

Following submission of the two R&Rs (241 pages in total), the parties extensively briefed and re-briefed the issues presented therein. (Docs. 375-78, 383, 384, 386-91.) The Court received over 500 pages of post-R&R briefing, not including exhibits. On February 10, 2016, the Court heard two hours of oral argument. (Doc. 395.) The parties then submitted letter briefs on a few issues that were raised at oral argument, (Docs. 397, 398), and again on issues raised in those letter briefs. (Docs. 403, 404.)

I. LEGAL STANDARD

Generally, “[t]he court must decide de novo all objections to findings of fact made or recommended by a master.” Fed. R. Civ. P. 53(f)(3). The Court must also decide de novo all objections to conclusions of law made or recommended by a master. Fed. R. Civ. P. 53(f)(4). And “[u]nless the appointing order establishes a different standard of review, the court may set aside a [special] master’s ruling on a procedural matter only for an abuse of discretion.” Fed. R. Civ. P. 53(f)(5).

II. DISCUSSION

Initially, the parties appeared to take issue with many parts of the Special Master’s R&Rs. However, after briefing and oral argument, the issues were narrowed significantly. For example, the Defendants no longer argue that Canon’s notice of infringement under 35 U.S.C. § 287(a) was insufficient because it was given as to a limited subset of the allegedly infringing bottles. And the parties agreed at oral argument to address the requested exclusion of evidence of Canon’s intent (to prohibit customers from using non-Canon toner) at the motion

in limine stage or at trial. Thus, the Court will only address with specificity below those issues on which a dispute remains.

The Court has read and heard the parties' arguments on the issues before it and before the Special Master. The Court has undertaken a thorough, de novo review of the record in this case and the law as it pertains to the parties' objections to the legal analysis and recommendations made by the Special Master.

A. Validity R&R

Plaintiff moved to adopt the Validity R&R with one objection, and Defendants raised a number of objections. Specifically, Plaintiff objected to the Special Master's assertion that the combination construction, *i.e.*, that the patent incorporates both the cartridge and the driving member inside the copier, "has a direct impact on the prior art to be considered as part of the § 103 obviousness analysis." (Doc. 370 at 19.)¹ Plaintiff points out that the Special Master "does not explain how his conclusion of nonobviousness would be any different if claim 24 were construed as being directed to a toner supply container alone" – as opposed to the combination of the supply container and the parts of the invention located in the copier. (Doc. 375-1 at 43.)

While Plaintiff labels this disagreement with the Validity R&R's consistency an 'objection,' the Special Master's comment was merely part of the

¹ All references to page numbers within docket entries refer to the blue docket page number in the header of each page and not the page number on the submission itself, which are generally at the bottom of each page.

initial portion of the Special Master's analysis and was not an explicit recommendation. There is nothing wrong with the general statement that a patent construction has a direct impact on the prior art considered as part of the nonobviousness analysis. Whether a particular construction in fact affects a particular prior art analysis is a different question. Here, the Special Master's analysis ultimately indicated that he considered some inventions that appear to apply only to the inventive aspects that reside within the toner supply container alone, and none of the inventions that he considered were sufficient to support invalidation. Plaintiff's Objection is therefore a moot point and the Objection [Doc. 375-1 at 44] is **OVERRULED**.

Defendants objections are as follows: (1) the R&R misunderstands the problem facing the inventors at the time of the invention; (2) The Validity R&R's determination of analogous prior art was improperly narrow and should not have excluded the Hilton '966 and Sundberg '990 patents; (3) Defendants' basis for combining references is well-founded; (4) The prior art combinations disclose the displacing force receiving portion limitation of Claim 24, and the fact that it is in a different place on the invention is not material to the analysis; (5) the Yoshiki '079 patent does not teach away from the invention. The Special Master's R&R addresses these specific issues and, after a thorough review of the record and the caselaw, the Court can find no reason to stray from the Special Master's recommendations as to (2)-(5) of the above. Those Objections [Doc. 378] are **OVERRULED**.

Defendants are correct, though, that at least a clarification is warranted as to issue (1) above: how the R&R addresses the problem facing the inventors at the time of the invention. The Court agrees with Defendants that the Validity R&R improperly precluded Defendants from using the disclosures in certain sections of the '012 Patent application, *e.g.*, those in the “FIELD OF INVENTION AND RELATED ART” section, to assist a person of reasonable skill in the art (“POSA”) in looking to certain prior art to solve a particular issue. (*See* Doc. 347 at 19 (asserting that some prior art was “known to ‘result[] in complications’ or require additional ‘complicated’ structures.”) (citing '012 patent 2:25-28, 2:31-32, 2:39-44, 2:43-45). The Special Master cites no authority for this proposition, and some cases indicate that relying on disclosures in the prior art section of the patent application at issue may not be improper in all circumstances. *See Sci. Plastic Products, Inc. v. Biotage AB*, 766 F.3d 1355, 1361 (Fed. Cir. 2014) *cert. denied*, 135 S. Ct. 2380 (2015) (affirming Patent Trial and Appeal Board decision holding the “known problem of leakage in threaded connections of plastic LPLC cartridges under pressure identified in the [patents] provides a reason for one of ordinary skill in the art to have turned to King or Strassheimer to improve the sealing arrangement set forth in Yamada.”). Canon is correct that Judge Moore lodged a vigorous dissent against this use of the patent. *See id.* at 1362-63 (Moore, J., dissenting) (“This statement, in the patents, is not a recognition of a *known* prior art problem that would have motivated one of skill in the art to want to modify the Yamada design. It was a problem identified, not in the prior art,

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