

United States District Court,
E.D. Texas, Marshall Division.

SPREADSHEET AUTOMATION CORPORATION,
Plaintiff.

v.

MICROSOFT CORPORATION,
Defendant.

No. 2:05-CV-127-DF

Nov. 9, 2006.

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CLAIM CONSTRUCTION ORDER

DAVID FOLSOM, District Judge.

Spreadsheet Automation Corporation ("Plaintiff") brings this cause of action against Microsoft Corporation ("Defendant") alleging infringement of United States Patent Number 5,033,009 (the "'009 Patent"). Complaint, Dkt. No. 1. Defendant denies all allegations of infringement. Amended Answer, Dkt. No. 48 at para. 7. Defendant asserts the defense of non-infringement. *Id.* at para. para. 14-15. Defendant asserts the affirmative defenses of invalidity, marking, laches, statute of limitations, and inequitable conduct. *Id.* at para. para. 16-21. Defendant seeks a declaratory judgment of noninfringement, invalidity, and unenforceability. *Id.* at para. para. 27-40.

Before the Court is Plaintiff's opening brief, Defendant's opening brief, Plaintiff's responsive brief, and Defendant's responsive brief. Dkt. Nos. 28, 30, 39 & 43.

After considering the patents, the parties' submissions, arguments of counsel, and all other relevant pleadings and papers, the Court finds that the claims of the '009 Patent should be construed as set forth herein.

I. LEGAL PRINCIPLES OF CLAIM CONSTRUCTION

A determination of patent infringement involves two steps. First, the patent claims are construed, and, second, the claims are compared to the allegedly infringing device. *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1455 (Fed.Cir.1998) (en banc).

The legal principles of claim construction were recently reexamined by the Federal Circuit in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed.Cir.2005) (en banc). Reversing a summary judgment of non-infringement, an en banc panel specifically identified the question before it as "the extent to which [the court] should resort to and rely on a patent's specification in seeking to ascertain the proper scope of its claims." *Id.* at 1312. Addressing this question, the Federal Circuit specifically focused on the confusion that had amassed from its recent decisions on the weight afforded dictionaries and related extrinsic evidence as compared to intrinsic evidence. Ultimately, the court found that the specification, "informed, as needed, by the prosecution history," is the "best source for understanding a technical term." *Id.* at 1315 (quoting *Multiform Dessicants, Inc. v. Medzam, Ltd.*, 133 F.3d 1473, 1478 (Fed.Cir.1998)). However, the court was mindful of its decision and quick to point out that *Phillips* is not the swan song of extrinsic evidence, stating:

[W]e recognized that there is no magic formula or catechism for conducting claim construction. Nor is the court barred from considering any particular sources or required to analyze sources in any specific sequence, as long as those sources are not used to contradict claim meaning that is unambiguous in light of the intrinsic evidence.

Phillips, 415 F.3d at 1324 (citations omitted). Consequently, this Court's reading of *Phillips* is that the Federal Circuit has returned to the state of the law prior to its decision in *Texas Digital Systems, Inc. v. Telegenix, Inc.*, 308 F.3d 1193 (Fed.Cir.2002), allotting far greater deference to the intrinsic record than to extrinsic evidence.

Additionally, the Federal Circuit in *Phillips* expressly reaffirmed the principles of claim construction as set forth in *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed.Cir.1995) (en banc), *aff'd*, 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996), *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576 (Fed.Cir.1996), and *Innova/Pure Water, Inc. v. Safari Water Filtration Sys., Inc.*, 381 F.3d 1111 (Fed.Cir.2004). Thus, the law of claim construction remains intact. Claim construction is a legal question for the courts. *Markman*, 52 F.3d at 979. The claims of a patent define that which "the patentee is entitled the right to exclude." *Innova*, 381 F.3d at 1115. And the claims are "generally given their ordinary and customary meaning" as understood by "a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application." *Vitronics*, 90 F.3d at 1582. However, the Federal Circuit stressed the importance of recognizing that the person of ordinary skill in the art "is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification." *Phillips*, 415 F.3d at 1313.

Advancing the emphasis on the intrinsic evidence, the *Phillips* decision explains how each source, the claims, the specification as a whole, and the prosecution history, should be used by courts in determining how a skilled artisan would understand the disputed claim term. *See, generally, id.* at 1314-17. The court noted that the claims themselves can provide substantial guidance, particularly through claim differentiation. Using an example taken from the claim language at issue in *Phillips*, the Federal Circuit observed that "the claim in this case refers to 'steel baffles,' which strongly implies that the term 'baffles' does not inherently mean objects made of steel." *Id.* at 1314. Thus, the "context in which a term is used in the asserted claim

can often illuminate the meaning of the same term in other claims." *Id.*; see also *BrookhillWilk 1, LLC. v. Intuitive Surgical, Inc.*, 334 F.3d 1294, 1299 (Fed.Cir.2003) ("While certain terms may be at the center of the claim construction debate, the context of the surrounding words of the claim also must be considered in determining the ordinary and customary meaning of those terms.") Likewise, other claims of the asserted patent can be enlightening, for example, "the presence of a dependent claim that adds a particular limitation gives rise to a presumption that the limitation in question is not present in the independent claim." *Id.* at 1315 (citing *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 910 (Fed.Cir.2004)).

Still, the claims "must be read in view of the specification, of which they are part." *Markman*, 52 F.3d at 978. In *Phillips*, the Federal Circuit reiterated the importance of the specification, noting that the specification "is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term." *Phillips*, 415 F.3d at 1315 (quoting *Vitronics*, 90 F.3d at 1582). To emphasize this position, the court cited extensive case law, as well as "the statutory directive that the inventor provide a 'full' and 'exact' description of the claimed invention." *Id.* at 1316 (citing *Merck & Co. v. Teva Pharms. USA, Inc.*, 347 F.3d 1367, 1371 (Fed.Cir.2003)); see also 35 U.S.C. s. 112, para. 1. Consistent with these principles, the court reaffirmed that an inventor's own lexicography and any express disavowal of claim scope is dispositive. *Id.* at 1316. Concluding this point, the court noted the consistency between this approach and the issuance of a patent from the Patent and Trademark Office and found that "[i]t is therefore entirely appropriate for a court, when conducting claim construction, to rely heavily on the written description for guidance as to the meaning of the claims." *Id.* at 1317.

Additionally, the *Phillips* decision provides a terse explanation of the prosecution history's utility in construing claim terms. The court simply reaffirmed that "the prosecution history can often inform the meaning of the claim language by demonstrating how the inventor understood the invention and whether the inventor limited the invention in the course of prosecution, making the claim scope narrower than it would otherwise be." *Id.* (citing *Vitronics*, 90 F.3d at 1582-83). It is a significant source for evidencing how the patent office and the inventor understood the invention. *Id.*

Finally, the Federal Circuit curtailed the role of extrinsic evidence in construing claims. In pointing out the less reliable nature of extrinsic evidence, the court reasoned that such evidence (1) is by definition not part of the patent, (2) does not necessarily reflect the views or understanding of a person of ordinary skill in the relevant art, (3) is often produced specifically for litigation, (4) is far reaching to the extent that it may encompass several views, and (5) may distort the true meaning intended by the inventor. See *Phillips*, 415 F.3d at 1318. Consequently, the Federal Circuit expressly disclaimed the approach taken in *Texas Digital*. While noting the *Texas Digital* court's concern with regard to importing limitations from the written description, "one of the cardinal sins of patent law," the Federal Circuit found that "the methodology it adopted placed too much reliance on extrinsic sources such as dictionaries, treatises, and encyclopedias and too little on intrinsic sources, in particular the specification and prosecution history." *Id.* at 1320.

Thus, the court renewed its emphasis on the specification's role in claim construction. "[E]xtrinsic evidence cannot be used to vary the meaning of the claims as understood based on a reading of the intrinsic record." *Phillips*, 415 F.3d at 1319.

Many other principles of claim construction, though not addressed in *Phillips*, remain significant in guiding this Court's charge in claim construction. The Court is mindful that there is a "heavy presumption" in favor of construing claim language as it would be plainly understood by one of ordinary skill in the art. *Johnson Worldwide Assocs., Inc. v. Zebco Corp.*, 175 F.3d 985, 989 (Fed.Cir.1999); see also *Altiris, Inc., v.*

Symantec Corp., 318 F.3d 1364, 1372 (Fed.Cir.2003) ("[S]imply because a phrase as a whole lacks a common meaning does not compel a court to abandon its quest for a common meaning and disregard the established meaning of the individual words.") The same terms in the same patent or related patents are presumed to carry the same meaning. *Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1334 (Fed.Cir.2003).

Claim construction is not meant to change the scope of the claims but only to clarify their meaning. *Embrex, Inc. v. Service Eng'g Corp.*, 216 F.3d 1343, 1347 (Fed.Cir.2000) "The construction of claims is simply a way of elaborating the normally terse claim language in order to understand and explain, but not to change, the scope of the claims." *Id.* (citation omitted). Regarding claim scope, the transitional term "comprising," when used in claims, is inclusive or open-ended and "does not exclude additional, unrecited elements or method steps." *CollegeNet, Inc. v. ApplyYourself, Inc.*, 418 F.3d 1225, 1235 (Fed.Cir.2005) (citations omitted). "[P]articular embodiments appearing in the written description will not be used to limit claim language that has broader effect." *Innova/Purewater*, 381 F.3d at 1117. Constructions that read out the preferred embodiment are rarely, if ever, correct. *Vitronics*, 90 F.3d at 1583-84.

The Court notes that a patent examiner's "Reasons for Allowance," where merely summarizing a claimed invention and not specifically noting that patentability is based on a particular feature, do not limit the scope of the claim. *See Apex, Inc. v. Raritan Computer, Inc.*, 325 F.3d 1364, 1375 (Fed.Cir.2003). Similarly, an examiner's unilateral statements in a "Notice of Allowance" do not result in the alteration of claim scope. *See id.*; *see also Salazar v. Procter & Gamble Co.*, 414 F.3d 1342, 1346-47 (Fed.Cir.2005). The prosecution history, however, does limit the interpretation of claim terms when there has been a clear disavowal or disclaimer during the prosecution in order to obtain allowance. *See 3M Innovative Props. Co. v. Avery Dennison Corp.*, 350 F.3d 1365, 1371 (Fed.Cir.2003).

The doctrine of claim differentiation is often important in claim construction. *Phillips*, 415 F.3d at 1315 (citing *Liebel-Flarsheim Co.*, 358 F.3d at 910). "Claim differentiation" refers to the presumption that an independent claim should not be construed as requiring a limitation added by a dependent claim. *Curtiss-Wright Flow Control Corp. v. Velan, Inc.*, 438 F.3d 1374, 1380 (Fed.Cir.2006). This is in part because "reading an additional limitation from a dependent claim into an independent claim would not only make that additional limitation superfluous, it might render the dependent claim invalid." *Id.*; *SRI Int'l. v. Matsushita Elec. Corp. of Am.*, 775 F.2d 1107, 1122 ("It is settled law that when a patent claim does not contain a certain limitation and another claim does, that limitation cannot be read into the former claim in determining either validity or infringement.") The doctrine, based in part on the presumption of validity, holds that each claim is presumed to have a different scope. 35 U.S.C. s. 282; *Curtiss-Wright*, 438 F.3d at 1380. The difference in meaning and scope between claims is presumed to be significant to the extent that the absence of such difference in meaning and scope would make a claim superfluous. *Free Motion Fitness, Inc. v. Cybex Int'l*, 423 F.3d 1343, 1351 (Fed.Cir.2005). Although a validity analysis is not a regular component of claim construction, if possible, claims should be construed to preserve their validity. *Phillips*, 415 F.3d at 1327; *see also Rhine v. Casio, Inc.*, 183 F.3d 1342, 1345 (Fed.Cir.1999).

Whether the steps of a method claim must be performed in a particular order is properly a part of claim construction. *See, e.g., Altiris, Inc. v. Symantec Corp.*, 318 F.3d 1363, 1371-72 (Fed.Cir.2003). "Unless the steps of a method actually recite an order, the steps are not ordinarily construed to require one. However, such a result can ensue when the method steps implicitly require that they be performed in the order written." *Id.* at 1369 (Fed.Cir.2003) (quoting *Interactive Gift Express, Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1342-43 (Fed.Cir.2001)). "First, we look to the claim language to determine if, as a matter of logic or

grammar, they must be performed in the order written." *Id.* This is the case where, for example "the claim language itself indicated that the steps had to be performed in their written order because the second step required the alignment of a second structure with a first structure formed by the prior step." *Loral Fairchild Corp. v. Sony Elecs. Corp.*, 181 F.3d 1313, 1321 (Fed.Cir.1999). In other words, a method claim is limited to the sequence recited where "the sequential nature of the claim steps is apparent from the plain meaning of the claim language and nothing in the written description suggests otherwise." *Mantech*, 152 F.3d at 1376. Second, "we ... look to the rest of the specification to determine whether it 'directly or implicitly requires such a narrow construction.'" *Altiris*, 318 F.3d at 1370 (quoting *Interactive Gift*, 256 F.3d at 1343).

With these principles in mind, the Court turns to the '009 patent.

II. THE '009 PATENT

The '009 patent, entitled "System for Generating Worksheet Files for Electronic Spreadsheets," issued on July 16, 1991. Steven J. Dubnoff (the "Inventor") filed his application on March 3, 1989. The Abstract states:

A method for automating the production of worksheet files of the type used by electronic spreadsheet programs. The spreadsheet program has an associated file format specification that defines the format in which the spreadsheet program stores and receives data in a worksheet file. The spreadsheet program is capable of processing the worksheet files to produce an output spreadsheet. The method of the invention comprises receiving pattern data specifying positions for one or more variable data items to appear on the output spreadsheet, receiving variable data specifying the variable data items, and merging the pattern and variable data to produce merge data specifying the variable data items and their positions. The merged data is then output into the worksheet filed in said format, such that the spreadsheet program can then use the worksheet file to produce the output spreadsheet having the variable data items at the specified positions.

III. CLAIM CONSTRUCTION

The parties request that the Court construe several terms appearing in Claim 1 of the '009 patent. These terms are highlighted in bold in Claim 1, reproduced below:

1. A method for use on a computer for producing a **worksheet** file for use by an electronic spreadsheet program, the spreadsheet program having an associated file format specification that defines a format in which the spreadsheet program stores and retrieves data, the spreadsheet program further including means for processing data in said format to produce an output spreadsheet, the method comprising:

receiving from computer memory a **pattern data file** containing **pattern data specifying positions for one or more variable data items to appear on the output spreadsheet;**

receiving from computer memory a **variable data file** containing **variable data** specifying the variable data items;

merging the pattern and variable data to produce **merged data specifying the variable data items and the positions for the variable data items;** and

outputting the **merged data** into the **worksheet file** in said format, whereby the spreadsheet program can use the worksheet file to produce the output spreadsheet having the **variable data** items at said positions.

A. Worksheet File

Plaintiff proposes this term means: "A data file that is the complete coded layout of a spreadsheet." Amended Joint Claim Construction Chart, Dkt. No. 29, Exh. A at 1. Defendant proposes this term means: "A data file that can be used by a spreadsheet program. The claimed invention excludes worksheet files manufactured or generated by a spreadsheet program." *Id.*

Plaintiff argues that the Inventor used the term "worksheet file" to "mean something closely related, but different" from "spreadsheet" or "output spreadsheet." Dkt. No. 28 at 24. Plaintiff emphasizes that a "worksheet file" contains "both displayable and non-displayable data." *Id.* While numeric values and labels appear in the output spreadsheet, such as when the output spreadsheet is displayed on a computer screen, "[f]ormat data and formulas are part of the 'coded' layout of the spreadsheet that are contained in the worksheet file but not actually displayed on the output spreadsheet." *Id.* at 25.

Plaintiff finds the first sentence of Defendant's proposed construction "not altogether objectionable" but disputes that the invention excludes files generated by a spreadsheet program. *Id.* at 26. Plaintiff argues that Defendant's construction "improperly limits the term 'worksheet file' to a single embodiment disclosed in the specification." *Id.*

Defendant argues that prosecution disclaimer excludes from the scope of "worksheet file" any file generated by a spreadsheet program. Dkt. No. 30 at 26. Defendant argues that the Inventor amended the claims of the '009 patent during prosecution to "clarify that they do not cover spreadsheet programs." *Id.* at 18. Defendant proposes that "the claimed invention is directed to a method of producing a worksheet file that can be used by a spreadsheet program." *Id.* Defendant cites the Inventor's statement in the prosecution history that "the present invention manufactures or generates computer files which can be utilized by a spreadsheet program." *Id.* at 19 (quoting SAC0001.56, Dkt. No. 30, Exh. B at 9). Defendant argues that this prosecution history shows that the Inventor disclaimed worksheet files generated by a spreadsheet program." *Id.*

Plaintiff responds that statements to the Examiner "were directed *exclusively* to explaining how his invention involved capabilities not available in any *prior art* spreadsheet program." Dkt. No. 39 at 8. Plaintiff argues that the Inventor "showed that no prior art spreadsheet program could do what his inventive method did." *Id.* at 9. Therefore, Plaintiff concludes, the Inventor "did not 'unmistakably' foreclose the possibility that his invention would one day be made a part of a spreadsheet program." *Id.*

Defendant responds with three arguments that the Inventor did not "reserve [] the right to claim spreadsheet programs that could generate worksheets." Dkt. No. 43 at 6. First, Defendant responds that the Inventor "distinguish [ed] the present invention from the operation of spreadsheet programs." *Id.* (quoting SAC0001.56, Dkt. No. 30, Exh. B at 12). In short, Defendant proposes that because the Inventor did not specify that he distinguished "prior art" spreadsheet programs he disclaimed all spreadsheet programs. *Id.* at 6-7. Second, Defendant responds that the Inventor disclaimed the generation of spreadsheets because prior art spreadsheet programs could generate spreadsheets. *Id.* at 7. Third, Defendant responds that "there is no inconsistency between the patent and what [the Inventor] disclaimed." *Id.* at 8. Defendant concludes, "If the worksheet files are generated by a spreadsheet program then the claimed invention would be operating as a spreadsheet program-and this is exactly what [the Inventor] disclaimed." *Id.* at 9.

The parties essentially agree that a "worksheet file" is a file that can be used by a spreadsheet program. Dkt.

No. 29, Exh. A at 1; *see also* Dkt. No. 28 at 26. Plaintiff's proposed construction that it is a "complete coded layout of a spreadsheet" is nearly synonymous with Defendant's proposed phrasing that the file "can be used by a spreadsheet program." Both constructions comport with the teaching of Claim 1 that a "worksheet file" is "for use by an electronic spreadsheet program" that has "an associated file format specification." '009 Patent at 10:47-49. Plaintiff's construction emphasizes that the file format specification requires that the worksheet file contain information that is used to "produce an output spreadsheet" such that not all of the information in the worksheet file actually appears on the output spreadsheet, i.e. the file is "coded." *Id.* at 10:53-54. Defendant's construction emphasizes that a "spreadsheet program" performs the "processing [of] data in said format." *Id.* at 10:51-52.

The specification teaches that a worksheet file is coded because the file format specification used to create a worksheet file "includes the syntax of commands used to cause the spreadsheet program to perform particular actions." '009 Patent at 3:29-32. A spreadsheet program uses "format data in the active worksheet ... to format the output spreadsheet, and formulas ... to product results that appear in the output spreadsheet." *Id.* at 3:19-22. Because a user "may save a given active worksheet as a worksheet file," the specification teaches that the worksheet file contains the "format data [and formulas] in the active worksheet." *Id.* at 3:19-21. The Court thus pursues a construction that will inform the jury that a worksheet file of the '009 patent is coded with format data used by a spreadsheet program to format the output spreadsheet program and produce results that appear in the output spreadsheet.

As to Defendant's prosecution waiver argument, "[t]he purpose of consulting the prosecution history in construing a claim is to exclude any interpretation that was disclaimed during prosecution." Phillips, 415 F.3d at 1317 (quoting *Chimie v. PPG Indus., Inc.*, 402 F.3d 1371, 1384 (Fed.Cir.2005)). "[F]or prosecution disclaimer to attach, our precedent requires that the alleged disavowing actions or statements made during prosecution be both clear and unmistakable." *Omega*, 334 F.3d at 1326. The Federal Circuit noted it has "consistently rejected prosecution statements too vague or ambiguous to qualify as a disavowal of claim scope." *Id.*

In *Omega*, the invention involved using a laser to identify an "energy zone," i.e. the zone wherer the temperature was to be taken using an infrared thermometer. *Id.* The examiner rejected the claims on the basis of prior art that used either incandescent or laser light to identify the target zone for an infrared thermometer. *Id.* The inventor responded that, unlike the prior art, "[t]he invention would not add appreciable heat to the energy zone" and thus the inventor's illumination technique "has virtually no effect on the temperature measurement to be taken." *Id.* The court in *Omega* noted that "[i]n drawing that distinction, *Omega* put the examiner and the public on notice of the invention's crucial feature: The invention would not add appreciable heat to the energy zone." *Id.*

In the present suit, the Inventor distinguished prior art spreadsheet programs by arguing that the invention "is not a system for producing a specific worksheet file. Rather it is a system for producing worksheet files according to high-level user instructions contained in the pattern data." Dkt. No. 39 at 9. The inventor in *Omega* pointed out a disadvantage present in the prior art cited by the examiner that was not present in the invention. 334 F.3d at 1326. Similarly, the Inventor in the present case pointed out that while prior art spreadsheet programs required "an extensive series of 'cut-and-paste' operations" to produce new worksheets, the invention of the '009 patent would produce worksheet files according to user instructions without "cut-and-paste" operations. SAC0001.56, Dkt. No. 30, Exh. B at 12. Therefore, just as the inventor in *Omega* did not foreclose the possibility of illuminating the center of the energy zone, as the prior art had done, *without* adding appreciable heat to the energy zone, the Inventor in the present suit did not foreclose

the possibility of using a spreadsheet program to produce worksheets according to user instructions *without* extensive cut-and-paste operations.

Review of the claim amendment cited by Defendant does not demonstrate a waiver of claim scope. The Inventor amended the first two steps of Claim 1 to add: "from computer memory a pattern data file containing." SAC0001.52, *id.* at 8. This amendment was made to overcome a rejection under 35 U.S.C. s. 102(a) for anticipation by Lotus 1-2-3. SAC0001.46, *id.* at 6. On its face, the amendment does not preclude the invention from being part of a spreadsheet program because the source of pattern data and variable data is not relevant.

The Court finds unpersuasive Defendant's arguments to the contrary regarding the Inventor's statements accompanying the amendment. In short, the Inventor explained that the prior art spreadsheet programs could not achieve the Inventor's objective. The Inventor's statements that "the present invention does not operate as a spreadsheet program, but rather is intended to operate in conjunction with a spreadsheet program" does not support a finding of prosecution waiver. SAC0001.53, *id.* at 9. This statement does not foreclose the invention becoming part of a spreadsheet program because the statement may be interpreted merely to mean that the invention does not replace a spreadsheet program. The statement that the invention was "clearly distinguish[able] ... from a spreadsheet program such as Lotus 1-2-3" does not justify prosecution waiver because, on its face, it merely distinguishes prior art spreadsheet programs "such as Lotus 1-2-3." SAC0001.57, *id.* at 13.

The Examiner allowed the Inventor's claims in light of the distinction between the invention and then-existing spreadsheet programs, and the Court "must presume the examiner did [her] job." *Amgen, Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1327 (Fed.Cir.2003). The Inventor's statements and amendments are not a "clear and unmistakable" waiver of the possibility that later spreadsheet programs could incorporate the invention of the '009 patent. *Omega*, 334 F.3d at 1326.

The Court construes the term "worksheet file" to mean "a data file that is the coded layout of a spreadsheet including, for example, format data and formulas that can be processed by a spreadsheet program to produce an output spreadsheet." A worksheet file may be manufactured or generated by a spreadsheet program because the Inventor did not waive that claim scope during prosecution.

B. Pattern Data

Plaintiff proposes this term means: "Fixed information (such as fixed labels, formulas, format data, or global data) or commands (such as partition commands, data insertion commands, and formula construction commands) or both fixed information and commands." Dkt. No. 29, Exh. A at 1. Defendant agrees but proposes including "for a spreadsheet" at the end of that construction. *Id.*

Plaintiff argues that "[t]he specification defines 'pattern data' without this additional limitation" of being for a spreadsheet. Dkt. No. 28 at 21-22.

Defendant cites language of Claim 1 purportedly requiring "that the pattern data are for 'specifying positions for one or more variable data items to appear on the output spreadsheet.'" Dkt. No. 30 at 28 (quoting '009 Patent at 10:55-57). Defendant argues this claim language shows that "the pattern data are not for sundry tasks such as creating mailing labels or invoices (as database report writers commonly did by the late 1980s), but are for putting variable data in a spreadsheet-ready format." *Id.* Defendant concludes that "the

purpose of the pattern data is limited to formatting data for a spreadsheet." *Id.*

Plaintiff responds that adding "for a spreadsheet" to the construction that the parties' have otherwise agreed upon "is superfluous in light of other claim language that governs the context in which pattern data is employed." Dkt. No. 39 at 14.

Defendant responds that "the only 'pattern data' described in the patent are pattern data for a spreadsheet." Dkt. No. 43 at 15. Defendant again quotes claim language that "pattern data" are for "specifying positions for one or more variable data items to appear on the output spreadsheet." *Id.*

Claims should be construed so as to avoid redundancy. *Cf.* *Mass. Bay Transp. Auth. v. U.S.*, 129 F.3d 1226, 1231 (Fed.Cir.1997) ("It is a fundamental rule of contract interpretation that the provisions are viewed in the way that gives meaning to all parts of the contract, and that avoids conflict, redundancy, and surplusage among the contract provisions.") To add "for a spreadsheet" to the end of the portion of the construction agreed upon by the parties would result in the relevant step of Claim 1 of the '009 patent reading as follows:

receiving from computer memory a pattern data file containing fixed information (such as fixed labels, formulas, format data, or global data) or commands (such as partition commands, data insertion commands, and formula construction commands) or both fixed information and commands *for a spreadsheet* specifying positions for one or more variable data items to appear on the output spreadsheet....

'009 Patent at 10:54-57 (emphasis added). The Court finds the inclusion of the phrase "for a spreadsheet" redundant with the phrase "specifying positions for one or more variable data items to appear on the output spreadsheet," which appears immediately following where Defendant proposes to insert the phrase. The existing language of the claim already teaches that the pattern data is, in Defendant's words, "for a spreadsheet," and the inclusion of that phrase would only cause confusion as the jury attempted to discern what additional meaning Defendant's phrase is meant to inject.

The Court construes the term "pattern data" to mean "fixed information (such as fixed labels, formulas, format data, or global data) or commands (such as partition commands, data insertion commands, and formula construction commands) or both fixed information and commands."

C. Pattern Data File

Plaintiff proposes this term means: "A data file comprising pattern data." Dkt. No. 29, Exh. A at 2.

Defendant proposes this term means: "A file of pattern data unmerged with the variable data. The claimed invention excludes receiving from computer memory a pattern data file from a spreadsheet program." *Id.* at 2.

Plaintiff argues that pattern data may be included among variable data because "headings, labels, or field names are themselves variable data items that are part of, or included among, the variable data." Dkt. No. 28 at 22. Further, Plaintiff argues that Claim 1 adequately describes "when the invention merges pattern data and variable data" such that "read[ing] 'merging' into the construction of 'pattern data file' impermissibly imposes a limitation where none exists." *Id.* at 22-23.

Defendant argues that the "claim language defines distinct files for separately containing 'pattern data' and 'variable data.'" Dkt. No. 30 at 22. Defendant argues that the files must be separate to "preserve the claimed

sequence" that merging occurs after "the pattern data file and the variable data file are separately received ." *Id.* at 23. Defendant also argues that "[i]f a 'pattern data file' could contain both variable data and pattern data ... then the [Inventor] would have had no reason to call the files 'pattern data file' and 'variable data file.' Instead, the [Inventor] simply could have claimed a method of receiving 'a file that includes pattern data.'" *Id.* at 25. Defendant also reincorporates its prosecution disclaimer argument that the file cannot come from a spreadsheet program, i.e. it must be created by a separate program. *Id.* at 22.

Plaintiff responds that the preferred embodiment describes that the "pattern data file contains variable data field name references ." Plaintiff argues that items in the pattern data file such as "headings, labels, or field names are themselves variable data items...." Dkt. No. 39 at 15.

Defendant responds that "nothing in the patent shows 'variable data' in a pattern data file." Dkt. No. 43 at 11. Defendant argues that everything in a variable data file is variable data, including the "field definitions," which the patent expressly categorizes as variable data. *Id.* at 12 (citing '009 patent at 5:3-5). Defendant argues that Plaintiff offers no support for its statement that headings, labels, or field names used in the pattern data file are variable data items. *Id.* at 13.

The Court agrees that Claim 1 adequately describes when the invention merges pattern data and variable data. *See* '009 Patent at 10:61-64; *see also* s. III. H., *infra*. However, the Court finds that Claim 1 does not necessarily exclude any type of data from the pattern data file. A plain reading of the claim teaches that "a pattern data file contain[s] pattern data...." *Id.* at 10:54-55. That a file "contains" something does not necessarily exclude all other things. The specification does not otherwise impose such a restriction. Because the term "comprising" proposed by Plaintiff is appropriately non-exclusive, the Court adopts it.

Therefore, the Court construes the term "pattern data file" to mean "a data file comprising pattern data." A pattern data file may be manufactured or generated by a spreadsheet program because the Inventor did not waive that claim scope during prosecution. *See* s. III. A., *supra*.

D. Pattern Data Specifying Positions for One or More Variable Data Items to Appear on the Output Spreadsheet

Defendant proposes this term means: "Pattern data specifying the starting column and starting row for the variable data items to appear on the output spreadsheet." *Id.*

"Plaintiff contends that no construction of this phrase is necessary apart from the preliminary constructions of constituent terms and that this phrase should otherwise be accorded its plain and ordinary meaning, which is best recognized by the express words." Dkt. No. 29, Exh. A at 2. Plaintiff argues that Defendant attempts to "limit[] the phrase to a single embodiment of the invention." Dkt. No. 28 at 28. Plaintiff also argues that Defendant impermissibly attempts to require at least two "variable data items" while the claim language explicitly allows "one or more." *Id.*

Defendant argues that Plaintiff attempts to "leave this legal question of claim interpretation to the jury." Dkt. No. 30 at 26. Defendant argues that the ordinary meaning of the term "positions" is "the starting point for claim construction" and that "[t]he specification confirms that spreadsheet positions are defined by rows and columns." *Id.* Defendant argues that the Court must construe the term because there is a "live dispute." *Id.* at 27.

Plaintiff responds that the specification describes "multiple embodiments whereby the pattern data is not created by a spreadsheet program." Dkt. No. 39 at 16. Instead, "other non-spreadsheet programs may not use columns and rows" such that "[t]he task of discerning appropriate starting columns and rows for variable data items to appear in the worksheet file ... falls to the worksheet file generator." *Id.* Plaintiff also responds that Defendant's proposed construction "arguably limits pattern data to specifying only one starting column and row" while the specification describes how "[p]attern data may be used to specify multiple starting positions for various variable data." *Id.* at 16-17.

Defendant's response appears to acknowledge that there may be more than one starting position. Dkt. No. 43 at 13 ("Properly construed, it means that the pattern data in the pattern data file specify the starting *row and column positions* for variable data items to appear on a spreadsheet....") Thus, the issue of whether there may be more than one starting position is not in dispute. Still, Defendant argues that the purpose of displaying data in the desired locations asserted by Plaintiff requires that the invention "precisely position data to appear in particular rows and columns of a spreadsheet." *Id.* at 14.

The specification teaches that "three and higher dimensional electronic spreadsheets can also be used." '009 Patent at 1:29-30. Such spreadsheets could not be limited to only rows and columns because such a limitation would not allow for more than two dimensions. The Court must therefore reject Defendant's proposed construction that would limit the term "positions" to "the starting column and starting row" because such a construction would improperly limit the claim scope to two-dimensional spreadsheets while the specification teaches "three and higher dimensional electronic spreadsheets" and the claim's use of the word "positions" does not limit the claim scope to two dimensions. Further, the term "positions" is readily understandable because the claim provides the context that the "positions" are "on the output spreadsheet."

The Court finds that the term "pattern data specifying positions for one or more variable data items to appear on the output spreadsheet" requires no construction aside from that of the constituent term "pattern data." *See s. III. B., supra.*

E. Variable Data File

Plaintiff proposes this term means: "A data file comprising variable data." Dkt. No. 29, Exh. A at 3. Defendant proposes this term means: "A file of variable data unmerged with the pattern data. The claimed invention excludes receiving from computer memory a variable data file from a spreadsheet program." *Id.*

The parties' incorporate their arguments relating to the construction of the term "pattern data file." Dkt. Nos. 28 at 23-24, 30 at 29 & 43 at 15; *see s. III. C., supra.*

For the reasons discussed in s. III. C., *supra*, the Court construes the term "variable data file" to mean "a data file comprising variable data." A variable data file may be manufactured or generated by a spreadsheet program because the Inventor did not waive that claim scope during prosecution. *See s. III. A., supra.*

E. Merged Data

Plaintiff proposes this term means "data generated as a result of merging pattern data from the pattern data file with variable data from the variable data file." FN1 Dkt. No. 39 at 17. Defendant proposes this term means: "The data from the pattern data file and the data from the variable data file, combined together." *Id.*

FN1. The Amended Joint Claim Construction Chart indicates the Plaintiff's proposed construction was:

"Data generated as a result of merging pattern data and variable data." Dkt. No. 29, Exh. A at 3. However, Plaintiff's responsive brief "amends its alternative construction...." Dkt. No. 39 at 17.

Plaintiff argues that "merged data" requires no construction and that Defendant's proposed construction is too narrow because it requires "the 'combination' of all the data from the pattern data file and all the data from the variable data file." Dkt. No. 28 at 29. Plaintiff asserts that "a key feature of [the] invention is that pattern data is often used to specify or retrieve only part or a portion of the variable data in the variable data file, leaving out other variable data." *Id.* Plaintiff continues that "one of skill in the art would understand that, as used in the specification, 'merging' means applying pattern data to variable data rather than simply combining them because pattern data contains high level commands or instructions that manipulate data in the variable data file." *Id.* at 29-30.

While Defendant originally argued that Plaintiff cannot expand the term "merged data" to include variable data from outside the variable data file of Claim 1, Plaintiff has amended its proposed construction to require that the merged data use variable data from the variable data file and pattern data from the pattern data file. *See* Dkt. No. 39 at 17.

Plaintiff responds by reiterating its argument that "the merging process does not involve necessarily the 'combination' of all the data from the pattern data file and all the data from the variable data file." Dkt. No. 39 at 18. First, Plaintiff argues that not all of the variable data or pattern data need be merged. *Id.* Second, Plaintiff argues that "pattern data contain high level commands or instructions that manipulate data in the variable data file" such that "merged data" is not merely a "combination" but rather may include "result[s]." *Id.* at 19. For example, a "Grand Total" of sales data "is not a variable data item from the variable data file; rather it is a numerical value (produced from the formula generated in the merging process) that appears, ultimately, on the output spreadsheet." *Id.*

Defendant responds by reiterating its arguments respecting the sources of pattern data and variable data.FN2 Defendant also responds that all the pattern data are merged, but for support Defendant only argues that "certain pattern data, like titles and column headers, are unchanged through the merging process, and remain fixed." Dkt. No. 43 at 17. Defendant also responds that all of the variable data must be merged. *Id.* Defendant relies on "the examples depicted in Figures 3, 4, and 5" of the '009 patent and argues that "[t]his is, indeed, the preferred embodiment...." *Id.* at 18. Defendant also relies upon the claim language's reference to "the" variable data, which Defendant implies must refer to all of the variable data. *Id.* Defendant also argues, in response to Plaintiff's purported argument that "merging" means "simply applying pattern data to variable data," that the claim language requires that "a new file must be created" upon merging. *Id.*

FN2. Defendant's response does not appear to acknowledge Plaintiff's amendment of its proposed construction. *See* Dkt. No. 43 at 17 ("[Plaintiff] apparently wants the claim term 'merged data' to be a malleable collection of any data, without any requirement that the merged data be the data from the pattern data file and variable data file....").

A person of ordinary skill in the art "is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification." Phillips, 415 F.3d at 1313. The specification teaches that in the preferred embodiment, the pattern data includes "three types of file generator commands: partition commands, data insertion

commands, and formula construction commands ." '009 Patent at 5:50-53. A person of ordinary skill in the art would thus understand that "merging" as used in Claim 1 is not a simple act of "combining," as Defendant proposes, insofar as "combining" refers to a simple bringing together of data. Rather, the specification teaches that "merging" involves the execution of commands. The Inventor's use of the term "merging" should not therefore be limited as Defendant proposes because the intrinsic evidence supports a broader interpretation.

The Court also finds that the "merging" step need not merge all of the pattern data and all of the variable data. Defendant's reliance on "examples" and the "preferred embodiment" to limit the claim must fail because of the prohibition against "draw[ing] limitations into the claim from a preferred embodiment." *Conoco, Inc. v. Energy & Env'tl. Int'l, L.C.*, 460 F.3d 1349, 1358 (Fed.Cir.2006); *see also Innova/Purewater*, 381 F.3d at 1117. The Court finds it far more plausible that the use of "the" preceding "pattern and variable data" was meant to clearly refer back to the data identified in the first two recited steps of Claim 1 rather than to require that all data be merged. The specification and prosecution history support such a reading because the objective of the invention is to provide the user with the ability to create spreadsheets by laying out pattern data that brings in particular variable data in particular places to create spreadsheets for particular purposes without cutting and pasting. *See* '009 Patent at 4:29-34; *see also* SAC0001.56, Dkt. No. 30, Exh. B at 12.

Requiring all of the variable data to be part of the merged data would run counter to this objective because a user who wants only a portion of the variable data to appear in the output spreadsheet would be left to delete data not desired for the particular purpose at hand. Because the specification teaches that "data insertion commands" in the pattern data are needed to position variable data in the output spreadsheet, a person of ordinary skill in the art would understand that a user could readily omit variable data by simply omitting the corresponding data insertion commands from the pattern data. '009 Patent at 5:61-63. For, example, the omission of ">Q2" in the pattern data file of Figure 4 would result in the omission of the "Q2" variable data from the variable data file of Figure 3 from the output spreadsheet of Figure 5. *Id.* at Figs. 3, 4 & 5. Defendant's proposed construction would thus contradict the intrinsic evidence.

Finding no other live dispute between the parties in light of Plaintiff's amendment to its proposed construction, the Court construes the term "merged data" to mean "data generated as a result of merging pattern data from the pattern data file with variable data from the variable data file."

G. Merged Data Specifying the Variable Data Items and the Positions for the Variable Data Items

"Plaintiff contends that no construction of this phrase is necessary and that this phrase should otherwise be accorded its plain and ordinary meaning, which is best recognized by the express words." Dkt. No. 29, Exh. A at 3. Defendant proposes this term means: "The merged data specifying the column and row positions for the variable data items in the output spreadsheet." *Id.*

The parties either incorporate or reiterate their arguments relating to the construction of the term "pattern data specifying positions for one or more variable data items to appear on the output spreadsheet." Dkt. Nos. 28 at 28-29, 30 at 30-31, 39 at 17 & 43 at 16; *see s. III. D., supra.*

The Court finds that the term "merged data specifying the variable data items and the positions for the variable data items" requires no construction aside from that of the constituent term "merged data." *See s. III. F., supra; see also s. III. D., supra.*

H. Sequence of Steps

Claim 1 of the '009 patent is a method claim comprising four steps:

Step 1: "receiving from computer memory a pattern data file containing pattern data specifying positions for one or more variable data items to appear on the output spreadsheet;"

Step 2: "receiving from computer memory a variable data file containing variable data specifying the variable data items;"

Step 3: "merging the pattern and variable data to produce merged data specifying the variable data items and the positions for the variable data items; and

Step 4: "outputting the merged data into the worksheet file in said format, whereby the spreadsheet program can use the worksheet file to produce the output spreadsheet having the variable data items at said positions.

Defendant proposes that while Steps 1 and 2 of Claim 1 may occur in any order, Steps 1 and 2 must precede Step 3, which must precede Step 4. Dkt. No. 30 at 19.

Plaintiff argues that the Court should not require that the steps of Claim 1 be performed in a particular order because the claim recites no order. Dkt. No. 28 at 30.

Defendant argues that "[p]art of the task of claim construction is to determine whether the claim steps must be practiced in order." Dkt. No. 30 at 19-20 (citing *Loral Fairchild Corp. v. Sony Corp.*, 181 F.3d 1313, 1322 (Fed.Cir.1999) & *Mantech Envtl. Corp. v. Hudson Envtl. Servs.*, 152 F.3d 1368, 1376 (Fed.Cir.1998)). Defendant analogizes to *Mantech*, arguing that "the logic and grammar of the claims require practicing the steps in sequence." *Id.* at 20. Defendant argues that Step 3 must follow Steps 1 and 2 because "for the claimed 'merging' to work, the pattern data and variable data must have already been received from memory...." *Id.* at 21. Also, Defendant argues that the use of "the" preceding the pattern data and variable data requires that the pattern data and variable data be already defined when the merging takes place. *Id.* Defendant makes a similar argument that Step 3 must precede Step 4 because the merged data must exist before it can be outputted. *Id.* Otherwise, Defendant argues, the claim would be indefinite for lack of antecedent basis. *Id.*

Plaintiff responds by acknowledging that "there is no dispute that Steps 1 and 2 may proceed in either order" and that "nothing requires Step 1 to precede Step 2." Dkt. No. 39 at 13. Plaintiff continues that "the ordering suggested by [Defendant] is not altogether objectionable; but it remains unnecessary." *Id.* at 14.

Defendant responds by reiterating that considering whether a method claim requires a specific sequence of steps is properly a part of claim construction. Dkt. No. 43 at 9.

The Federal Circuit's decisions in *Altiris* and *Mantech* provide guidance. The method in *Altiris* comprised:

testing automatically for automation boot sequence data, said test including reading a boot selection flag and comparing said boot selection flag with a known flag setting;

transferring control of said computer system to automation code, if said testing automatically step indicates an automation boot sequence;

executing a control process for said means for connecting said digital computer system to an external source of commands, if said testing automatically step indicates an automation boot sequence;

performing said external commands, if said testing automatically step indicates an automation boot sequence;

setting said boot selection flag; and

booting normally, if said testing automatically step indicates a normal boot sequence.

318 F.3d at 1367. The Federal Circuit found that "nothing in the intrinsic evidence indicates that the 'setting' step must be performed before the 'booting normally' step." Id. at 1370. This situation is analogous to that of Step 1 and Step 2 in the instant case, where "[n]owhere ... is there any statement that this order is important, any disclaimer of any other order of steps, or any prosecution history indicating a surrender of any other order of steps." Id. at 1371.

As to Defendant's proposed sequence, the present case is analogous to *Mantech*, where the Federal Circuit limited a method claim to performance of the steps in the order recited in the claim. The method claim at issue in *Mantech* read as follows:

1. A method for remediating a hydrocarbon-contaminated region of a subterranean body of groundwater to destroy or reduce the initial concentration levels of hydrocarbon contaminants, comprising the steps of:

(a) providing a plurality of mutually spaced wells intersecting said groundwater region;

(b) providing a treating flow of acetic acid from one or more of said wells into said groundwater region, to establish acidic conditions therein;

(c) introducing a turbulent flow of an aqueous solution of ferrous ion into said groundwater region, for mixing with said acidified groundwater, thereby providing a catalyst for disassociation of hydrogen peroxide; and

(d) providing a treating flow of hydrogen peroxide solution from one or more of said wells into said groundwater region, said hydrogen peroxide undergoing a Fenton-like reaction in the presence of said acidic conditions and said ferrous ion to generate hydroxyl free radicals for oxidizing said contaminants.

Mantech, 152 F.3d at 1376. The Federal Circuit reasoned as follows:

Step (a) provides the wells. No monitoring or injecting of the groundwater can occur until wells are provided; hence, step (a) must be performed first. Step (b) introduces acetic acid, via the wells provided in step (a), into the groundwater of the contaminated region. Hence, in order to accomplish step (b), the wells of step (a) must already have been provided. Step (c) introduces an aqueous solution of ferrous ion into said groundwater region for mixing with " *said acidified groundwater* " (emphasis added). In order for the aqueous solution to mix with the acidified groundwater, the acid must have already mixed with the

groundwater to form acidified groundwater. Hence step (b) necessarily comes before step (c). Step (d) introduces a treating flow of hydrogen peroxide solution into the groundwater. The hydrogen peroxide solution undergoes a Fenton-like reaction "in the presence of said acidic conditions and said ferrous ion." Because the acidic conditions and the ferrous ion must be present before the hydrogen peroxide can undergo the Fenton-like reaction, step (d) must come after both steps (b) and (c). We hold, therefore, that the sequential nature of the claim steps is apparent from the plain meaning of the claim language and nothing in the written description suggests otherwise.

152 F.3d at 1375-76. Similarly, Claim 1 of the '009 patent of the present case contains a logical order. First, there is no dispute that Step 1 and Step 2 may occur in any order.

Next, Step 3 must follow the completion of both of Steps 1 and 2 because merging may not take place until both the pattern data and variable data have been received from computer memory. Otherwise, either the pattern data or the variable data, or both, would be unavailable for the merging of Step 3 to act upon them. This is apparent from "the plain meaning of the claim language." *Mantech*, 152 F.3d at 1376. Moreover, the use of "the" before "pattern and variable data" in Step 3 indicates that "pattern and variable data" have an antecedent basis, which basis is found in Step 1 and Step 2, respectively. Because Claim 1 would fail for indefiniteness if "the pattern and variable data" in Step 3 were to be placed before the antecedent bases in Step 1 and Step 2, such a construction is disfavored. *See Phillips*, 415 F.3d at 1327; *see also Rhine*, 183 F.3d at 1345.

Finally, Step 4 cannot precede Step 3 because the "merged data" must be "produce[d]" by Step 3 before it may be "outputted" by Step 4. This finding is analogous to *Mantech*, where "providing a treating flow of acetic acid from one or more of said wells" in step (b) could not precede step (a) because "the wells of step (a) must already have been provided" for step (b) to be carried out. 152 F.3d at 1376. Just as the wells in *Mantech* must be in existence before they can be used by the method claimed, so must the "merged data" in Claim 1 of the '009 patent be "produce[d]" by Step 3 before it may be "outputted" by Step 4.

The Court finds that while Step 1 and Step 2 of Claim 1 may occur in any order, Steps 1 and 2 must precede Step 3, which must precede Step 4.

IV. CONCLUSION

Accordingly, the Court hereby **ORDERS** the disputed claim terms construed consistent herewith.

E.D.Tex.,2006.

Spreadsheet Automation Corp. v. Microsoft Corp.

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