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                  UNITED STATES DISTRICT COURT
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                 CENTRAL DISTRICT OF CALIFORNIA
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   UPL NA, INC.,
                                     CV 19-1201-RSWL-KS
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                                     ORDER RE: CLAIM
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                 Plaintiff,,
                                     CONSTRUCTION HEARING
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   TIDE INT'L (USA), INC.;
   ZHEJIANG TIDE CROPSCIENCE
   CO., LTD.; and NINGBO TIDE
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    IMP. & EXP. CO., LTD.,
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                 Defendants.
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        On March 10, 2020, this Court held a Markman
   Hearing to hear oral argument regarding the proposed
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   claim construction of the terms: (1) low compact; (2)
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   dispersing agent; (3) antifoaming agent; and (4)
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   stabilizer contained in the United States Patent No.
                The Court NOW FINDS AND RULES AS FOLLOWS:
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   7,473,685.
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(1) the preamble is not limiting and thus "low compact" need not be construed; (2) the term "dispersing agent" shall be construed as "an agent that assists with dispersion"; (3) the term "antifoaming agent" shall mean "an agent that reduces or prevents the formation of foam"; and (4) the term "stabilizer" shall be "an agent that promotes physical or chemical stability."

### I. BACKGROUND

## A. Factual Background

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Plaintiff UPL NA, Inc., ("Plaintiff") is a supplier of crop protection products and plant technologies designed for agricultural, professional, and aquatics markets in the United States. Compl. ¶ 8, ECF No. 1. Defendant Tide International (USA), Inc.; Defendant Zhejiang Tide CropScience, Co., Ltd.; and Defendant Ningbo Tide Imp. & Exp. Co., Ltd., (collectively "Defendants") comprise part of a group informally known as the "Tide Group," which "has a strong sales network" and "has established several companies or offices" outside of China. Id. ¶ 9. In the United States, Defendants' business includes the sale of pesticide technical and formulate products, utilizing the advantages of EPA registrations and localized operations in the United States. <u>Id.</u> ¶ 11. Plaintiff alleges that Defendants invested around \$1,000,000 to improve their formulation for abamectin so that they could market the product in California without the warning statement that "the product contains organic



chemical composition, use of same in California may cause physical deficiency or harm to birth," with the expectation that farmers in California would naturally choose more healthy products. Id. ¶ 15.

On January 6, 2009, the United States Patent and Trademark Office duly and legally issued the Patent Number 7,473,685, titled "Process for Preparation of Chemically Stable, Dry-Flow, Low Compact, Dust Free, Soluble Granules of Phosphoroamidothioates" (the "'685 Patent"). Id. ¶ 24. The '685 Patent relates to, among other things, a specific formula for a chemically stable, dry flow, low compact, dust free soluble phosphoramidothioate granule consisting of an active ingredient, a dispersing agent, a wetting agent, an antifoaming agent, a stabilizer, and fillers. Id. ¶ Plaintiff claims that the '685 Patent is valid and 25. enforceable, and Plaintiff is the owner and assignee of the patent with full rights to pursue damages for infringement of the '685 Patent. <u>Id.</u> ¶¶ 27-28.

Plaintiff alleges that Defendants use and sell or import into the United States Tide Acephate 90 WDG, Tide Acephate 90 WSG, and Tide Acephate 97 SG (collectively the "Tide Acephate Products"). Id. ¶ 30. On or about June 5, 2017, Plaintiff's counsel sent a letter to Mr. Zhengyu Yang ("Yang"), the General Manager of Ningbo Tide and Chairman of the Tide Group notifying Defendants of three U.S. patents, including the '685 Patent, in relation to the Tide Acephate



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Products. <u>Id.</u> ¶ 31. Plaintiff alleges that one or more of the Tide Acephate Products literally or equivalently meet every limitation of at least claim 1 of the '685 Patent. <u>Id.</u> ¶ 33.

Plaintiff claims that Defendants have infringed and will continue to infringe one or more claims of the '685 Patent, including at least claim 1 of the '685 Patent, by making, using, selling, and/or offering to sell in the United States and/or importing into the United States the Tide Acephate Products in violation of 35 U.S.C. §§ 271(a), (b), and/or (c). Id. ¶ 48. Plaintiff states that it has been injured and will continue to suffer additional irreparable harm unless Defendants are enjoined from infringing the '685 Patent. Id. ¶ 50.

## B. <u>Procedural Background</u>

Plaintiff filed its Complaint [1] on June 17, 2019, alleging patent infringement. After the parties stipulated to extend the time to answer the Complaint [23], Defendants filed their Answer [24] on August 12, 2019. On December 3, 2019, Defendants filed a Motion for Leave to File an Amended Answer [58], which this Court granted on February 5, 2020 [64].

The Court's scheduling order set the Markman/Claim Construction hearing ("Markman Hearing") for March 10, 2020 at 10:00 am [49]. The parties filed their Joint Claim Construction and Prehearing Statement ("Joint Markman Statement") on February 4, 2020 [63].



Subsequently, Plaintiff filed its Opening Claim
Construction Brief ("Plaintiff's Opening Brief") [66]
and Defendants filed their Opening Claim Construction
Brief ("Defendants' Opening Brief") [69]. On February
25, 2020, Plaintiff filed its Responsive Brief
("Plaintiff's Responsive Brief") [71]. That same day,
Defendants filed their Rebuttal Claim Construction
Brief ("Defendants' Rebuttal Brief") [72].

Five days before the Markman Hearing, on March 5, 2020, the parties filed a Joint Stipulation to Stay Case Pending Lifting of Travel Restrictions due to Coronavirus [76], which this Court granted in part and denied in part [77]. The Markman Hearing was held on March 10, 2020.

### II. DISCUSSION

## A. Legal Standard

Claim construction of a patent, including terms of art within claims, is exclusively within the province of the court, not the jury. Markman v. Westview

Instruments, Inc., 517 U.S. 370, 388-89 (1996). 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" (a "POSITA"). Phillips v. AWH Corp., 415 F.3d 1303, 1312-13 (Fed. Cir. 2005) (internal quotations and citations omitted).

Claim construction begins with an analysis of the



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