits giving the card value either before shipment or at the time of activation.

Blank, however, argues that the claim language supports its construction. Blank contends that adopting Fiala's proposed construction of the phrase would render claim language superfluous. Every word in the claim is presumed to add meaning, and the claim should not be read in such a way as to render claim language superfluous. *See Exxon Chem. Patents, Inc. v. Lubrizol Corp.*, 64 F.3d 1553, 1557 (Fed.Cir.1995). According to Blank, common sense dictates that any balance credited to the metered account will be determined before the account is credited with a dollar amount.

Blank relies heavily on *Catalina Marketing International v. Coolsavings.com, Inc.*, 289 F.3d 801 (Fed.Cir.2002), in making its argument. In *Catalina*, the plaintiff had patented a selection and distribution system for discount coupons. *Id.* at 805. One of the claims contained the phrase "[a] system for controlling the selection and dispensing of product coupons at a plurality of remote terminals located at predesignated sites such as consumer stores." *Id.* at 806. The accused infringer's coupon distribution system operated over the internet and allowed consumers to print coupons on their home computers. *Id.* The parties did not dispute that "predesignated site" meant "to designate beforehand the original or fixed position of a thing." *Id.* at 811. The patent owner, however, argued that the phrase "predesignated site[s]" encompassed Coolsavings.com's system because it predesignated the consumer's computer as the site at which the coupons would be dispensed prior to the actual printing of the coupons. *Id.* The Federal Circuit held that this argument ignored "the physical dimension indicated by the phrase 'located at' immediately preceding 'redesignated sites'" and that "[r]ecognition simply does not amount to predesignation." *Id.* The court held that "the phrase 'located at predesignated sites such as consumer stores' requires designation of the physical

site of the terminal before location of the terminal at a point of sale location." *Id.* at 811-12.

Fiala's proposed definition, however, would not ignore any of the claim language or any of the necessary implications of that language. Unlike *Catalina*, there is no additional language with which the court must concern itself other than "a certain predetermined balance" and, thus, no danger that claim language will be rendered superfluous. FN1

FN1. The court construes "certain" to mean fixed or settled. WEBSTER'S at 222-23. Fiala's proposed definition reflects this definition rather than ignoring it.

Claim terms are given their ordinary and customary meaning absent some contrary meaning indicated in the specification or the prosecution history. Johnson Worldwide, 175 F.3d at 990. As discussed above, the specification supports the ordinary meaning of predetermined as determined beforehand. The prosecution history indicates no intent to vary from the ordinary and customary meaning. There is no indication that a person of ordinary skill in the art at the time of invention would have understood predetermined to mean determined before shipping as opposed to determined before the crediting of the account. Nothing supports the imposition of additional limitations not found in the claim language itself. The court, therefore, reads the claim language as supporting Fiala's interpretation rather than Blank's interpretation.

Having considered the claim language, specification and prosecution history, the court construes "a certain predetermined balance" to mean: "crediting the metered account with a balance that is fixed and stated prior to crediting of the metered account." The evidence before the court indicates that a person of ordinary skill in the art would have so defined "a certain predetermined balance" at the time the patent was prosecuted, and this interpretation is consistent with the clear meaning of the claim language.

IV. Conclusion

For the foregoing reasons, the court construes "package" to mean "a covering, wrapper or container capable of holding a product for the purposes of merchandising and display prior to purchase"; "secured to" to mean "held fast"; "in combination" to mean "the aggregate of"; and "a certain predetermined balance" to mean "crediting the metered account with a balance that is fixed and stated prior to crediting of the metered account."

So ORDERED.

W.D.Tenn.,2004.

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