

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

PAICE LLC, *et al.*,

BMW,

v.

BAYERISCHE MOTOREN WERKE, A.G.,
et al.,

Paice.

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Civil Case No. SAG-19-3348

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MEMORANDUM OPINION

Paice LLC (“Paice”) and The Abell Foundation, Inc. (“Abell”) (collectively, “Paice”) sued Bayerische Motoren Werke, A.G. and BMW of North America, LLC (collectively, “BMW”) for patent infringement. Pending is claim construction for the disputed terms of U.S. Patent Nos. 7,104,347 (“the ’347 patent”); 7,237,634 (“the ’634 patent”); and 8,630,761 (“the ’761 patent”) (collectively, the “Asserted Patents”). On October 15, 2020, the Court held a claim construction hearing. For the following reasons, the claim constructions adopted by the Court will govern this litigation.

I. BACKGROUND

Paice is a Delaware limited liability company with its principal place of business in Maryland. ECF 1 at 3. Established in 1992 by Doctor Alex J. Severinsky, the company “develops and promotes innovative hybrid electric vehicle technology that improves fuel efficiency and lowers emissions, while maintaining superior driving performance.” *Id.* Abell, a Maryland corporation, is a nonprofit charitable organization whose objectives include increasing energy

efficiency and producing alternative energy. *Id.* BMW, meanwhile, is an automaker that manufactures, markets, and sells luxury cars worldwide, including hybrid electric vehicles.

Paice and Abell are co-owners by assignment of the entire right, title, and interest in and to U.S. Patent Nos. 7,104,347; 7,237,634; and 8,630,761. *Id.* at 6. The '347, '634, '761 patents are part of a family of patents related to U.S. Patent No. 6,209,672. *Id.* at 7. The patents involve hybrid vehicle technologies, and per Paice's description involve "hybrid topologies and methods of control to optimize vehicle performance, fuel economy, and emissions efficiency." *Id.* More specifically, since a hybrid vehicle uses two power sources—an electric motor (powered by a battery) and an internal combustion engine (powered by gasoline)—the vehicle requires a way to switch between the two power supplies. The patents claim control strategies for coordinating these two power sources.

On August 7, 2020, the parties submitted a Joint Claim Construction statement. ECF No. 71. On that same day, BMW submitted their opening claim construction brief. ECF No. 73, as did Paice, ECF No. 72. On September 8, 2020, BMW filed their responsive claim construction brief, ECF 82, as did Paice, ECF 81. A claim construction hearing was held on October 15, 2020.

II. LEGAL STANDARD

Claim construction is a question of law, to be determined by the Court. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 384 (1996). Specifically, "[c]laim 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. It is not an obligatory exercise in redundancy." Therefore, "district courts are not ... required to construe every limitation present in a patent's asserted claims." *O2 Micro Int'l Ltd. v. Beyond Innovation Tech. Co.*, 521 F.3d 1351, 1362 (Fed. Cir. 2008). For instance, terms that are

“commonplace” or that “a juror can easily use [] in her infringement fact-finding without further direction from the court” need not be construed because they “are neither unfamiliar to the jury, confusing to the jury, nor affected by the specification or prosecution history.”

“It is a bedrock principle of patent law that the claims of a patent define the invention to which the patentee is entitled the right to exclude.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (internal quotation marks omitted), cert. denied, 546 U.S. 1170 (2006). Thus, unsurprisingly, “the claim construction analysis must begin and remain centered on the claim language itself.” *Id.* A court should give the term’s words their “ordinary and customary meaning” as would be understood by “a person of ordinary skill in the art in question at the time of the invention.” *Id.* at 1313. “A determination that a claim term . . . has the ‘plain and ordinary meaning’ may be inadequate when a term has more than one ‘ordinary’ meaning or when reliance on a term’s ‘ordinary’ meaning does not resolve the parties’ dispute.” *O2 Micro*, 521 F.3d at 1361.

In addition to the plain language of the claim itself, “the claim should be read within the context of the entire patent, including the specification.” *Pulse Med. Instruments, Inc. v. Drug Impairment Detection Servs., Inc.*, 2009 WL 6898404, at *1 (D. Md. Mar. 20, 2009). The specification “is always highly relevant to the claim construction analysis. Usually it is dispositive; it is the single best guide to the meaning of a disputed term.” *Vitronics Corp. v. Conceptor, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996). Yet, in other Federal Circuit decisions, the specification’s use has been limited to circumstances in which either “a patentee sets out a definition and acts as his own lexicographer,” or “when the patentee disavows the full scope of a claim term either in the specification or during prosecution.” *Unwired Planet, LLC v. Apple Inc.*, 829 F.3d 1353, 1358 (Fed. Cir. 2016). To this end, the Federal Circuit has “acknowledge[d] the difficulty in drawing the fine line between construing the claims in light of the specification and

improperly importing a limitation from the specification into the claims.” *Cont’l Circuits LLC v. Intel Corp.*, 915 F.3d 788, 797 (Fed. Cir. 2019), cert. denied, 140 S. Ct. 648 (2019). Through close review of the specification, “[m]uch of the time . . . it will become clear whether the patentee is setting out specific examples of the invention to accomplish those goals, or whether the patentee instead intends for the claims and the embodiments in the specification to be strictly coextensive.” *Phillips*, 415 F.3d 1323. To that end, for the specification language to restrict the scope of claim term, it must “rise to the level of ‘a clear and unmistakable disclaimer.’” *Cont’l Circuits*, 915 F.3d at 797 (quoting *Thorner v. Sony Computer Entm’t Am. LLC*, 669 F.3d 1362, 1367 (Fed. Cir. 2012)).

“In addition to consulting the specification ... a court should also consider the patent’s prosecution history, if it is in evidence.” *Phillips*, 415 F.3d at 1317 (internal quotation marks omitted). “The prosecution history limits the interpretation of claim terms so as to exclude any interpretation that was disclaimed during prosecution.” *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1576 (Fed. Cir. 1995), cert. denied, 516 U.S. 987 (1995). “Yet because the prosecution history represents an ongoing negotiation between the PTO and the applicant, rather than the final product of that negotiation, it often lacks the clarity of the specification and thus is less useful for claim construction purposes.” *Phillips*, 415 F.3d at 1317. Relatedly, “statements made by a patent owner during an IPR proceeding can be considered during claim construction and relied upon to support a finding of prosecution disclaimer.” *Asylus Networks, Inc. v. Apple, Inc.*, 856 F.3d 1353, 1361 (Fed. Cir. 2017).

“In most situations, an analysis of the intrinsic evidence alone will resolve any ambiguity in a disputed claim term. In such circumstances, it is improper to rely on extrinsic evidence.” *Vitronics*, 90 F.3d at 1583. Extrinsic evidence, including expert and inventor testimony, dictionaries, and learned treatises, may be helpful to explain scientific principles, the meaning of

technical terms, and terms of art that appear in the patent and prosecution history. Extrinsic evidence may demonstrate the state of the prior art at the time of the invention. It is useful to show what was then old, to distinguish what was new, and to aid the court in the construction of the patent. *Markman*, 52 F.3d 967, 980 (Fed. Cir. 1995) (internal quotation marks omitted), *aff'd*, 517 U.S. 370 (1996). “In sum, extrinsic evidence may be useful to the court, but it is unlikely to result in a reliable interpretation of patent claim scope unless considered in the context of the intrinsic evidence.” *Phillips*, 415 F.3d at 1319.

III. ANALYSIS OF THE DISPUTED TERMS

a. Term 1

Claim Term	Paice’s proposed construction	BMW’s proposed construction
“shafts may be connected by a non-slipping clutch”	Plain and ordinary meaning	“shafts are connected by a non-slipping clutch, a non-conventional automotive friction clutch that does not allow for extensive relative slipping before the shafts are engaged”

The core of the dispute over construction of this term is the parties’ disagreement over whether Paice’s use of the permissive phrase “may be connected” should be replaced with the mandatory phrase “are connected,” at BMW’s urging. Paice argues that the word “may” is not ambiguous and is optional on its face. ECF 73 at 12-13. Paice also notes that BMW failed to identify this claim term for construction and stated that it “accord[ed] the plain and ordinary meaning to the remaining terms” in its recent *inter partes* review (IPR) petition. *Id.* at 12, citing ECF 73-5 at 8. BMW responds with a contextual argument grounded in the specification, arguing that it argues limits the claim to the use of a non-slipping clutch and in doing so resolves ambiguity in the meaning of the term “may.” ECF 72 at 16-18.

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