## UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA

ASUS COMPUTER INT'L, et al.,

Plaintiffs.

No. C 14-1743 PJH

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EXOTABLET LTD.,

ORDER CONSTRUING CLAIMS.

Defendant.

Before the court is defendant and counter-plaintiff ExoTablet Ltd.'s motion for preliminary injunction. Having read the parties' papers and carefully considered their arguments, and the relevant legal authority, the court DENIES the motion as follows.

#### BACKGROUND

This is a patent infringement case. It was brought as a declaratory judgment action by accused infringers ASUS Computer International and ASUSTeK Computer Inc. (together, "ASUS"), against patent holder ExoTablet Ltd. ("ExoTablet"). In response to the complaint, ExoTablet filed a counterclaim accusing ASUS of infringement, and also filed the present motion for preliminary injunction.

ExoTablet seeks to enjoin ASUS from making, using, offering to sell, selling, or importing its PadFone X device in the United States. ExoTablet alleges that the PadFone X infringes U.S. Patent 7,477,919 ("the '919 patent"), which was filed to cover ExoTablet's own "hybrid" device, the UniversalTransPad (referred to as the "UTP").

Both devices are referred to as "hybrid smartphone/tablet" devices that "combine[] a smartphone with a cradle in a 'dumb' tablet such that the 'dumb' tablet (i) effectively enlarges and enhances the screen size of the smartphone, (ii) provides an enlarged and



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enhanced user interface (touch screen) for the smartphone, and (iii) displays what is, or otherwise would be, displayed on the smartphone." In other words, each device is a tablet shell (also referred to as a tablet dock, and referred to in this order as an "input/output device," based on the language used in the patent-in-suit).

Before this suit was filed, ExoTablet approached ASUS in the hopes of reaching an agreement to license the '919 patent. However, ASUS decided not to agree to a license, and instead, filed suit against ExoTablet on April 16, 2014, seeking a declaratory judgment that the PadFone X does not infringe ExoTablet's patent. On May 21, 2014, ExoTablet answered the complaint, filed a counterclaim of infringement, and filed the present motion for preliminary injunction. At the time that the motion was filed, neither the UTP nor the PadFone X had been released, and ExoTablet thus sought to "preserve" the "brand-new" hybrid tablet/smartphone market, and retain its "first-mover advantage."

In its motion, ExoTablet took the position that "no formal claim construction is necessary because the claims of the '919 patent use simple, clear terms that should all be accorded their plain and ordinary meaning." However, after ASUS offered proposed constructions for four claim terms in its opposition brief, ExoTablet responded with new evidence (in the form of two expert declarations) supporting its view of how the terms should be construed.

At the hearing, the court informed the parties that the disputed claim terms would need to be construed before the preliminary injunction motion could be decided, and that the court would not re-construe those terms later in the case. Thus, to ensure that both parties could be fully heard before the terms were construed, the court allowed ASUS to file a supplemental brief, in order to attempt to rebut the expert declarations filed with ExoTablet's reply. This supplemental brief (which was filed on July 9, 2014), in conjunction with the arguments presented by both parties at the preliminary injunction hearing, ensures that both sides have been fully heard on the issue of claim construction as to the four terms that are currently disputed. Accordingly, the court will construe the disputed terms before addressing ExoTablet's motion for preliminary injunction.



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### DISCUSSION

### Claim construction

### Legal standard

In construing claims, the court must begin with an examination of the claim language itself. The terms used in the claims are generally given their "ordinary and customary meaning." See Phillips v. AWH Corp., 415 F.3d 1303, 1312-13 (Fed. Cir. 2005); see also Renishaw PLC v. Marposs Societa' per Azioni, 158 F.3d 1243, 1248 (Fed. Cir. 1998) ("The claims define the scope of the right to exclude; the claim construction inquiry, therefore, begins and ends in all cases with the actual words of the claim."). This ordinary and customary meaning "is the meaning that the terms would have to a person of ordinary skill in the art in question at the time of the invention." Phillips, 415 F.3d at 1313. A patentee is presumed to have intended the ordinary meaning of a claim term in the absence of an express intent to the contrary. York Products, Inc. v. Central Tractor Farm & Family Ctr., 99 F.3d 1568, 1572 (Fed. Cir. 1996).

Generally speaking, the words in a claim are to be interpreted "in light of the intrinsic evidence of record, including the written description, the drawings, and the prosecution history, if in evidence." Teleflex, Inc. v. Ficosa North Am. Corp., 299 F.3d 1313, 1324-25 (Fed. Cir. 2002) (citations omitted); see also Medrad, Inc. v. MRI Devices Corp., 401 F.3d 1313, 1319 (Fed. Cir. 2005) (court looks at "the ordinary meaning in the context of the written description and the prosecution history"). "Such intrinsic evidence is the most significant source of the legally operative meaning of disputed claim language." Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1582 (Fed. Cir. 1996).

With regard to the intrinsic evidence, the court's examination begins, first, with the claim language. See id. Specifically, "the context in which a claim is used in the asserted claim can be highly instructive." Phillips, 415 F.3d at 1314. As part of that context, the court may also consider the other patent claims, both asserted and unasserted. Id. For example, as claim terms are normally used consistently throughout a patent, the usage of a term in one claim may illuminate the meaning of the same term in other claims. Id. The



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court may also consider differences between claims to guide in understanding the meaning of particular claim terms.

Second, the claims "must [also] be read in view of the specification, of which they are a part." Id. at 1315. When the specification reveals a special definition given to a claim term by the patentee that differs from the meaning it would otherwise possess, the inventor's lexicography governs. Id. at 1316. Indeed, the specification is to be viewed as the "best source" for understanding a technical term, informed as needed by the prosecution history. <u>Id</u>. at 1315. As the Federal Circuit stated in <u>Phillips</u>, the specification is "the single best guide to the meaning of a disputed term," and "acts as a dictionary when it expressly defines terms used in the claims or when it defines terms by implication." 415 F.3d at 1321.

Limitations from the specification, such as from the preferred embodiment, cannot be read into the claims absent an express intention to do so. Teleflex, 299 F.3d at 1326 ("The claims must be read in view of the specification, but limitations from the specification are not to be read into the claims.") (citations omitted); CCS Fitness, Inc. v. Brunswick Corp., 288 F.3d 1359, 1366 (Fed. Cir. 2002) ("a patentee need not describe in the specification every conceivable and possible future embodiment of his invention."); Altiris v. Symantec Corp., 318 F.3d 1363, 1372 (Fed. Cir. 2003) ("resort to the rest of the specification to define a claim term is only appropriate in limited circumstances"). To protect against this, the court should not consult the intrinsic evidence until after reviewing the claims in light of the ordinary meaning of the words themselves. Texas Digital Systems, Inc. v. Telegenix, Inc., 308 F.3d 1193, 1204-05 (Fed. Cir. 2002) (to act otherwise "invites a violation of our precedent counseling against importing limitations into the claims") (citations omitted).

Finally, as part of the intrinsic evidence analysis, the court "should also consider the patent's prosecution history, if it is in evidence." Phillips, 415 F.3d at 1317. The court should take into account, however, that the prosecution history "often lacks the clarity of the specification" and thus is of limited use for claim construction purposes. <u>Id</u>.



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In most cases, claims can be resolved based on intrinsic evidence. See Vitronics, 90 F.3d at 1583. Only if an analysis of the intrinsic evidence fails to resolve any ambiguity in the claim language may the court then rely on extrinsic evidence, such as expert and inventor testimony, dictionaries, and learned treatises. See Vitronics, 90 F.3d at 1583 ("In those cases where the public record unambiguously describes the scope of the patented invention, reliance on any extrinsic evidence is improper"). However, the court generally views extrinsic evidence as less reliable than the patent and its prosecution history in determining how to read claim terms, and its consideration is within the court's sound discretion. See Phillips, 415 F.3d at 1318-19.

2. Construction of disputed terms and phrases

The parties dispute the construction of four terms or phrases<sup>1</sup> contained within claim 1 of the patent-in-suit, which are addressed in turn below.

#### "handheld" a.

ExoTablet argues that this term should be given its "ordinary common meaning," which is that something is "holdable in one's hand." ASUS argues that the term should be construed as "pocketsize and used in one hand."

For support, ASUS cites to the patent's specification, which states that the product "can be held in the user's hand when in use," and which identifies specific comparable products. '919 patent, column 8, lines 8-12. ASUS includes pictures of each of these products (the Blackberry PDA, among others) in its opposition brief, to show that they are all "pocket-size and used in one hand." ASUS further cites to the patent's prosecution history, during which the examiner described the invention as being "small enough to be hand-held while in use," a description which ExoTablet did not dispute.

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<sup>&</sup>lt;sup>1</sup>In its supplemental brief, ASUS also proposed constructions for two new terms ("input/output device" and the last "wherein" clause), claiming that ExoTablet's reply brief included "new construction[s]" for these terms. Dkt. 44 at 9-10. ExoTablet later clarified that it had not proposed those terms for construction, and that "the only terms for construction before the court are those addressed at the hearing." Dkt. 52 at 4. The court agrees with ExoTablet, and will construe only those four terms that were addressed at the hearing.



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