

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

SIGNAL IP, INC.,

Plaintiff,

Case No. 14-cv-13864

v.

HON. MARK A. GOLDSMITH

FIAT U.S.A., INC., et al.,

Defendants.

OPINION AND ORDER
(1) CONSTRUING DISPUTED CLAIM TERMS; AND (2) DENYING AS MOOT
DEFENDANT FCA US LLC'S MOTION FOR COLLATERAL ESTOPPEL AGAINST
SIGNAL IP ON CERTAIN CLAIM TERMS (Dkt. 38.)

This is a patent infringement case in which Plaintiff Signal IP, Inc. alleges that Defendant FCA US LLC has infringed upon four of its patents.

Pursuant to this Court's standard procedure, the parties were to identify the disputed claim terms within the four patents that they feel are material to the infringement and validity issues in this case. The parties have submitted written briefs explaining their positions on how the disputed claim terms should be construed (Dkts. 32, 39, 41). On August 3, 2016, the Court held oral argument. In this opinion and order, the Court will construe the disputed claim terms identified by the parties, pursuant to Markman v. Westview Instruments, 517 U.S. 370 (1996).

Also before the Court is FCA's motion for collateral estoppel against Signal on certain claim terms (Dkt. 38). The issue is whether Signal should be collaterally estopped from litigating the construction of the claim terms "unlock threshold" and "at a level indicative of an empty seat" in U.S. Patent No. 6,012,007 because the United States District Court for the Central District of California has already construed the terms, in whole or part, in another case involving

Signal. For the reasons explained below, the Court denies as moot FCA's motion for collateral estoppel.

I. PROCEDURAL HISTORY

On or about April 23, 2014, Signal filed 13 similar cases alleging patent infringement in the United States District Court for the Central District of California against most of the major automobile manufacturers, including this case against FCA.¹ In this case against FCA, Signal has asserted four patents involving three different types of technologies: (i) automobile airbag deployment systems, (ii) a radar detection system to detect blind spots while driving, and (iii) a tire pressure monitoring system. The four patents are: (i) U.S. Patent No. 6,012,007, entitled "Occupant Detection Method and Apparatus for Air Bag System" ("007 Patent"); (ii) U.S. Patent No. 5,732,375, entitled "Method of Inhibiting or Allowing Airbag Deployment" ("375 Patent"); (iii) U.S. Patent No. 5,714,927, entitled "Method of Improving Zone of Coverage Response of Automotive Radar" ("927 Patent"); and (iv) U.S. Patent No. 5,463,374, entitled "Method and Apparatus for Pressure Monitoring and for Shared Keyless Entry Control" ("374 Patent").

On October 7, 2014, Judge John A. Kronstadt of the United States District Court for the Central District of California transferred this case to the Eastern District of Michigan (Dkt. 4). This case was originally assigned to Judge Arthur J. Tarnow, but it was reassigned to this Court on January 30, 2015 (Dkt. 17). On April 17, 2015, the United States District Court for the Central District of California issued an order construing thirty six disputed patent claim terms, including some of the claim terms at issue in this case.

¹ On or about December 16, 2014, Chrysler Group LLC changed its name to FCA US LLC. "FCA" stands for "Fiat Chrysler Automobiles."

On May 11, 2016, FCA filed a motion for collateral estoppel against Signal on certain claim terms (Dkt. 38). In the motion, FCA argues that Signal should be estopped from re-litigating the constructions of two disputed claim terms in this case because those claim terms were already construed by Judge Kronstadt in cases involving Signal against other automobile manufacturers. FCA argues that it would be a waste of judicial resources to re-litigate the proper construction of those claim terms in this case. Because FCA's motion involves the construction of disputed patent claim terms, the Court will consider FCA's motion as part of this order on claim construction.

On August 3, 2016, the Court heard oral argument from the parties regarding the proper construction of the disputed claim terms, as well as FCA's motion for collateral estoppel. At oral argument, the parties, working with the Court's special master, were able to come to an agreement on the proper construction for some of the disputed claim limitations.

II. LAW OF CLAIM CONSTRUCTION

Claims of a patent are short and concise statements, expressed with great formality, of the metes and bounds of the patent invention. Each claim is written in the form of a single sentence. Claim construction is the manner in which courts determine the meaning of a disputed term in a claim. "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 claim." Scripps Clinic & Research Found. v. Genentech, Inc., 927 F.2d 1565, 1580 (Fed. Cir. 1991), overruled in part on other grounds by Abbott Labs v. Sandoz, Inc., 566 F.3d 1282, 1293 (Fed. Cir. 2009) (en banc). The construction of key terms in patent claims plays a critical role in nearly every patent infringement case. Claim construction is central to both a determination of infringement and

validity of a patent. The judge, not a jury, is to determine the meaning of the disputed claim terms as a matter of law. Markman, 517 U.S. at 372, 391.

A court has two primary goals in construing the disputed claim terms. The first goal is to determine the scope of the patented invention by interpreting the disputed claim terms to the extent needed to resolve the dispute between the parties. The second goal is to provide a construction that will be understood by the jury, which might otherwise misunderstand a claim term in the context of the patent specification and prosecution history of the patent. See, e.g., Power-One, Inc. v. Artesyn Techs., Inc., 599 F.3d 1343, 1348 (Fed. Cir. 2010) (“The terms, as construed by the court, must ensure that the jury fully understands the court’s claim construction rulings and what the patentee covered by the claims.”); U.S. Surgical Corp. v. Ethicon, Inc., 103 F.3d 1554, 1568 (Fed. Cir. 1997) (“Claim construction is a matter of resolution of disputed meanings and technical scope, to clarify and when necessary, to explain what the patentee covered by the claims, for use in the determination of infringement.”). The Court’s claim construction ruling forms the basis for the ultimate jury instructions, although that is not to say that the Court cannot modify its wording for the jury instructions after ruling on claim construction. See IPPV Enters., LLC v. Echostar Commc’ns Corp., 106 F. Supp. 2d 595, 601 (D. Del. 2000).

The seminal case setting forth the principles for construing disputed claim terms is Phillips v. AWH Corp., 415 F.3d 1303 (Fed. Cir. 2005) (en banc). According to Phillips, the words of the claim are generally given their “ordinary and customary” meaning, i.e. “the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention.” Id. at 1312-1313. The person of ordinary skill in the art views the claim term in light of the entire intrinsic record, which is the entire claim, the other parts of the patent, and, if

in evidence, the prosecution history of the patent before the United States Patent and Trademark Office (“USPTO”). Id. at 1313-1314. Although a claim must be construed in view of the entire patent, the court should normally not read limitations or features of the exemplary embodiments discussed in the patent specification into the claims. Id. at 1323-1324.

The prosecution history of the patent can often inform the meaning of the claim language by demonstrating how the inventor understood the invention and whether the inventor limited the invention during the course of prosecution by his statements, making the claim scope narrower than it would otherwise be. However, because the prosecution history is an ongoing negotiation between the patent office and the patent owner, rather than the final product of that negotiation, it often lacks the clarity of the patent itself and is generally less useful for claim construction purposes. Id. at 1317.

In discerning the meaning of claim terms, resorting to dictionaries and treatises also may be helpful. Id. at 1320-1323. However, undue reliance on extrinsic evidence poses the risk that it will be used to change the meaning of claims in derogation of the indisputable public records consisting of the claims, the specification of the patent and the prosecution history, thereby undermining the public notice function of patents. Id. In the end, the construction that stays true to the claim language and most naturally aligns with the patent’s description of the invention will be the correct construction. Id. at 1316.

It is proper for the Court to construe the disputed claim terms in the context of the infringement or invalidity dispute by viewing the accused device or prior art. Viewing the accused device or prior art allows the Court to construe the claims in the context of the dispute between the parties, not in the abstract. “While a trial court should certainly not prejudge the ultimate infringement analysis by construing claims with an aim to include or exclude an accused

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