

United States District Court
Northern District of California

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

AUTOMATED PACKAGING SYSTEMS,
INC.,

Plaintiff,

v.

FREE FLOW PACKAGING
INTERNATIONAL, INC.,

Defendant.

Case No. [18-cv-00356-EMC](#)

CLAIM CONSTRUCTION ORDER

Docket No. 91, 92

[Contains Color Images]

This patent dispute relates to the air-filled plastic pouches that are placed in packages to fill empty space and protect merchandise. In the parlance of the patents at issue, such pouches are called “dunnage” and the plastic used to form them are called “webs.” Plaintiff Automated Package Systems, Inc. (“APS”) owns several patents for the design of plastic webs used to form dunnage units and the associated filling processes. APS sells a line of pouches called EZ-Tear Pillows that practice the patents.

APS’s patents fall into two families: the “Variable Perforation” or “Lerner” patents (‘191 and ‘288 patents) and the “Gap-Forming” or “Wehrmann” patents (‘220, ‘439, ‘994, and ‘459 patents). Broadly speaking, the “Variable Perforation” patents are distinguished by the use of perforations that are shorter on one end of the web but progressively longer toward the other end; the variability facilitates easy separation of the pouches after inflation without the need for a knife. The “Gap-Forming” patents serve the same purpose of easy separation, but rather than perforations, these patents are distinguished by a gap that forms between pouches upon inflation, enabling a worker to insert a hand to separate them.

Defendant Free-Flow Packaging International, Inc. (“FPI”) also sells lines of pouches

Apple Inc.
Exhibit 1025
Apple Inc. v. AGIS Software Development LLC
Case IPR2018-00817

1 called Cell-O Green Air, Power Pak'r, Pro Pak'r, and Mini Pak'r cushions. APS accuses FPI's
2 product lines of infringing its patents.

3 The parties seek construction of 8 groups of terms, mostly at FPI's insistence.¹ FPI
4 contends three of the terms are indefinite. The Court construes the terms below.

5 I. LEGAL STANDARD

6 The construction of the terms in a patent claim is a question of law to be determined by the
7 Court. See *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979 (Fed. Cir. 1995) (en banc),
8 *aff'd*, 517 U.S. 370 (1996). "[T]he interpretation to be given a term can only be determined and
9 confirmed with a full understanding of what the inventors actually invented and intended to
10 envelop with the claim." *Phillips v. AWH Corp.*, 415 F.3d 1303, 1316 (Fed. Cir. 2005) (citation
11 and quotation omitted). The "correct construction" will "stay[] true to the claim language and
12 most naturally aligns with the patent's description of the invention." *Id.* Not every claim term
13 must be construed, but "[w]hen the parties present a fundamental dispute regarding the scope of a
14 claim term, it is the court's duty to resolve it." *O2 Micro Int'l Ltd. v. Beyond Innovation Tech.*
15 *Co.*, 521 F.3d 1351, 1362 (Fed. Cir. 2008).

16 Claim construction proceeds according to important principles of interpretation. First, "the
17 claims of a patent define the invention," *Innova/Pure Water, Inc. v. Safari Water Filtration Sys.,*
18 *Inc.*, 381 F.3d 1111, 1115 (Fed. Cir. 2004). The words of a claim are generally given their
19 "ordinary and customary meaning," which is the "meaning that the term would have to a person of
20 ordinary skill in the art in question at the time of the invention." *Phillips*, 415 F.3d at 1312-13.
21 "The inquiry into how a person of ordinary skill in the art understands a claim term provides an
22 objective baseline from which to begin claim interpretation." *Id.* at 1313. Such a person "read[s]
23 the claim term not only in the context of the particular claim in which the disputed term appears,

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26 ¹ Two terms that were originally selected by the parties have since been dropped. The first,
27 "closely spaced such that sides of successive pouches are lightly tacked together for [facile]
28 separation," was mooted when APS elected not to pursue infringement of the only claims in which
the term appeared ('191 patent claims 6 and 10, and '288 patent claims 5 and 9). See Docket No.
184 (APS's preliminary election of asserted claims). The second, "opposite edge," was withdrawn
by FPI with the Court's leave in favor of the newly added term, "large perforations," for which the
Court received supplemental briefing. See Docket Nos. 212 and 213.

1 but in the context of the entire patent, including the specification.” *Id.*

2 “In some cases, the ordinary meaning of claim language as understood by a person of skill
3 in the art may be readily apparent even to lay judges, and claim construction in such cases
4 involves little more than the application of the widely accepted meaning of commonly understood
5 words.” *Id.* at 1314. In other instances, however, claim language requires interpretation. In
6 construing claim language, the court looks to “those sources available to the public that show what
7 a person of skill in the art would have understood disputed claim language to mean,” including
8 “the words of the claims themselves, the remainder of the specification, the prosecution history,
9 and extrinsic evidence concerning relevant scientific principles, the meaning of technical terms,
10 and the state of the art.” *Id.* (quotations and citations omitted).

11 “[T]he claims themselves provide substantial guidance as to the meaning of particular
12 claim terms.” *Phillips*, 415 F.3d at 1314. The “context in which a term is used in the asserted
13 claim,” “[o]ther claims of the patent in question, both asserted and unasserted,” and “[d]ifferences
14 among claims” are all instructive. *Id.* “The claims, of course, do not stand alone” and instead
15 “must be read in view of the specification,” which is “[u]sually ... dispositive” and “the single best
16 guide to the meaning of a disputed term.” *Id.* at 1315.

17 Courts “normally do not interpret claim terms in a way that excludes disclosed examples in
18 the specification.” *Verizon Servs. Corp. v. Vonage Holdings Corp.*, 503 F.3d 1295, 1305 (Fed.
19 Cir. 2007). However, in general, “limitations from the specification are not to be read into the
20 claims.” *Comark Commc'ns, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998). That is
21 because “the purposes of the specification are to teach and enable those of skill in the art to make
22 and use the invention and to provide a best mode for doing so.” *Phillips*, 415 F.3d at 1323. The
23 effect and force of specifications varies. “[U]pon reading the specification in that context, it will
24 become clear whether the patentee is setting out specific examples of the invention to accomplish
25 those goals, or whether the patentee instead intends for the claims and the embodiments in the
26 specifications to be strictly coextensive.” *Id.*

27 In addition to consulting the specification, “the court should also consider the patent’s
28 prosecution history.” *Markman*, 52 F.3d at 980 (citing *Graham v. John Deere Co.*, 383 U.S. 1, 33

1 (1966)). However, because the “prosecution history represents an ongoing negotiation between
2 the [Patent and Trademark Office] and the applicant,” it “often lacks the clarity of the
3 specification” and therefore “is less useful.” *Phillips*, 415 F.3d at 1317.

4 Though intrinsic evidence—the claims, specification, and prosecution history—is more
5 significant and reliable than extrinsic evidence, courts may also consider the extrinsic record in
6 claim construction, including expert and inventor testimony, dictionaries, and learned treatises. *Id.*
7 at 1317-18. “Within the class of extrinsic evidence, . . . dictionaries and treatises,” “especially
8 technical dictionaries . . . can assist the court in determining the meaning of particular terminology
9 to those of skill in the art” because they “endeavor to collect the accepted meanings of terms used
10 in various fields of science and technology.” *Id.* at 1318.

11 Further, expert testimony can “provide background on the technology at issue, to explain
12 how an invention works, to ensure that the court’s understanding of the technical aspects of the
13 patent is consistent with that of a person of skill in the art, or to establish that a particular term in
14 the patent or the prior art has a particular meaning in the pertinent field.” *Id.* However,
15 “conclusory, unsupported assertions” are not useful, nor should the court accept expert testimony
16 “that is clearly at odds with the claim construction mandated by the claims themselves, the written
17 description, and the prosecution history.” *Id.* (quotation and citation omitted).

18 **II. CLAIM CONSTRUCTION**

19 With respect to its claim construction arguments, APS frequently cites positions taken by
20 FPI during Inter Partes Review of the patents before the PTO, such as FPI’s failure to advance the
21 constructions it now proposes. Because this argument is repeated with respect to nearly every
22 claim, the Court addresses it as a threshold question to avoid repetitive analysis below.

23 In short, FPI’s failure to advance a particular construction during claim construction in IPR
24 proceedings is not probative in these proceedings. In IPR proceedings, the PTO must “issue a
25 final written decision with respect to the patentability of any patent claim challenged by the
26 petitioner.” 35 U.S.C. § 318(a). For purposes of IPR review, the PTO applies “the broadest
27 reasonable interpretation” of a claim term when reviewing patentability; it does not engage in
28 claim construction. *In re Cuozzo Speed Tech., LLC*, 793 F.3d 1268, 1277 (Fed. Cir. 2015). In

1 contrast, in the instant patent infringement litigation, the Court must construe the terms of the
2 claim in accordance with a different standard – claim terms are “generally given their ordinary and
3 customary meaning,” which is “the meaning that the term would have to a person of ordinary skill
4 in the art in question at the time of the invention, i.e., as of the effective filing date of the patent
5 application.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13 (Fed. Cir. 2005). *See also PPC*
6 *Broadband, Inc. v. Corning Optical Commc 'ns RF, LLC*, 815 F.3d 747, 756 (Fed. Cir. 2016)
7 (discussing the differences between the “broadest reasonable construction” standard applied in
8 IPR and claim construction under *Phillips*). Because of these material differences, FPI’s failure to
9 advance a construction or argue indefiniteness in IPR proceedings is explainable and thus not
10 probative to *Markman* claim construction. *See, e.g., GoPro, Inc. v. C&A Mktg., Inc.*, No. 16-cv-
11 03590, 2017 WL 3131449-JST, at *5 n.4 (N.D. Cal. Jul. 24, 2017) (agreeing that “arguments in
12 [a] petition[] for *inter partes* review . . . that the claims required no construction do not constitute
13 an admission for purposes of the claim construction in the district court litigation” because the
14 PTAB “applies a different standard . . . than this Court”); *JDS Techs., Inc. v. Avigilon USA Corp.*,
15 No. 15-cv-10385, 2017 WL 4248855, at *6 (E.D. Mich. Jul. 25, 2017) (holding that arguments in
16 IPR submissions are not relevant to claim construction because “the USPTO’s broadest reasonable
17 construction standard of claim construction has limited significance in the context of patent
18 infringement, which is governed by the more comprehensive scrutiny and principles required by
19 *Phillips* and its progeny”); *Fontem Ventures, B.V. v. NJOY, Inc.*, No. 14-cv-1645, 2015 WL
20 12766460, at *11 (C.D. Cal. Jan. 29, 2015) (refraining from constructing term based on IPR
21 submission because “the [IPR] and *Phillips* standards differ significantly”).

22 The Court now proceeds to construe the disputed claim terms.

23 A. “edge”

24 The term “edge” is used in both the Variable Perforation and Gap-Forming patent families.
25 *See* ‘191 [claims 1-3, 7, 8, 12], 288 [claim 1, 2, 6, 7, 11, 12], ‘220 [claim 1, 2], ‘439 [claim 1, 2, 6-
26 10, 14-20], ‘994 [claim 1], ‘459 [claim 1, 3]. APS advances a construction of “edge” to mean the
27 “line or area farthest from the center.” In contrast, FPI argues no construction of the term is
28 necessary, but if the Court proceeds, the plain meaning of the term is “[t]he line at which a film

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