United States District Court,
W.D. Washington, at Seattle.

EON-NET, L.P,
Plaintiff.
v.
FLAGSTAR BANCORP, INC,
Defendant.

No. C05-2129RSM

March 4, 2009.

Jean-Marc Zimmerman, Zimmerman Levi & Korinsky, Westfield, NJ, John W. Hathaway, Seattle, WA, for Plaintiff.

Charles K. Verhoeven, Melissa J. Baily, Quinn Emanuel Urquhart Oliver & Hedges, San Francisco, CA, Jofrey M McWilliam, Bradley S. Keller, Byrnes & Keller, Seattle, WA, Jon Robert Steiger, Quinn Emanuel Urquhart Oliver & Hedges, Los Angeles, CA, for Defendant.

ORDER ON CLAIM CONSTRUCTION

RICARDO S. MARTINEZ**, District Judge.**

This patent infringement action is now before the Court for a ruling on claim construction. The Court held a Markman FN1 hearing in this case on October 27, 2008, and subsequently requested supplemental briefing by the parties. The Court has fully considered the parties' memoranda and exhibits and relevant case law, and now issues this Order on claim construction. FN2

FN1. Markman v. Westview Instruments, Inc., 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996).

FN2. Defendant's motion for sanctions (Dkt.# 138) remains pending and will be addressed by the Court at a later time.

BACKGROUND

Plaintiff Eon-Net L.P. ("Eon-Net") is a Cayman Island limited partnership formed for the purpose of enforcing various patents held by principals Mitchell Medina, Robert Lech, and Catherine Elias. Eon-Net and its companion corporation, Millennium L.P., have filed over forty patent infringement lawsuits in the United States District Courts for the Southern District of New York and the District of New Jersey. This case was transferred to this district by the New Jersey District Court. It appears to be one of the very few

cases in which the named defendant has contested the matter rather than settle.

The first amended complaint in this matter alleged that defendant Flagstar Corporation ("Flagstar"), a publicly-held savings bank, has infringed Eon-Net's United States Patent No. 6,683,697 (the "'697 patent") by

collecting information over the Internet pursuant to a claim of the '697 patent, and deploying for Defendant's own use an application distributed over the Internet in which information is collected and extracted from a customer of Defendant and processed on Defendant's server as defined by the claims of the ' 697 patent without permission from Eon-Net....

Amended Complaint, Dkt. # 57, para. 10. The first amended complaint did not identify either the accused product or which of the 101 asserted claims have been infringed. Defendant Flagstar filed counterclaims requesting declaratory judgments of non-infringement, unenforceablity, and invalidity. Dkt. # 64. After this matter was remanded to this Court by the Ninth Circuit Court of Appeals, plaintiff filed a second amended complaint to allege infringement of the later-issued '673 Patent and '162 Patent, described below, as well. Dkt. # 108.

The second amended complaint asserts, with respect to the '697 Patent, that defendant has infringed a claim of the '697 Patent by operating a website in which

information entered by a Flagstar customer into a web page displayed on the browser of the customer's computer is extracted according to content instructions and transmitted to an application program operation on Defendant's web server according to customizable transmission format instructions in a manner defined by the claims of the '697 patent. For example, a Flagstar customer seeking a quote for a home equity loan can enter information including their first name, last name and address into HTML form elements displayed on the web page found at [website address]. The foregoing information entered into the HTML document is extracted by the browser and transmitted to an application program running on the Flagstar webserver for processing the customer's order in a POSST format and using an https protocol required by the application program.

Second Amended Complaint, Dkt. # 108, para. 14. Similar allegations are made with respect to claims in the '673 and '162 Patents. Id., para.para. 17, 20. In each case the complaint alleges infringement of a "representative" claim of the respective patent, with an accompanying claim chart designating Claim 1 of each patent as infringed by Flagstar's website operation. Dkt. # 108, Exhibits 6, 7, 8. Defendant again counterclaimed for declaratory judgments of non-infringement, unenforceablity, and invalidity as to each of the patents. Dkt. # 109.

The '697 Patent is a continuation of five other patents obtained by Dr. Medina, Mr. Lech, and Ms. Elias, with the '697 Patent described as a continuation of U.S. Patent No. 6,094,505 ("'505 patent"), which itself is a continuation of other patents which need not be listed here. FN3 All these patents share the same title, specification and abstract. Subsequent to the issuance of the ' 697 Patent in 2004, Dr. Medina and his co-inventors obtained two additional patents, the first (U.S. Patent No. 7,075,673, or the "' 673 Patent") described as a continuation of the ' 697 Patent, and the second (U.S. Patent No. 7,184,162, or the "' 162 Patent") described as a continuation of the ' 673 Patent.

FN3. The application filing date for the first patent was March 20, 1991, and the parties are in agreement

that this is the relevant filing date for purposes of claim construction.

These eight patents have all been assigned to either Eon-Net or Millennium for purposes of enforcement. According to Dr. Medina's deposition statements, the five patents assigned to Millennium relate to processing information that originated from a hard copy document, while the three patents assigned to Eon-Net relate to processing information which does not necessarily originate from a hard copy document, but can originate from other sources such as the internet. The question whether the claims in the three patents can be construed as Dr. Medina asserts, that is, without the hard copy document origination, is the crux of the issue before the Court.

THE '697 PATENT

The '697 patent, like the eight others described above, is entitled "Information Processing Methodology." The specification, which is shared with the two other patents-in-suit (as well as the five earlier patents not at issue here), shall be quoted in detail.

The abstract summarizes the methodology in the following way:

An information processing methodology gives rise to an application program interface which includes an automated digitizing unit, such as a scanner, which inputs information from a diversity of hard copy documents and stores information from the hard copy documents into a memory as stored document information. Portions of the stored document information are selected in accordance with content instructions which designate portions of the stored document information required by a particular application program. The selected stored document information is then placed into the transmission format required by a particular application program in accordance with transmission format instructions. After the information has been transmission formatted, the information is transmitted to the application program. In one operational mode, the interface interactively prompts the user to identify, on a display, portions of the hard copy documents containing information used in application programs or for storage.

'697 Patent, January 27, 2004.

The specification recites the background to the claimed invention:

The invention is directed to a system for efficiently processing information originating from hard copy documents. More specifically, the invention is directed to a hard copy document to application program interface which minimizes the need to manually process hard copy documents.

In the past, information contained on hard copy documents was manually entered into a computer via the input controller of a particular computer. The original document was then filed away for future reference. Automatic input of data was limited to the input of Magnetic Ink Character Recognition (MICR) data and to Optical Character Recognition (OCR) data. This fixed-position data was forwarded directly to a dedicated computer application specifically designed to accommodate the input format. In more recent years, typewritten text has been mechanically inputted into a computer via a text file. Examples of this latter type of system are word processors and photo-typesetters.

....

In a sophisticated computer network, different users may require different portions of the information contained on a hard copy document. For example, if the hard copy document is an invoice returned with payment of a bill, the accounting department may need all of the monetary information contained on the bill while the mailroom may need only customer address information, to update a customer's address. Therefore, there is a need for a system in which specific information from a hard copy document can be selectively distributed to various users.

Another problem with conventional systems is that users, even within the same company, may require that the information extracted from a hard copy document be transmitted to a particular application program in a specific transmission format. For example, one department in a company may use a particular application program which must receive information using a particular character as a delimiter and other departments may require the information in a different format using different delimiters.

'697 Patent, col. 1, lines 15-33, 43-60.

With that background, the specification then summarizes the invention:

It is an object of the invention, therefore, to provide an application program interface which allows a user to select specific portions of information extracted from a diversity of hard copy documents and allows the user to direct portions of this information to several different users in accordance with the needs of the particular user.

It is also an object of the invention to provide a cost-effective system for inputting hard copy documents which can accommodate hard copy documents in a diversity of formats.

It is another object of the invention to provide an application program interface which allows a user to put information, which is to be transmitted, into a particular transmission format, based upon the needs of the receiver of the information.

It is a further object of the invention to provide an application program interface which will allow the extraction, selection, formatting, routing, and storage of information from a hard copy document in a comprehensive manner such that the hard copy document itself need not be retained.

It is another object of the invention to provide a system which reduces the amount of manual labor required to process information originating from a hard copy document.

A further object of the invention is to reduce the time required to process information originating from a hard copy document so that a higher volume of transactions involving hard copy documents can be processed.

The invention provides an application program interface which inputs a diversity of hard copy documents using an automated digitizing unit and which stores information from the hard copy documents in a memory as stored document information. Portions of the stored document information are selected in accordance with content instructions which define portions of the stored document information required by a particular application unit. Selected stored document information is then formatted into the transmission format used by the particular application program based on transmission format instructions. The

transmission formatted selected stored document information is then transmitted to the particular application program. The hard copy documents may contain textual information or image information or both.

'697 Patent, col. 2, lines 18-62.

According to the specification, the interface operates in three different modes. In the first, the interface "extracts all of the information from hard copy documents and stores this information in memory. Parsing of various portions of the extracted information is performed in accordance with content instructions." '697 Patent, col. 2, lines 64-67. In a second mode, the user "operates interactively" with the interface by using a display and an input device, such as a mouse. In this second mode, "a hard copy document is inputted and displayed on the display. The interface then prompts the user to identify the location of various information." '697 Patent, col. 3, lines 3-8.

For example, the interface can ask the user to identify the location of address information on the hard copy document. In response, the user positions the mouse to identify address information using a cursor. The identified information is then stored as address information in memory. Subsequently, the interface again prompts the user to identify other pieces of information, which are then stored in the appropriate locations in memory. This process proceeds until all of the information which is desired to be extracted off of the hard copy document is stored in memory.

'697 Patent, col. 3, lines 6-15. In the third mode of operation, "selected portions of information are extracted off of hard copy documents in accordance with predetermined location information which has been specified by the user." '697 Patent, col. 3, lines 16-19.

For example, the user can define a template which specifies the location of information on hard copy documents. Templates can be formed in conjunction with second mode operation. Alternatively, the user can instruct the interface to search hard copy documents for a particular character or symbol, located on the hard copy documents. The information desired to be extracted off of the hard copy documents is specified relative to the location of this character or symbol.

'697 Patent, col. 3, lines 19-27. Following the full description of the three different modes in which the interface operates, the specification states, "[t]he interface can also prompt or receive from an applications program or another information processing system, required information, content instructions, and format instruction." '697 Patent, col. 3, lines 28-32.

The specification then introduces the detailed description of the preferred embodiments by stating that the invention "provides an interface between information originating from a hard copy document and a computer application unit which uses the information." '697 Patent, col. 4, lines 13-15. The invention "allows storing a copy of the hard copy document in a memory and retrieving the copy of the hard copy document." '697 Patent, col. 4, lines 19-21.

By providing a comprehensive and integrated system which can accommodate almost all of the possible uses of information contained on a hard copy document, the instant invention allows for a paperless office.

The invention includes hardware and software necessary to extract, retrieve, and process information from the hard copy document. A copy of the actual image of the hard copy document is stored in memory. Textual information extracted from the hard copy document is also stored in memory. Textual information

is information, such as alphanumeric characters, which is recognized on the hard copy document and which is stored in a form which corresponds to the particular recognized character. For example, the extracted characters can be stored in the ASCII format in an electronic memory.

The user can have all of the information extracted from the hard copy document and stored in memory. Alternatively, the interface can interactively prompt the user to identify specific pieces of information for storage. The interface can also extract specific pieces of information using a predefined template. The interface can also prompt or receive from another information processing system or an applications program desired information, content instructions, and format instructions.

The instant invention also provides for parsing information extracted from the hard copy document and for directing this parsed information to specific users or application programs as an input file.

The invention also permits the user to define the transmission format of the input file for a particular computer application unit.

'697 Patent, col. 4, lines 21-52.

Following this introduction, the specifications recite and discuss detailed descriptions of the preferred embodiments, as set forth in the fourteen provided figures, which illustrate various configurations of computer systems and examples of documents with information that can be extracted and processed. The section on preferred embodiments concludes,

Thus, the instant invention provides an integrated and comprehensive system for handling information from a hard copy document, thus permitting a paperless office. In addition, the invention permits data, extracted off of a hard copy document, to be easily manipulated into various logical and transmission formats required by a particular application unit. The invention also provides a low cost system for inputting information from a wide variety of hard copy documents into a memory.

'697 Patent, col. 14, lines 64-67; col. 15, lines 1-5.

The first claim in the '697 Patent is one of seven independent and 101 total claims. As corrected, FN4 it states,

FN4. A certificate of correction was issued July 25, 2005 because certain of the claims were printed incorrectly.

What is claimed is:

1. A multimode information processing system for inputting information from a document or file on a computer into at least one application program according to customizable transmission format instructions, and to operate in at least one of:

a. a definition mode wherein content instructions are used to define input information from within said document or file required by said at least one application program; and

b. an extraction mode to parse at least a portion of said document or file to automatically extract at least one field of information required by said at least one application program and to transfer said at least one field of information to said at least one application program according to said customizable transmission format instructions.

'697 Patent, col. 15, lines 45-61.

The parties have submitted a Joint Claim Chart and a corrected Joint Claim Chart requesting that the Court construe as a matter of law the terms "document or file," "document," "file," "extract," "template," "content instructions," and "customizable transmission format instructions" as they appear in the claims of the '697 Patent. Dkt.131, 134. The parties have also asked that the Court construe additional compound terms, namely, "electronic document template," "image of the electronic document," "template document," and "electronic document template file."

DISCUSSION

A. Legal Standard

The claims of a patent define the limits of the patentee's statutory right to exclude. Phillips v. AWH Corp., 415 F.3d 1303, 1312 (Fed.Cir.2005). The meaning and scope of the claim language are a question of law for the court. See Markman v. Westview Instruments, 52 F.3d 967, 976-79 (Fed.Cir.1995).

Patents are addressed to practitioners in the field of the patented invention, so a court should usually construe claim language consistent with its "ordinary and customary meaning" to a person of ordinary skill in the relevant art on the effective filing date of the patent application. Phillips, 415 F.3d at 1312-13. "Such a person is deemed to read the words used in the patent documents with an understanding of their meaning in the field, and to have knowledge of any special meaning and usage in the field." Id. at 1313 (quoting Multiform Desicants, Inc. v. Medzam, Ltd. ., 133 F.3d 1473, 1477 (Fed.Cir.1998)).

To determine the "ordinary and customary meaning" of a claim term, a court should first consult the intrinsic evidence, which consists of the claims, the specification, and the prosecution history. Primos, Inc. v. Hunter's Specialties, Inc. 451 F.3d 841, 847-48 (Fed.Cir.2006) ("In ascertaining the ordinary and customary meaning of a claim term, a court's primary focus should be on the intrinsic evidence of record, viz., the claims, the specification, and, if in evidence, the prosecution history."); Kinik Co. v. Int'l Trade Commission, 362 F.3d 1359, 1365 (Fed.Cir.2004) ("The words of patent claims have the meaning and scope with which they are used in the specification and the prosecution history."). Prior art cited to the examiner during prosecution is considered part of the prosecution history. *See* Phillips, 415 F.3d at 1317.

It is "[a] fundamental rule of claim construction [ ] that terms ... are construed with the meaning with which they are presented in the patent document. Thus claims must be construed so as to be consistent with the specification ..." Merck & Co., Inc. v. Teva Pharms. USA, Inc., 347 F.3d 1367, 1370 (Fed.Cir.2003) (citations omitted). Therefore, the patent specification has been called the most important guide to claim construction. See, e.g., Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1582 ("[The specification] is always highly relevant to the claim construction analysis. Usually, it is dispositive."); Phillips, 415 F.3d at 1315-16 ("The best source for understanding a technical term is the specification from which it arose, informed, as needed, by the prosecution history." (quoting Multiform Desiccants, 133 F.3d at 1478)).

The specification may show that a patentee has provided its own definitions for claim terms or has narrowed

the scope of the claims through disclaimer. *See* Phillips, 415 F.3d at 1316. In such cases, the claim is construed according to the patentee's expressed intent even if the resulting construction departs from the ordinary meaning of the claim language. *Id.;* Honeywell Int'l, Inc. v. Universal Avionics Sys. Corp., 493 F.3d 1358, 1361 (Fed.Cir.2007) ("When a patentee defines a claim term, the patentee's definition governs, even if it is contrary to the conventional meaning of the term.") A patentee may redefine a term either explicitly or implicitly. Invitrogen Corp. v. Biocrest Mfg., L.P., 327 F.3d 1364, 1367 (Fed.Cir.2003) ("The applicant may also act as his own lexicographer and use the specification to implicitly or explicitly supply new meanings for terms"); Bell Atlantic Network Servs., Inc. v. Covad Communications Group, Inc., 262 F.3d 1258, 1268 (Fed.Cir.2001) ("[T]he specification may define claim terms 'by implication' such that the meaning may be 'found in or ascertained by a reading of the patent documents.' ").

Though claims should be interpreted in light of the specification, it is not generally appropriate to import limitations from the specification into the claims. North American Container, Inc. v. Plastipak Packaging, Inc., 415 F.3d 1335, 1348 (Fed.Cir.2005) ("[U]nless required by the specification, limitations that do not otherwise appear in the claims should not be imported into the claims."); Prima Tek II, L.L.C. v. Polypap, S.A .R.L., 412 F.3d 1284, 1289 (Fed.Cir.2005) ("We have repeatedly made clear that limitations cannot be imported from the specification into the claims."); SciMed Life Systems., Inc. v. Advanced Cardiovascular Systems, Inc., 242 F.3d 1337, 1340 (Fed.Cir.2001) (referring to the plaintiff's characterization of reading a limitation from the written description into the claims as "one of the cardinal sins of patent law"). On the other hand, "the claims cannot be broader in scope than the invention that is set forth in the specification." *On* Demand Machine v. Ingram Industries, 442 F.3d 1331, 1340 (Fed.Cir.2006). The determination of a balance point between these two considerations-interpreting the claims in light of the specification, on the one hand, and guarding against improperly importing limitations from the specifications into the claims-turns on "how the specification characterizes the claimed invention." Alloc, Inc., v. International Trade Commission, 342 F.3d 1361, 1370 (Fed.Cir.2003).

The scope of a claim is usually not limited to the particular embodiment or embodiments described in the specification. *See, e.g.,* Resonate Inc. v. Alteon Websystems, Inc., 338 F.3d 1360, 1364-65 (Fed.Cir.2003) ("[A] particular embodiment appearing in the written description may not be read into a claim when the claim language is broader than the embodiment.") In order to determine whether the limitations of an embodiment should be applied to a claim, a court must determine whether a person of skill in the art would consider the embodiments to be merely exemplary, or whether they are intended to define the scope of the claim. Phillips, 415 F.3d at 1323; Pfizer, Inc. v. Ranbaxy Labs. Ltd., 457 F.3d 1284, 1290 (Fed.Cir.2006).

The prosecution history, also part of the intrinsic evidence, may "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." Phillips, 415 F.3d at 1317. However, the prosecution history "often lacks the clarity of the specification and thus is less useful for claim construction purposes." *Id.*

The court may also consider extrinsic evidence. *Id.* "Extrinsic evidence is that evidence which is external to the patent and file history, such as expert testimony, inventor testimony, dictionaries, and technical treatises and articles." Vitronics, 90 F.3d at 1584. While a district court may consult extrinsic evidence as part of the claim construction analysis, such evidence is considered less reliable than the intrinsic evidence. Phillips, 415 F.3d at 1317-19 ("[T]he court should keep in mind the flaws inherent in each type of [extrinsic] evidence and assess that evidence accordingly.") While the testimony of expert witnesses may be useful in some cases, a court should disregard expert testimony that is merely conclusory or that is inconsistent with

the intrinsic evidence. Id. at 1318.

A court may use general purpose dictionaries as an aid to claim construction, so long as the dictionary definition relied upon does not contradict the definition indicated by the intrinsic evidence. *See* id. at 1322-23 (stating that courts "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."). The Federal Circuit has specifically noted that dictionaries may be useful in the construction of ordinary, non-technical terms, which often involves "little more than the application of the widely accepted meaning of commonly understood words." Id. at 1314; *see also,* Agfa Corp. v. Creo Prods. Inc., 451 F.3d 1366, 1376 (Fed.Cir.2006) (affirming district court construction of "stack" based on dictionary definition); Ormco Corp. v. Align Tech., Inc., 463 F.3d 1299, 1306 (Fed.Cir.2006) (using dictionary definition in construction of claim term "geometry"). However, excessive reliance on dictionary definitions is improper because the "ordinary meaning" of a claim term is not the abstract dictionary definition, but the "meaning to the ordinary artisan after reading the entire patent." Phillips, 415 F.3d at 1321.

Despite the guidelines outlined above, "there is no magic formula or catechism for conducting claim construction," and a court is not "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." Id. at 1324. Instead "what matters is for the court to attach the appropriate weight ... to those sources in light of the statutes and policies that inform patent law." *Id.*

B. Analysis

Before turning to the specific claim terms that the parties have identified for construction, the Court shall resolve the dispute which has been described above as the crux of this matter: whether the '697 Patent and its continuation patents are limited to a methodology for processing hard copy documents. As set forth below, the Court finds that "the specification read as a whole suggests that the very character of the invention requires the limitation [to hard copy documents] to be a part of every embodiment." Alloc, 342 F.3d at 1370. It is proper to limit the claims to the scope of the invention as it is described in the specification, because "the claims cannot be of broader scope than the invention that is set forth in the specification. *On Demand Machine,* 442. F.3d at 1340.

The *Phillips* court, from which the Court has quoted extensively, clarified the law regarding claim construction and resolved prior conflicts within the Federal Circuit regarding the importance of specifications in claim construction. *On* Demand Machine, 442 F.3d at 1337. The court in *Phillips,* resolving the conflict, "stressed the dominance of the specification in understanding the scope and defining the limits of the terms used in the claims." Id. at 1338, *citing* Phillips, 415 F.3d at 1313. In recognizing the dominant role of the specification in defining the limits of the claimed invention, the Court is not improperly "importing" limitations from the specification into the claims, but relying on the law of claims construction as it has been clarified in *Phillips*. *Id.* As noted there, the patent statute **requires** that the specification "describe the claimed invention in 'full, clear, concise, and exact terms.' " *Id.* at 1316; citing 35 U.S.C. 112, para. 1 (emphasis added).

The Court has set forth language from the shared specifications in detail above. As demonstrated therein, the abstract, background and summary of the patents all repeatedly refer to "hard copy documents." The background section of the specification states that the intent and purpose of the invention is to manage hard copy documents by computer: "[t]he invention is directed to a system for efficiently processing information

originating from hard copy documents." '697 Patent, Col. 1, lines 15-18. The shared specification lists the numerous iterations of the object of the invention, each of which provides an application program interface for processing information extracted from hard copy documents. '697 Patent, Col. 2, lines 18-62. Each of the three different modes in which the interface is described as operating refers to management of information extracted from hard copy documents. '697 Patent, col. 2, lines 64-76; col. 3, lines 3-19. Finally, as quoted above (and repeated here for clarity), following the detailed description of the preferred embodiments-which itself contains repeated references to and examples of hard copy documents-the specification summarizes,

Thus, the instant invention provides an integrated and comprehensive system for handling information from a hard copy document, thus permitting a paperless office. In addition, the invention permits data, extracted off of a hard copy document, to be easily manipulated into various logical and transmission formats required by a particular application unit. The invention also provides a low cost system for inputting information from a wide variety of hard copy documents into a memory.

'697 Patent, col. 14, lines 64-68; col. 15, lines 1-5. This summary, together with all the other references to "hard copy documents" throughout the specification, provides the "best guide to the meaning of a disputed term." *Phillips,* 415 F.3d 1315. Indeed, as the specification is required to describe the invention in "full, clear, concise and exact terms," the specification in this case is dispositive of the issue. *Id.*

Plaintiff has pointed to language in the discussion immediately following this summary which, in its view, expands the scope of the '697 Patent to include the processing of information that originates from sources other than hard copy documents-in other words, the internet. Set in context, this language states,

The foregoing description has been set forth merely to illustrate preferred embodiments of the invention and is not intended to be limiting. Modifications are possible without departing from the scope of the invention.

For example, letters, checks, forms, pictures, reports, music scores, film, and other types of hard copy documents can be processed by the invention for accounts payable/receivable accounting, inventory control, record keeping, budgeting, data base management, music transcription, forms processing, computerized art, survey and questionnaire processing, statistical data analysis, correspondence processing and other applications.

Other automated digitizing units can be used in addition to or as an alternative to use of the scanner 210 as an input unit. Any electrical, magnetic, or optical device which extracts information off of a hard copy document, thereby eliminating the need to manually input significant amounts of information from the hard copy document is suitable for use as an automated digitizing unit. **In addition, information can be input by user responses and digital and analog signals generated from various devices, and from computer files from other computer systems. Suitable hardware for inputting data includes a keyboard, a light pen, a mouse, a touch screen, a laser scanner, a microphone, a tablet, a disk drive, a magnetic tape drive, and a modem.**

'697 Patent, col. 15, lines 6-30 (emphasis added).

In opposition to this assertion, defendant argues that these two sentences refer to means by which a user may give instructions to manipulate the information extracted from hard copy documents according to the patent. According to this interpretation by defendant, these two sentences do not broaden the scope of the

patent to include the handling or processing of information which does not originate from a hard copy document. The Court agrees. These same two sentences appear in the shared specifications of all eight patents, including the five which by plaintiff's admission apply only to hard copy documents. *See, e.g.,* '505 Patent. Nowhere has plaintiff explained how these sentences would expand the scope of the '697 Patent and its successors when it did not in the previous patents, which were limited to hard copy documents.

Plaintiff also contends that if the claims could not be construed as it proposes, that is, without a hard copy document limitation, the patent examiner would not have allowed them. In other words, the very issuance of the '697 and successive patents demonstrates that they stand for what plaintiff proposes. However, plaintiff has pointed to no part of the prosecution history or other intrinsic evidence to support this argument. The scope for which plaintiff argues is so broad as to appear limitless. FN5 While not addressing the actual validity of the patent at this time, the Court finds that the scope proposed by plaintiff is overly broad and not supported by the specification. FN6

FN5. At an earlier hearing on a motion for summary judgment, the Court observed, "That leads me to a question of if you are correct-and you have patented a system-you **own the web."** Reporter's Transcript of Proceedings, September 8, 2006 (Hon. Marsha J. Pechman presiding), Dkt. # 77, p. 9.

FN6. The Court by prior Order directed the parties' attention to the recent decision on "system" patents in In re Bilski, 545 F.3d 943 (Fed.Cir.2008). No action was taken on the parties' supplemental memoranda, but the issue will be taken up in further proceedings.

C. Construction of Specific Claim Terms

In light of the above discussion finding that the '697 and successive patents describe an invention for "information processing methodology" directed to information derived from hard copy documents, the Court now construes the following claim terms. In so doing, the Court relies on the specification, as set forth above, supplemented by the extrinsic evidence offered by the parties as appropriate. The Court rejects the extrinsic evidence offered by plaintiff in the form of an expert report, to the extent that the report concludes, in contradiction of the Court's conclusion above, that "the claims of the patents in suit are not directed to scanned hard copy documents." *See, e.g.,* Doermann Report, para. 4.2.3.2.

The terms shall be construed as having their "ordinary and customary meaning" to a person of ordinary skill in the relevant art on the effective filing date of the patent application. Phillips, 415 F.3d at 1312-13. As noted above, the effective filing date is March 20, 1991.

1. **"Document or file":** these two terms are presented separately for construction below. They acquire no additional meaning, apart from their separate meaning, when used together.

2. **"Document":** Plaintiff proposes the meaning "a discrete collection of textual and/or graphic information, which may be electronic." Defendant proposes "a hard copy document or a nontextual electronic representation of a hard copy document (e.g. a scanned hard copy document stored on a hard drive."

As support for its proposed construction, plaintiff has provided copies of several pages from *Que's Computer User's Dictionary,* 2d edition, 1991, with the opening brief on claim construction. Dkt. # 136,

Exibit A. The pages provided do not include the dictionary entry for the word "document." Plaintiff argues that effect be given instead to the dictionary's definition of the word "documentation," particularly the sentence that reads "Documentation can appear in printed media or in on-line help systems." *Id*. Plaintiff's Opening Brief, Dkt. # 136, p. 9. However, "documentation" is not a "document," so this definition is not relevant. The Court rejects this extrinsic evidence offered by plaintiff, and further finds that expert testimony is not needed to establish the "ordinary and customary meaning" of the word "document." When viewed in the context of the claims specification, a person of ordinary skill in the relevant art in March of 1991 would understand the term "document" as defendant proposed: a hard copy document or a nontextual electronic representation of a hard copy document (e.g., a scanned hard copy document stored on a hard drive.)

3. **"File":** The parties have proposed different meanings for this term as used in the claims of the '697 Patent and the '162 Patent. For the ' 697 Patent claims, plaintiff has again cited to the *Que's Computer Use Dictionary,* but then proposes a meaning for the term that differs from that set forth in the dictionary. The Court finds that the dictionary definition, rather than plaintiff's modification, properly reflects what a person of ordinary skill in the relevant art in March of 1991 would understand the term to mean. That is, a file is a "named collection of information stored as an apparent unit on a secondary storage medium such as a disk drive." Dkt. # 136, Exhibit A, p. 6. However, for the purposes of construction of the patent claims, in order to be read consistently with the specification, the word "file" whether used alone or in combination as "document or file" refers to a collection of information which was derived from a hard copy document and stored on the secondary storage unit. This conforms to defendant's proposed construction of the term as a "nontextual electronic representation of a hard copy document ... stored on a hard drive."

For the '162 Patent, defendant has proposed a different meaning for the term "file" as it is used in claim 43, namely "image of an electronic document (as defined above)." Plaintiff has not suggested any alternative. The Court therefore adopts defendant's proposed construction, which depends upon the construction of the term "electronic document," below.

4. **"Extract":** Plaintiff has proposed the meaning "to select and obtain specific information from a **file.**" However, the intrinsic evidence offered by plaintiff is a selection from the '697 Patent specification, stating "Portions of the stored **document** information are selected in accordance with content instruction." '697 Patent, col. 2, lines 52-53 (emphasis added). Because the claims and specifications of the '697 patent and others refer to extracting information from documents, the Court adopts the construction proposed by defendant, with modifications: "to select and obtain nontextual electronic information from a hard copy document (e.g., scanning a hard copy document) and/or to convert nontextual electronic information into a textual form."

5. **"Template":** Plaintiff proposes the meaning "Defined functionality which operates to locate information in a target computer file ..." Amended Joint Claim Construction Chart, Dkt. # 134-2, p. 9. Because the word "functionality" is itself vague and undefined, the Court finds that defendant's proposed construction better fits the intrinsic evidence offered by plaintiff. Specifically, that is the following section of the '697 Patent specification: "In order to generate an input file for a specific application program, the user selects the option to define a document template for use when each month's XYZ Corporation bill arrives." Id., citing '697 Patent, col. 12, lines 31-34. Defendant proposes the construction "a pattern created by a person based on the layout of a hard copy document or its image (i.e., its nontextual electronic representation)...." Id. A "pattern" fits the context of the evidence specified by plaintiff, whereas a "functionality" creates an awkward construction that is difficult to understand (reading "... the user selects the option to define a document *functionality* for use ...") The Court therefore adopts defendant's construction, in part. The Court construes

the term as: "a pattern created by a person based on the layout of a hard copy document or its image (i.e., its nontextual electronic representation)" without the additional limitations and explanations proposed by defendant.

6. **"Content instructions":** Plaintiff has proposed the construction "Instructions to select data required by an application program from the electronic form of a document." Joint Claims Chart, Dkt. # 134-2, p. 11. Plaintiff cites as intrinsic evidence a section of specification titled "Summary of the Invention." Placed in context, the cited portion reads,

The invention provides an application program interface which inputs a diversity of hard copy documents using an automated digitizing unit and which stores information from the hard copy documents in a memory as stored document information. Portions of the stored document information are selected in accordance with **content instructions which define portions of the stored document information required by a particular application unit.** Selected stored document information is then formatted into the transmission format used by the particular application program based on transmission format instructions. The transmission formatted selected stored document information is then transmitted to the particular application program. The hard copy documents may contain textual information or image information or both.

'697 Patent, col. 2, lines 48-62. The bolded section is the language cited by plaintiff.

The Court finds that the language of the specification cited by plaintiff contains sufficient definition of the term. That is, content instructions are "instructions which define portions of the stored document information required by a particular application unit."

7. **"Customizable transmission format instructions":** Based on the intrinsic evidence offered by plaintiff, namely a citation to the specification, the Court adopts the construction proposed by plaintiff. "Customizable transmission format instructions" are "instructions tailored by the user or otherwise supplied to properly embed data so that it may be input into an application program after transmission to the application program."

8. **"Electronic document template":** Plaintiff proposes the construction "a template embodied in an electronic document." Plaintiff cites, as intrinsic evidence, a section of the specification describing a preferred embodiment. Placed in context, this section reads,

FIG. 8 illustrates a more detailed information processing data flow diagram for the maintain definitions module 2.2 of FIG. 6. The maintain definitions module 2.2 allows the user to define system and document parameters and maintains the definitions of these system and document parameters. The maintain definitions module 2.2 includes a define template module 2.2.1 which allows the user to specify the location of information on the document. **This information provided by the user defines a template which is used to extract information off the document and to associate the extracted information with a particular variable or subfile.** These templates are illustrated by boxes 10 in the FIG. 2 example of a hard copy document. The maintain definitions module 2.2 can also access templates previously defined by the user and stored in main memory 250. Templates can also be provided as part of software packages developed by program developers.

'697 Patent, co. 8, lines 44-60. The section cited by plaintiff is in bold.

Plaintiff's cited evidence correctly links the concept of a "template" to its origin in a hard copy document, as illustrated in Figure 2 example. However, the selected language is ambiguous in that it does not distinguish between "document" and "electronic document." The term "electronic document" has not been defined by the parties nor offered for claim construction. The term "electronic document template" cannot therefore be construed by the Court.

9. **"Image of the electronic document":** Plaintiff proposes the construction "an electronic document displayed on a computer monitor or equivalent." Dkt. # 134-2, p. 16. Plaintiff cites to extrinsic evidence from plaintiff's expert which distinguishes between electronic and hard copy documents so that no ambiguity remains. The Court therefore adopts plaintiff's proposed construction of this term.

10. **"Template document":** See para. 8 above.

11. **"Electronic document template file":** see para. 8 above.

CONCLUSION

The Court has now construed the terms in the patents in suit, reading the claims "in view of the specification, of which they are a part." SciMed Life Systems, 242 F.3d at 1340, (*quoting* Markman, 52 F.3d at 979-990. The Court now finds that the trial date and related dates for pretrial preparation must be re-set. The trial date shall be continued to **June 29, 2009. Dispositive motions shall be filed on or before** April 10, 2009. The Clerk shall issue a revised scheduling order with dates for mediation and other dates for pretrial preparation consistent with this trial date.

W.D.Wash.,2009.
Eon-Net, L.P. v. Flagstar Bancorp, Inc.