

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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CIVIL MINUTES - GENERAL

Case No. CV 14-1645-GW(MRWx) Date January 29, 2015

Title Fontem Ventures, B.V., et al. v. NJOY, Inc., et al.

Present: The Honorable GEORGE H. WU, UNITED STATES DISTRICT JUDGE

Javier Gonzalez

None Present

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

None Present

None Present

PROCEEDINGS (IN CHAMBERS): RULINGS ON CLAIMS CONSTRUCTION

The Court's Rulings on Claims Construction is attached hereto.

Initials of Preparer JG

I. Introduction

The Court is presiding over three waves of patent infringement cases filed by Fontem Ventures, B.V. and Fontem Holdings 1, B.V. (“Plaintiffs”) against NJOY, Inc., CB Distributors, Inc., Vapor Corp., FIN Branding Group, LLC, Ballantyne Brands, LLC, Spark Industries, LLC, Logic Technology Development, LLC, and VMR Products, LLC (“Defendants”), which have now all been consolidated under Case No. CV-14-1645. While filed against different defendants and asserting multiple patents, the cases all involve the same basic charge: that Defendants are infringing Plaintiffs’ electronic-cigarette patents.

At issue in these claim construction proceedings are five patents – the “‘331 patent,”¹ “‘628 patent,”² “‘742 patent,”³ “‘957 patent,”⁴ and “‘805 patent”⁵ – originally issued to Lik Hon (“Hon”), and later assigned to or exclusively licensed by Plaintiffs. The ‘628 patent, which issued in July 2013, is a continuation of the ‘331 patent, which issued in March 2013. Both claim priority through a March 2005 Patent Cooperation Treaty (“PCT”) application and share a common written description. The ‘742 and ‘957 patents, issued in February 2013, are also related, but trace priority through different PCT applications filed in May 2007.⁶ The ‘805 patent, issued in April 2014, is unrelated to the other patents, but traces priority through a January 2010 PCT application, and is a continuation of a now-abandoned U.S. application filed in August 2011.

Per the Court’s instruction, the parties initially identified 15 claims for construction, two of which they later withdrew. *See* Docket Nos. 28, 34, 49-1. Cross briefing followed, with the parties filing opening positions in early November 2014. *See* Docket No. 37, Plaintiffs’ Opening Claim Construction Brief (“Pl. Opening Br.”); Docket No. 40-1, Defendants’ Opening Claim Construction Brief (“Def. Opening Br.”). The parties filed responses in late November 2014, and presented the Court with a live technology tutorial in early 2015, two weeks before this *Markman* hearing. *See* Docket No. 46, Defendants’ Responsive Claim Construction Brief (“Def. Resp. Br.”); Docket No. 47, Plaintiffs’ Responsive Claim Construction Brief (“Pl. Resp. Br.”).

II. Legal Standard

Claim construction is an interpretive issue “exclusively within the province of the court.” *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 372 (1996). It is “a question of law in the

¹ *See* Docket No. 39-14, U.S. Patent No. 8,393,331, entitled “Electronic Atomization Cigarette.”

² *See* Docket No. 39-15, U.S. Patent No. 8,490,628, entitled “Electronic Atomization Cigarette.”

³ *See* Docket No. 39-12, U.S. Patent No. 8,365,742, entitled “Aerosol Electronic Cigarette.”

⁴ *See* Docket No. 39-13, U.S. Patent No. 8,375,957, entitled “Electronic Cigarette.”

⁵ *See* Docket No. 39-16, U.S. Patent No. 8,689,805, entitled “Electronic Cigarette.”

⁶ The ‘742 patent is a divisional of U.S Patent No. 8,156,944 patent, portions of which the PTO recently held invalid during *inter partes* review. *See* Case No. CV-14-1649, Docket No. 36.

way that we treat document construction as a question of law,” with subsidiary fact-finding reviewed for clear error pursuant to Fed. R. Civ. P. 52(a)(6). *Teva Pharms. USA, Inc. v. Sandoz, Inc.*, ___ U.S. ___, 135 S.Ct. 831, 837 (2015). Claim construction begins with an analysis of the claim language itself. *Interactive Gift Express, Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1331 (Fed. Cir. 2001). That is because the claims define the scope of the claimed invention. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005). But “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.” *Id.* at 1313. Thus, claims “must be read in view of the specification,” which is “always highly relevant to the claim construction analysis.” *Phillips*, 415 F.3d. at 1315 (internal quotations omitted). “Usually, it is dispositive; it is the single best guide to the meaning of a disputed term.” *Id.*

Although claims are read in light of the specification, limitations from the specification must not be imported into the claims. *Comark Commc’ns, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186-87 (Fed. Cir. 1998). “[T]he line between construing terms and importing limitations can be discerned with reasonable certainty and predictability if the court’s focus remains on understanding how a person of ordinary skill in the art would understand the claim terms.” *Phillips*, 415 F.3d at 1323.

The prosecution history is also part of the intrinsic evidence consulted during claim construction. *See Teleflex, Inc. v. Ficosa N. Am. Corp.*, 299 F.3d 1313, 1324 (Fed. Cir. 2002). “Like the specification, the prosecution history provides evidence of how the PTO and the inventor understood the patent.” *Phillips*, 415 F.3d at 1317 (citations omitted). “Furthermore, like the specification, the prosecution history was created by the patentee in attempting to explain and obtain the patent.” *Id.* “Yet because the prosecution history represents an ongoing negotiation between the PTO and the applicant, rather than the final product of that negotiation, it often lacks the clarity of the specification and thus is less useful for claim construction purposes.” *Id.*

Claim construction usually involves resolving disputes about the “ordinary and customary meaning” that the words of the claim would have had “to a person of ordinary skill in the art in question at the time of the invention.” *Phillips*, 415 F.3d at 1312-13 (internal quotations and citations omitted). But in some cases, claim terms will not be given their ordinary meaning because the specification defines the term to mean something else. *Novartis Pharms. Corp. v. Abbott Labs.*, 375 F.3d. 1328, 1334 (Fed. Cir. 2004); *Kumar v. Ovonic Battery Co.*, 351 F.3d 1364, 1368 (Fed. Cir. 2003). For the specification to provide a non-ordinary definition for a term, it must set out its definition in a manner sufficient to provide notice of the meaning to a person of ordinary skill in the art. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

Where the patent itself does not make clear the meaning of a claim term, courts may look to “those sources available to the public that show what a person of skill in the art would have understood disputed claim language to mean,” including the prosecution history and “extrinsic evidence concerning relevant scientific principles, the meaning of technical terms, and the state of the art.” *Phillips*, 415 F.3d at 1314 (internal quotations omitted). Sometimes, the use of “technical words or phrases not commonly understood” may give rise to a factual dispute, the determination of which will precede the ultimate legal question of the significance of the facts to the construction “in the context of the specific patent claim under review.” *Teva*, 135 S.Ct. at 841, 849 (2015). “In some cases, the ordinary meaning of claim language as understood by a person of skill in the art may be readily apparent even to lay judges, and claim construction in such cases involves little more than the application of the widely accepted meaning of commonly

understood words.” *Phillips*, 415 F.3d at 1314. “In such circumstances, general purpose dictionaries may be helpful.” *Id.*

III. Analysis

A. *Analysis of Disputed Claim Terms*

1. “cavity” (‘331 patent, claims 1-2; ‘628 patent, claim 3)

Plaintiffs’ Proposed Construction	Defendants’ Proposed Construction
no construction necessary, or alternatively, “a hollow space”	“a hollow space within and completely surrounded by the body of the atomizer”

As relevant, claims 1 and 2 of the ‘331 patent recite:

1. An electronic cigarette comprising:
a housing;

an atomizer within the housing;

a **cavity** arranged in the atomizer

a heating element within the **cavity**.

2. An electronic cigarette, comprising:
a housing;

an atomizer within the housing, with the atomizer having a heating element within a **cavity**

‘331 patent, at 4:66-6:6.

Claim 3 of the ‘628 patent recites

3. The electronic cigarette of claim 1 further including an atomization **cavity** within the atomizer.

‘628 patent, at 5:11-3.

Both parties agree that “cavity” means, at least, “a hollow space.”⁷ The central dispute is whether the term means just a “hollow space,” or instead, “a hollow space *within and completely surrounded by the atomizer*.”⁸ Relying on the specification, Defendants advocate the latter.

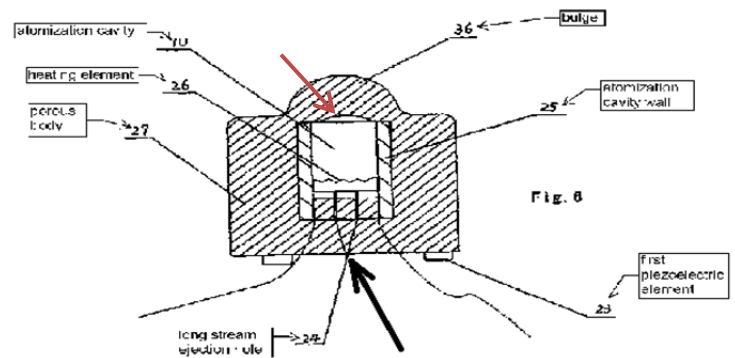
⁷ As with several other terms, Plaintiffs’ lead argument is that the Court should not construe “cavity” at all. Pl. Opening Br. at 4:17-19 (arguing that the “plain meaning of ‘cavity’ is easily understood and can be applied by a reasonable juror having no specialized knowledge of the technology at issue”). As has often been said, the purpose of claim construction “is determining the meaning and scope of the patent claims asserted to be infringed.” *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed. Cir. 1995); *U.S. Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1568 (Fed. Cir. 1997) (“Claim construction is a matter of [resolving] disputed meanings and technical scope [of patent claims], to clarify and when necessary to explain what the patentee covered by the claims, for use in the determination of infringement”). While claim construction is not meant to be “an obligatory exercise in redundancy,” *id.*, the court has an obligation to determine the proper meaning and scope of claim terms where the parties raise actual disputes, *O2 Micro Int’l Ltd. v. Beyond Innovation Tech. Co.*, 521 F.3d 1351, 1360 (Fed. Cir. 2008) (“[If] parties raise an actual dispute regarding the proper scope of these claims, the court, not the jury, must resolve that dispute”). “A determination that a claim term ‘needs no construction’ or has the ‘plain and ordinary meaning’ may be inadequate when a term has more than one ‘ordinary’ meaning or when reliance on a term’s ‘ordinary’ meaning does not resolve the parties’ dispute.” *Id.* at 1361. Here, as with several other terms, the Court finds that construction is necessary as the parties’ dispute impacts the scope of the disputed claims.

Before turning to the specification, however, the Court starts with the claim language. *Becton, Dickinson & Co. v. Tyco Healthcare Grp., LP*, 616 F.3d 1249, 1254 (Fed. Cir. 2010) (“Claim construction begins and ends in all cases with the actual words of the claim”) (citations and quotations omitted). As relevant to this dispute, the claim language *does* limit the cavity’s location: it must be “arranged in” or “within” the atomizer. So, the claim language does not just recite a “cavity”; it always uses positional words to describe (and limit) the cavity’s location. Not included in those positional words, however, is anything about the cavity being “completely surrounded by” the atomizer. By limiting “cavity” with this positional language, but omitting the more specific “completely surrounded by,” the claim language favors Plaintiffs’ construction.

Nevertheless, Defendants contend the intrinsic evidence supports their position, arguing that the specifications describe and depict an atomization cavity completely surrounded by the atomizer. *See* Def. Opening Br. at 15:9-16:17 & Figs. 1, 6.⁹ But this point is far from clear. First, Defendants never actually identify any language in the specifications referring to the cavity as “completely surrounded by” the atomizer (because it does not exist). They also do not cite anything from the specifications indicating that the cavity would not work if not “completely surrounded by” the atomizer. Instead, they cite language describing the “cavity wall 25 [as] surrounded with [a] porous body 27,” and interpret Figures 1 and 6 as showing the “cavity . . . completely surrounded by the body of the atomizer.” *Id.*

However, in addition to the language Defendants cite, the ‘331 patent’s specification also states: “After the atomization the droplets with large diameters stick to the wall under the action of eddy flow and are reabsorbed by the porous body 27 via the overflow hole 29. Droplets with small diameters float in stream and form aerosols, which are sucked out via the aerosol passage 12, gas vent 17, and mouthpiece 15.” ‘331 patent, at 3:56-61; *see also* ‘628 patent, at 3:55-60.

While the Figures depict these components, they do not clarify how the droplets get out of the atomizer. So, it is not even clear whether the cavities in the preferred embodiments are “completely surrounded by” the atomizer, or instead, whether there is an outlet hole – for example, the long-stream ejection hole in ‘331 Figure 6, or, potentially, the space under the bulge, the significance of which the parties debated at the technology tutorial – that breaks the “completely.”



Even with the most defendant-friendly rendering, the best that can be said is that the ‘331 and ‘628 diagrams disclose a preferred embodiment with the “cavity” completely “surrounded by the atomizer,” which is insufficient justification to so limit the claims. *Phillips*, 415 F.3d at 1323. Defendants cite nothing in the specifications indicating that the cavity would not work if not “completely” surrounded. Therefore, nothing in the specification contradicts the broader meaning implied by the words of the claims themselves, which use some positional modifiers,

⁸ Though the parties only identified “cavity” for construction, it is reasonably clear that they have asked the Court to construe the term in the context of the longer claim phrases: “a cavity arranged in the atomizer,” ‘331 patent (Claim 1), “the atomizer having a heating element within a cavity,” ‘331 Patent (Claim 2), and “atomization cavity within the atomizer,” ‘628 patent (Claim 3).

⁹ As stated above, the ‘331 and ‘628 patents share a common written description.

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