

## OUTSIDE COUNSEL

## Expert Analysis

# Patents: When the ‘Plain and Ordinary’ Meaning Is Neither Plain nor Ordinary

It is common in patent cases for the patentee to ascribe “plain and ordinary” meaning to terms in a patent claim, while the defendant often seeks a narrower construction. But what if the parties agree that “plain and ordinary” applies but then dispute what the plain and ordinary meaning should be? The U.S. Court of Appeals for the Federal Circuit’s decisions provide conflicting guidance on the duty to construe a term when the plain and ordinary meaning is disputed. The lack of a clear rule has allowed district courts to vary widely in how they handle claim construction in these circumstances.

### The Federal Circuit

In *O2 Micro International v. Beyond Innovation Technology*, the Federal Circuit held that a determination that a claim term “needs no con-

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struction” or 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” mean-

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ing does not resolve the parties’ dispute.<sup>1</sup> The dispute in that case concerned the term “only if”; the plaintiff argued that the limitation applied only during “steady state” operation of the current controllers at issue, while the defendant argued that the “only if” limitation applied at all times without exception.

During the claim construction hearing, the district court acknowl-

edged the dispute over the scope of the asserted claims but declined to construe the term, stating that this term “has a well-understood definition, capable of application by both the jury and this court in considering the evidence submitted.” The Federal Circuit found this decision to be in error because the “ordinary” meaning of a term did not resolve the parties’ dispute. When the district court failed to adjudicate the parties’ dispute regarding the proper scope of the term, the parties’ arguments regarding the legal significance of the “only if” limitation were improperly submitted to the jury.

The Federal Circuit noted that claim construction requires the court to determine what claim scope is appropriate in the context of the patents-in-suit, and thus courts are frequently obliged to construe “ordinary” words under *Markman v. Westview Instruments*.<sup>2</sup> Remanding the case, the Federal Circuit concluded: “[w]hen the parties raise an actual dispute regarding the proper scope

of these claims, the court, not the jury, must resolve that dispute.”

On the other hand, in *Finjan v. Secure Computing*, the Federal Circuit found that the plain and ordinary meaning was a sufficient construction despite the parties’ dispute regarding the scope of the claims.<sup>3</sup> The term at issue there was “addressed to a client” in the context of Internet communications protocols. The plaintiff argued for “plain and ordinary meaning” while the defendant proposed to define “addressed” as “containing the IP [Internet protocol] address of the client computer,” and “client” as “the computer from which the user is making a request.” The district court acknowledged the parties’ dispute, but ruled that the term did not require construction and the jury could be instructed to give the words in the claims their “ordinary meaning.”

The Federal Circuit distinguished this case from *O2 Micro*, finding that the district court resolved the dispute by rejecting the defendant’s construction and by preventing the defendant’s expert from repeating to the jury that the asserted claims require an IP address. Moreover, the Federal Circuit noted that *Finjan* was not entitled to a new trial because *Finjan* failed to explain on appeal how a different definition would have negated infringement.

While the Federal Circuit instructed that the dispute in *Finjan* does not constitute an “actual dispute regarding the proper scope of the claims”

within the meaning of *O2 Micro*, the decision provides little guidance on when a plain and ordinary meaning construction will or will not suffice. Moreover, the court subsequently acknowledged that where the parties did not define a term, the term may have more than one “plain and ordinary” meaning.<sup>4</sup>

In *Kaneka Corp. v. Xiamen Kingdomway Group*, the district court construed the term “sealed tank” to mean “a tank that is closed to prevent the entry or exit of materials.”<sup>5</sup> The Federal Circuit reversed, agreeing with the plaintiff that the specification and disclosed embodiments showed that the “sealed tank” should be sealed to the atmosphere, but not necessarily to other materials, such as solvents. Defendants argued that because the patentee did not define the term “sealed,” the term must have one plain and ordinary meaning that governs, but the Federal Circuit ruled that, following *O2 Micro*, courts should be aware that a term may have more than one “plain and ordinary” meaning and a construction that excludes all disclosed embodiments is especially disfavored.

Most recently, the Federal Circuit revisited *O2 Micro* in finding that a plain and ordinary meaning construction was insufficient to overturn a \$13 million infringement verdict in *Eon Corp. IP Holdings v. Silver Spring Networks*.<sup>6</sup> The crucial question in *Eon* was whether the terms “portable” and “mobile”

should be construed to cover fixed or stationary products, such as Silver Spring’s smart electricity meters, in the context of claims directed to networks for two-way interactive communications. The Federal Circuit found that while “a court need not attempt the impossible task of resolving all questions of meaning with absolute, univocal finality,” the district court erred in rejecting Silver Spring’s proposed definition in favor of plain and ordinary meaning, thereby leaving the question of claim scope for the jury.

The Federal Circuit further noted that while the district court acknowledged the importance of context in determining claim scope (finding the terms’ meanings clear “in the context of the claims” and precluding the parties from interpreting the terms “in a manner inconsistent with this opinion”), the district court’s error lay in failing to provide the necessary context to the jury. The Federal Circuit then construed the claim terms in view of the specification and held that no remand was necessary because no reasonable jury could have found that Silver Spring’s electric utility meters infringe.

Notably, Judge Sharon Prost, who also authored the *O2 Micro* opinion, wrote for the majority in *Eon*. Judge William C. Bryson dissented, arguing that the accused meters would qualify as mobile and portable under the ordinary meaning of those terms, “capable of being

easily and conveniently transported,” and that the majority went too far in adopting Silver Spring’s proposed limitation “and designed to operate without a fixed location.” Bryson pointed to video and photograph evidence demonstrating that the power meters are smaller than a volleyball and are easily installed by hand into a socket with no tools needed.

In Bryson’s view, the fact that the meters were secured with a retaining ring and bolt only supported the jury’s finding that the meters were portable or mobile, as these precautions were put in place to prevent the meters from being moved. He also noted that the close parallelism of all of the dictionary definitions indicated that there is only one plain and ordinary meaning of the terms “mobile” and “portable” and, therefore, the district court’s instruction that the jury should give those terms their plain and ordinary meaning properly resolved the parties’ dispute. Thus, it appears that the adequacy of “plain and ordinary” meaning construction remains a contested subject within the Federal Circuit.

### District Courts

The lack of clear direction from the Federal Circuit has caused district courts to pursue different directions in claim construction. The Northern District of California has tended to construe even “ordinary” terms when a dispute regarding the

claim scope is presented by the parties, while the Eastern District of Texas has tended to find that no construction is necessary or that a “plain and ordinary” meaning construction will suffice.

For example, in *TVIIM, LLC v. McAfee*, the parties disputed the scope of the term “vulnerability” in the context of computer security, and both parties purported to propose a “plain and ordinary” meaning of the term.<sup>7</sup> The plaintiff, however, argued that the ordinary

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meaning should be a “‘pre-existing security problem,’ defined as a ‘mistake’ or ‘defect’ in software” while the defendant argued that the meaning should be “any exploitable weakness in a computer system.”

The Northern District of California found that the parties fundamentally disputed the meaning and scope of the term, and proceeded with a review of the specification and intrinsic history to conclude that the plain and ordinary meaning should not be limited to only “pre-existing” security problems.

In another case, the Northern District of California found that a

“plain and ordinary” meaning must be supplemented by the meaning intended in the specification.<sup>8</sup> In *NobelBiz v. LiveVox*, the parties disputed the term “replacement telephone number” and the plaintiff sought the “ordinary” meaning while the defendant proposed “a telephone number that is put in the place of the originator’s telephone number.” The court noted that plaintiff’s additional argument that the number is “selected” not “replaced” was inapposite and ignored the nature of the term entirely. The court also noted that the defendant’s inclusion of the clause “put in the place of” was too limiting and not supported by the specification. Thus, the court settled that the plain and ordinary meaning should be “a telephone number that substitutes for an original telephone number.”

In contrast, in *Queen’s University at Kingston v. Samsung Electronics*, the Eastern District of Texas held that a dispute regarding the scope of a claim term “boils down to the application of commonly understood words to particular fact situations” and concluded that questions of fact should be left for the finder of fact rather than for the court.<sup>9</sup> One of the terms in dispute was “wherein the operation that is modulated is initiated by the device” in the context of human-device communications. The plaintiff argued that no construction is needed, while the defendant

proposed “wherein the operation that is modulated is initiated by the device based on an information event and without explicit or implicit user input.”

The court observed that the invention was directed to device-initiated interactions or communications, and that the patentee’s statements during prosecution constituted a disclaimer of direct user input. Yet the court concluded that the prosecution history disclaimer did not confine the meaning of “initiated by the device” so as to exclude any user involvement altogether, such as the device’s perception of user’s attention state. Despite the fairly technical inquiry into the intrinsic history of the patent, the court found that no construction was needed, and proceeded to assign the plain and ordinary meaning to all 12 terms at issue in the claim construction.

Recently, the District of New Jersey grappled with the scope of a “plain” meaning construction that plaintiff proposed in *Sucampo v. Dr. Reddy’s Laboratories*.<sup>10</sup> There, the court took the novel approach of requiring the plaintiff to say whether defendants’ proposed construction fell within the plain meaning of the term.

### Final Thoughts

In view of the recent cases on “plain and ordinary” meaning, plaintiffs and defendants would be well advised to consider their proposed

constructions in the context of the venue in which they are likely to be heard. Plaintiffs are often tempted to seek a plain and ordinary meaning construction in the hopes that it will cover a wide array of accused products, and there can be real benefits to pursuing this strategy. But the strategy can backfire. The Patent Case Management Judicial Guide advises:

The more that outstanding claim construction issues are deferred until the late phases of litigation or are not resolved until trial, the greater the likelihood of legal error and surprises at trial. Resolving the material claim construction disputes well in advance of trial will prevent procedural aberrations from distracting from or distorting the merits of a case and minimize the risk of reversal and the need for retrial.<sup>11</sup>

*O2 Micro* creates real issues for case management, but can provide the support a defendant needs to build a case that real claim construction of even commonly understood terms is required. Venue can have an outsize effect on the success of this argument at the trial court level. Defendants planning long term, however, realize that, barring settlement, the ultimate audience for any claim construction disputes will be the Federal Circuit.



1. *O2 Micro Int’l v. Beyond Innovation Tech. Co.*, 521 F.3d 1351, 1361 (Fed. Cir. 2008).

2. *Id.* at 1362 n.3 (citing *Markman v. Westview Instruments*, 517 U.S. 370, 388-89 (1996) (explaining why judges “are the better suited to find the acquired meaning of patent terms”).

3. *Finjan v. Secure Computing*, 626 F.3d 1197, 1207 (Fed. Cir. 2010).

4. *Kaneka Corp. v. Xiamen Kingdomway Grp. Co.*, 790 F.3d 1298, 1304 (Fed. Cir. 2015).

5. *Id.* at 1302-4 (adopting the construction used by the International Trade Commission in a parallel proceeding, based on the definition from Merriam-Webster’s Collegiate Dictionary).

6. *Eon Corp. IP Holdings v. Silver Spring Networks*, 815 F.3d 1314 (Fed. Cir. 2016).

7. *TVIIM, LLC v. McAfee*, No. 13-CV-04545-HSG, 2015 WL 3956313, at \*1 (N.D. Cal. June 28, 2015).

8. *NobelBiz v. LiveVox*, No. 13-CV-1773-YGR, 2015 WL 225223, at \*11 (N.D. Cal. Jan. 16, 2015).

9. *Queen’s Univ. at Kingston v. Samsung Elec.*, No. 2:14-CV-53-JRG-RSP, 2015 WL 2250384, at \*10 (E.D. Tex. May 13, 2015).

10. *Sucampo AG v. Dr. Reddy’s Labs.*, No. 3-14-cv-07114 (D.N.J. March 4, 2016) (Letter Order) (Arpert, M.J.).

11. Menell, Peter S., Patent Case Management Judicial Guide, Third Edition (July 29, 2015) at 5-12. UC Berkeley Public Law Research Paper No. 2637605.