

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

Trading Technologies International, Inc., )  
Plaintiff, )  
vs. ) No. 04 C 5312  
eSpeed, Inc., eSpeed International, Ltd., ) Judge Moran  
Ecco LLC, and Ecco Ware Ltd., )  
Defendants. )

Trading Technologies International, Inc., )  
Plaintiff, )  
vs. ) No. 05 C 1079  
Refco Group Ltd., LLC, et al., ) Judge Andersen  
Defendants. )

Rosenthal Collins Group, LLC, )  
Plaintiff-Counterclaim Defendant, )  
vs. ) No. 05 C 4088  
Trading Technologies International, Inc., ) Judge Moran  
Defendant-Counterclaimant, )

Trading Technologies International, Inc., )  
Plaintiff, )  
vs. ) No. 05 C 4120  
GL Consultants, Inc. and GL Trade SA, ) Judge Gottschall  
Defendants. )

Trading Technologies International, Inc., )  
Plaintiff, )  
vs. ) No. 05 C 4811  
CQGT, LLC and CQG, Inc., ) Judge Moran  
Defendants. )

Trading Technologies International, Inc., )  
Plaintiff, )  
vs. ) No. 05 C 5164  
FuturePath Trading, LLC, ) Judge Shadur  
Defendant. )

All Cases Assigned to Judge  
Moran For Common Issues

MEMORANDUM OPINION AND ORDER

Plaintiff Trading Technologies International, Inc. ("TT") brought separate actions against defendants eSpeed, Inc., ITSEcco Holdings Limited, Ecco LLC, and Ecco Ware Limited (collectively "eSpeed"); GL Consultants Inc. ("GL"); CGQT, LLC and CQG, Inc. (collectively "CQG"); and FuturePath Trading, LLC ("FuturePath"), alleging infringement

of U.S. Patent nos. 6,772,132 ('132 patent) and 6,766,304 ('304 patent). In anticipation of a similar suit, Rosenthal Collins Group, Inc. ("RCG") brought a declaratory judgment suit against TT.<sup>1</sup> For the purposes of discovery and claim construction, the cases were assigned to this court for all common issues. A Markman hearing<sup>2</sup> was held, and we now construe the claims in dispute.

### BACKGROUND

The two patents-in-suit are nearly identical, and both relate to computer software used for electronic trading in the futures market. According to plaintiff, the software revolutionized the futures trading industry, allowing the trader to track the market depth of a commodity and visualize the changes in the inside market. In electronic trading art used prior to plaintiff's patented invention, the computer trading screen showed the changes in the inside market, but a rapidly fluctuating market often caused traders to miss their prices when entering an order at the exact time the inside market was moving. According to plaintiff's patents, "[i]f a trader intends to enter an order at a particular price, but misses the price because the market prices moved before he could enter the order, he may lose hundreds, thousands, even millions of dollars" ('132, 2:57-61; '304, 2:61-65). Prior art also lacked speed, requiring the trader to enter multiple elements of his or her trade before the order could be sent to the market.<sup>3</sup> Plaintiff's technology changed the electronic futures trading industry by

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<sup>1</sup>For the purposes of this motion, we will refer to all defendants and RCG, collectively, as "defendants."

<sup>2</sup>Markman v. Westview Instruments, Inc., 52 F.3d 967 (Fed.Cir.1995), *aff'd*, 517 U.S. 370 (1996).

<sup>3</sup>Defendants emphatically argue that plaintiff's technology is not novel and had been anticipated by prior art, thus suggesting that plaintiff's examples of prior art do not represent the entire field of prior art. We make no decision with regard to anticipation or invalidity at this stage in the construction. We only refer to plaintiff's examples of prior art to set up the major disputes regarding claim construction. Invalidity analysis is saved for another time.

allowing traders to quickly place an order without sacrificing accuracy. In order to do this, the software pairs a “static display of prices” (‘132) or “common static price axis” (‘304) with “dynamic displays” of “bid” and “ask” columns. The combination allows the trader to track the changing market prices without the prices shifting from under him or her. The user then places a bid or ask order in the “order entry region” through a “single action of a user input device,” which allows for quicker transmission of the trade to the market.

Along with a number of additional claim terms, the terms indicated above constitute the primary disputes in claim construction. Claim 1 of each patent is a representative claim, and contains the major disputed terms for construction:

**‘132 Claim 1: A method of placing a trade order for a commodity on an electronic exchange having an inside market with a highest bid price and a lowest ask price, using a graphical user interface and a user input device, said method comprising:**

- [1] setting a preset parameter for the trade order**
- [2] displaying market depth of the commodity, through a dynamic display of a plurality of bids and a plurality of asks in the market for the commodity, including at least a portion of the bid and ask quantities of the commodity, the dynamic display being aligned with a static display of prices corresponding thereto, wherein the static display of prices does not move in response to a change in the inside market;**
- [3] displaying an order entry region aligned with the static display prices comprising a plurality of areas for receiving commands from the user input devices to send trade orders, each area corresponding to a price of the static display of prices; and**
- [4] selecting a particular area in the order entry region through a single action of the user input device with a pointer of the user input device positioned over the particular area to set a plurality of additional parameters for the trade order and send the trade order to the electronic exchange.**

**‘304 Claim 1: A method for displaying market information relating to and facilitating trading of a commodity being traded in an electronic exchange having an inside market with a highest bid price and a lowest ask price on a graphical user interface, the method comprising:**

- [1] dynamically displaying a first indicator in one of a plurality of locations in a bid display region, each location in the bid display region corresponding to a price level along a common static price axis, the first indicator representing quantity associated with at least one order to buy the commodity at the highest bid price currently available in the market;
- [2] dynamically displaying a second indicator in one of a plurality of locations in an ask display region, each location in the ask display region corresponding to a price level along the common static price axis, the second indicator representing quantity associated with at least one order to sell the commodity at the lowest ask price currently available in the market;
- [3] displaying the bid and ask display regions in relation to fixed price levels positioned along the common static price axis such that when the inside market changes, the price levels along the common static price axis do not move and at least one of the first and second indicators moves in the bid or ask display regions relative to the common static price axis;
- [4] displaying an order entry region comprising a plurality of locations for receiving commands to send trade orders, each location corresponding to a price level along the common static price axis; and
- [5] in response to a selection of a particular location of the order entry region by a single action of a user input device, setting a plurality of parameters for a trade order relating to the commodity and sending the trade order to the electronic exchange.

### DISCUSSION

Both parties agree that our claim construction should be guided by the Federal Circuit's *en banc* decision in Phillips v. AWH Corp., 415 F.3d 1303 (Fed.Cir.2005). In Phillips, the court addressed "the principal question...[of] the extent to which we should resort to and rely on a patent's specification in seeking to ascertain the proper scope of its claims." *Id.* at 1312. The Phillips court essentially held that while "[i]t is a 'bedrock principle' of patent law that 'the claims of a patent define the invention to which the patentee is entitled the right to exclude,' (*id.* at 1312; Nystrom v. Trex Co., Inc., 424 F.3d 1136, 1142 (Fed.Cir.2005)), ... [t]he construction that stays true to the claim language and most naturally aligns with the patent's

description of the invention will be, in the end, the correct construction.” Phillips, 415 F.3d at 1316.

We take the following from Phillips. In construing the claims of a patent we should look first to the claims themselves, which “provide substantial guidance as to the meaning of particular claim terms.” *Id.*, at 1314. As we determine the meaning of such claims, giving them the “ordinary and customary meaning...[they] would have to a person of ordinary skill in the art in question at the time of the invention,” we construe them in light of the “same resources as would [a person of ordinary skill in the art], viz., the patent specification and the prosecution history.” *Id.*, at 1312-13. See also C.R.Bard, Inc. v. United States Surgical Corp., 388 F.3d 858, 862 (Fed.Cir.2004) (“the intrinsic record is the primary source for determining claim meaning”). We can also look to the prosecution history to determine whether the patentee “clearly and unambiguously express[ed] surrender of subject matter during prosecution.” Sorenson v. International Trade Commission, 427 F.3d 1375, 1378 (Fed.Cir.2005). And finally, we can turn to extrinsic evidence – general purpose and technical dictionaries, and expert testimony, for example – to “shed useful light on the relevant art,” but must consider it only in the context of the intrinsic evidence, including the claim language, specification, and prosecution history. Phillips, 415 F.3d at 1317-18.

We will address each of the disputed terms in turn.

#### Static Display of Prices/Common Static Price Axis

The parties dispute the meaning of “static” in “static display of prices” and “common static price axis.” Plaintiff argues that the price axis is static, or unmoving, in relation to a change in the inside market. Plaintiff further argues that the patents limit the movement of the price axis in order to increase the likelihood that a trader will not miss his price.

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