

# **Appellant's Brief**

FEB 14 1994

BRIEF OF APPELLANTS  
HERBERT MARKMAN AND POSITEK, INC.

FRANCIS X. GINDHART  
CLERK

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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91-1393, -1394, -1409

PALL CORPORATION,

Plaintiff/Cross-Appellant,

v.

MICRON SEPARATIONS, INC.,

Defendant-Appellant.

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No. 92-1049

HERBERT MARKMAN and POSITEK, INC.,

Plaintiffs-Appellants,

v.

WESTVIEW INSTRUMENTS, INC. and  
ALTHON ENTERPRISES, INC.,

Defendants-Appellees.

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APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA  
THE HONORABLE MARVIN KATZ

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Eckert Seamans Cherin & Mellott  
William B. Mallin  
Lewis F. Gould, Jr.  
Timothy P. Ryan  
Brian M. Martin  
600 Grant Street, 42nd Floor  
Pittsburgh, PA 15219  
(412) 566-6000

and  
1700 Market Street, Suite 3232  
Philadelphia, PA 19103  
(215) 563-8020

Attorneys for Appellants  
Herbert Markman and Positek, Inc.

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CERTIFICATE OF INTEREST

Pursuant to Rule 47.4 of the Rules of Practice before the United States Court of Appeals for the Federal Circuit, Counsel for Appellants, Herbert Markman and Positek, Inc., certify the following:

1. The full name of every party represented by the below-identified counsel is:

Herbert Markman; and  
Positek, Inc.

2. Positek, Inc. does not have a parent company, subsidiary or affiliate that has issued shares to the public.

3. The names of all law firms and the partners and associates that appeared for Herbert Markman and Positek, Inc. in the trial court are:

Eckert Seamans Cherin & Mellott  
600 Grant Street, 42nd Floor  
Pittsburgh, PA 15219

Partners:

William B. Mallin  
Timothy P. Ryan

Eckert Seamans Cherin & Mellott  
1700 Market Street, Suite 3232  
Philadelphia, PA 19103

Partners:

Lewis F. Gould, Jr.

Associates:

Frank Bozzo

4. The names of all law firms and the partners and associates that are expected to appear in this Court on behalf of Herbert Markman and Positek, Inc. are:

Eckert Seamans Cherin & Mellott  
600 Grant Street  
Pittsburgh, PA 15219

Partners:

William B. Mallin  
Timothy P. Ryan

Associates:

Brian M. Martin

Eckert Seamans Cherin & Mellott  
1700 Market Street, Suite 3232  
Philadelphia, PA 19103

Partners:

Lewis F. Gould, Jr.

Brian M. Martin  
William B. Mallin  
Timothy P. Ryan

Dated: February 14, 1994

STATEMENT OF RELATED CASES

(1) This appeal was before this Court at Case Number 92-1049. By order of this Court dated November 5, 1993 this matter has been referred to an en banc panel.

(2) The following cases pending before courts other than this Court may be affected by this Court's decision:

(a) Herbert Markman and Positek, Inc., v. Core Image Systems, Inc., and D & J Cleaners, Inc., in the United States District Court for the District of New Jersey, CA No. 91-1545 (AET); and

(b) Herbert Markman and Dry Cleaning Computer Systems, Inc. v. J & H Systems, Inc. and Imperial Drycleaners, Inc., in the United States District Court for the Western District of Pennsylvania, CA No. 91-0169.



### STATEMENT OF JURISDICTION

(a) The statutory basis for jurisdiction of the trial court is 28 U.S.C. § 1338(a).

(b) The statutory basis for jurisdiction of this Court is 28 U.S.C. § 1295(a)(1).

(c) The appeal is timely as the Notice of Appeal was filed with the Clerk of the District Court within 30 days after the date of entry of the judgment appealed from in conformity with Rule 4(a)(1) of the Federal Rules of Appellate Procedure.

STATEMENT CONCERNING ATTORNEYS' FEES

There is no claim for attorneys' fees made in this brief.

## **I. STATEMENT OF THE ISSUE PRESENTED FOR APPEAL**

Whether the court erred in granting defendants' motion under Fed.R.Civ.P. 50 to set aside the jury's verdict that the accused system infringed the patent in suit when the verdict was reasonable and supported by the evidence presented at trial.<sup>1</sup>

By Order of January 7, 1994, the Court en banc posed questions for additional briefing for rehearing en banc. See page 10 below.

## **II. STATEMENT OF THE CASE**

### **A. Introduction**

This is an appeal from the trial court's Order and Opinion granting defendants' motion for a directed verdict and setting aside the jury's verdict that defendants' inventory control and reporting system infringes the patent-in-suit. Defendants' motion for a directed verdict should never have been granted as the jury's verdict was supported by the substantial evidence presented at trial. Nevertheless, the court below mistakenly believed that it alone was to interpret the claims of the patent-in-suit and to apply the claims to the facts as it saw them as a matter of law, notwithstanding the disputed issues of fact regarding those claims

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<sup>1</sup>This is the issue presented in appeal 92-1049, Markman et al. v. Westview Instruments, Inc. et al. This brief submitted by plaintiffs-appellants in that appeal addresses that appeal and the questions posed by the Court for rehearing en banc but does not specifically address the separate appeal involved in the rehearing. The Court en banc is also respectfully referred to appellants' main and reply briefs filed in advance of the panel argument.



and their application to the accused system and the jury's required resolution of the same.

In reviewing jury verdicts, the limited question to be resolved by the trial court and this Court on appeal is whether the jury's verdict was reasonable. When an evidentiary basis for the jury's verdict is apparent, the verdict must stand. The court below did not conduct this inquiry. Instead, the court below reweighed the evidence and judged the credibility of witnesses en route to finding facts, applying the claims to the found facts, and upsetting the jury verdict.

Because the trial court failed to apply the appropriate standard of review of jury verdicts, it intruded into the domain of the jury to find facts and thereby abridged plaintiffs' Constitutional right to a jury trial. Moreover, in casting aside the jury verdict, the court erroneously interpreted the patent, misunderstood the functioning of the accused system and incorrectly made a factual finding that the accused system does not infringe the patent-in-suit.

Indeed, even if this Court were to conclude that claim interpretation is a matter reserved exclusively for the court as a matter of law, the trial court's interpretation of the claim was legal error as it violated several fundamental tenets of patent law and ignored critical facts. The jury's verdict, on the other hand, was supported by substantial evidence. The jury verdict was consistent with an appropriate interpretation of the infringed claims. It should not have been set aside.

This Court en banc has taken this opportunity to address the role of the judge and jury in matters of claim interpretation. Since this particular appeal involves an appeal from a jury verdict, plaintiffs believe that they can best assist this Court en banc on reargument by focusing upon the issues in the context of jury trials, including the Constitutional implications of the issues raised. This appeal presents a stark example of how an inventor's Seventh Amendment right to a jury trial was eclipsed by the lower court's mistaken understanding of its role in reviewing jury verdicts which involve claim construction. The following is a brief review of the proceedings which are set forth in more detail in plaintiffs' main brief.

**B. The Patent-in-Suit**

The patent-in-suit, U.S. Re. No. 33,054 (the "'054 Patent"), claims an inventory control and reporting system (A1014-22).<sup>2</sup> It calls for a data input device for entering data concerning the subject of each sequentially entered transaction (A1021-22). This data is recorded by a data processor which will associate unique indicia (e.g., a unique number) with each transaction (A1021-22).

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<sup>2</sup> Appendix references are to the Joint Appendix previously submitted to this Court. For the convenience of the Court en banc, plaintiffs have filed an additional 30 copies of Volume 1 of the Joint Appendix. The accused systems' source code constitutes the entirety of Volume II of that Appendix and has not been resubmitted.

For each transaction, a data processor directs a printer to generate a printed record (e.g., a ticket) which includes optically detectable bar codes representing the unique identifier of the transaction (A1021-22). These bar codes can be read by an optical scanner which is part of the system (A1021-22).

Claim 1 of the '054 Patent is an independent claim and defines the invention as follows:

The inventory control and reporting system, comprising:

a data input device for manual operation by an attendant, the input device having switch means operable to encode information relating to sequential transactions, each of the transactions having articles associated therewith, said information including transaction identity and descriptions of each of said articles associated with the transactions;

a data processor including memory operable to record said information and means to maintain an inventory total, said data processor having means to associate sequential transactions with unique sequential indicia and to generate at least one report of said total and said transactions, the unique sequential indicia and the descriptions of articles in the sequential transactions being reconcilable against one another;

a dot matrix printer operable under control of the data processor to generate a written record of the indicia associated with sequential transactions, the written record including optically-detectable bar codes having a series of contrasting spaced bands, the bar codes being printed only in coincidence with each said transaction and at least part of the written record bearing a portion to be attached to said articles; and

at least one optical scanner connected to the data processor and operable to detect said bar codes on all articles passing a predetermined station, whereby said system can detect and localize spurious additions to inventory as well as spurious deletions therefrom.

Claims 2 to 13 are dependent claims which are dependent on claim 1. These dependent claims contain additional limitations



which are not found in claim 1.

The specification contains a preferred embodiment in the drycleaning industry. While one or more of the dependent claims may arguable be limited to the preferred embodiment, independent claim 1 is broader than the preferred embodiment, as is demonstrated by the specification as well as the claim language.<sup>3</sup>

For example, as is manifest from claim 1 and the specification, while the claims cover, inter alia, an embodiment in which each item of drycleaning is individually tracked by a barcoded tag on the individual article with the data processor keeping in memory the description of each article, independent claim 1 is not so limited. From a fair reading of claim 1 and the express language in the specification, it is clear that an embodiment that controls and reports on inventory by batches of articles is covered by claim 1. In such an embodiment, it is clear that it is not necessary for the data processor to retain in memory a description of each article after the written record has been printed. In the context of the claims, the specifications and industry usage of terminology, it is also clear that "inventory total" as used in claim 1 may refer either to a physical inventory or a dollar inventory. There was ample evidence for the jury to so find. See plaintiffs' main brief.

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<sup>3</sup>Indeed, independent claim 1 and most of the claims of the patent are not limited to the drycleaning industry. Like all patents, the claims are not limited to the preferred embodiment or best mode.

**C. The Accused System**

The accused system was marketed by defendant Westview as "America's first choice for inventory control" (A1587) and as providing a "complete laundry and dry cleaning inventory to be stored within a single unit" (A1061). The evidence presented at trial concerning the features and capabilities of the accused system was extensive and included several demonstrations of the accused system (A715-29; A920-22); the testimony of Westview's president, Mr. Jenkins (A911-35); the testimony of plaintiffs' technical expert, Mr. Mikula (A709-41); and the accused system's operating manuals, brochures and computer programs (A1029-1057; A1058-1094; A1095-96; A1587-1602; A1097-1098; A1099-1100; A1101-1248; A1249-1570). What emerged from this evidence was a portrait of an inventory control and reporting system which infringes the literal language of claims 1 and 10 of the patent-in-suit. The evidence presented at trial established that claim 1 of the patent reads on the accused system. (A1014-22; A1058-94; A713-29; A1587-1602; A744-48; A756-852). See also, the chart at p. 15 of plaintiffs' main brief previously submitted.

**D. The Jury Trial and the Jury's Verdict**

On September 24, 1991, a jury was empaneled and trial was commenced before Judge Katz (A656-59). On the issue of

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<sup>4</sup> A complete description of the accused system is contained in plaintiffs' main and reply briefs previously filed.

infringement, plaintiffs presented to the jury the testimony of four witnesses: John Mikula, an expert on computer equipment, computer matters and bar code technology, who testified concerning the operation, capacity and function of the accused system and demonstrated Westview's system to the jury (A703-41); Eugene Chovanes, an expert on patents, who interpreted the claims of the patent and testified on how the claims of the patent read on the accused system (A741-852); Herbert Markman, the inventor (A870-910); and Donald Pfingstler, an expert on the analysis of business and financial records (A864-70). The testimony of these witnesses, documents, including the accused system's operating manuals, brochures and computer program, and the accused system itself were presented to the jury and received into evidence.

Defendants called a single witness during the infringement portion of the trial, Mr. Jenkins, president of Westview. Mr. Jenkins' testimony was limited to his description of the features of the accused device (A911-35). Significantly, defendants did not offer to the jury a single witness to rebut the testimony of Mr. Chovanes regarding the meaning of the patent claims and the fact that the patent claims read literally on the accused device. Indeed, Mr. Jenkins testified that he had a "difficult time" with the language of patents, and did not offer any testimony regarding the interpretation of the patent or its claims (A919).

Thereafter, counsel gave their closing statements and the court charged the jury on the infringement issue. The court's charge to the jury instructed on the burden of proof (A965-68), and



the requirements of infringement, including a description of literal infringement and the doctrine of equivalents (A968-77). After the court defined and interpreted the relevant claims of the patent-in-suit (A969-73), it instructed the jury to:

determine the meaning of the claims taking the interpretation as I've explained it [sic] to you using the relevant patent documents including the specifications, the drawings and the file histories. . . .

After you've decided what the claims mean, you apply the claims as interpreted to the Westview productions [sic, products] in question to determine if the claims read on them.

(A974-75).

After its deliberations, the jury returned a general verdict finding that the accused system infringes claims 1 and 10 of the patent in suit (A650). The jury also found that the accused system did not infringe claim 14 of the patent-in-suit (A650).

As the parties were preparing to move into the next phase of the trifurcated trial, Judge Katz granted the defendants' motion for a directed verdict and set aside the jury's verdict of infringement as to claims 1 and 10 and let stand the jury's verdict of noninfringement as to claim 14 (A1-9).

#### **E. The Order Of The Court Below**

A complete analysis of the court's Order is contained in plaintiffs' main and reply briefs previously submitted. In short, defendants' motion for a directed verdict should never have been granted as the evidence furnished a more than adequate basis for the jury to conclude that the accused system infringes the patent-in-suit. Nevertheless, the court improperly reweighed the evidence

and reached a contrary conclusion. The trial judge expressed the view that a question of claim interpretation was exclusively for the court, regardless of the jury verdict and, apparently, regardless of the evidence.

Contrary to the plain language of the patent and the evidence introduced at trial, the court held that the patent claims described an inventory control and reporting system with a data processor which must store and maintains indefinitely in its memory an inventory of descriptions of each article of clothing. The court also mistakenly concluded that the claims of the patent require bar codes to be attached to each individual articles of clothing and that the individual articles must be tracked through the dry cleaning process. The court's interpretation of the claims is contrary to the plain meaning of those claims and the evidence presented to the jury and violated fundamental tenets of patent interpretation.

**F. This Appeal**

On October 24, 1991, plaintiffs filed a Notice of Appeal to this Court. Plaintiffs submitted briefs demonstrating that the trial court failed to apply the appropriate standard of review of the jury verdict and thereby violated plaintiffs' Seventh Amendment rights to a jury trial. Oral argument was held before a panel of this Court on May 8, 1992. No opinion or decision was issued by the panel.

Instead, on November 5, 1993, this Court, sua sponte, ordered that this appeal be heard by the Court en banc. On January 7,

1994, this Court entered an Order in this appeal and the appeal of Pall Corp. v. Micron Separations, Inc. That Order, after noting that these appeals "raise significant issues relating to interpretation of a claim in a patent", permitted additional briefing for rehearing en banc, established a briefing schedule and indicated oral argument will be scheduled after briefs are filed. That Order set forth four questions for additional briefing.

III. PRELIMINARY STATEMENT REGARDING ISSUES FOR EN BANC CONSIDERATION.

The Constitutionally-based patent privilege is bestowed upon an inventor because it is conducive to industrial innovation and, ultimately, economic prosperity. The Court of Appeals for the Federal Circuit was born out of dissatisfaction with cross-circuit disparate treatment of patent rights and its concomitant disincentive to industrial creativity. With the efforts of this Court, patent law has been simplified, permitting greater understanding and predictability.

Not surprisingly, with the demistification of patent law and the increasing demands on district judges, litigants have become increasingly comfortable placing in the hands of juries the duty of finding facts and applying the law to the facts in patent cases. Indeed, during the decade of the 1980's, patent cases tried to juries doubled. Avern Cohen, Patent Breakout Session, Tenth Annual Judicial Conference of the United States Court of Appeals for the Federal Circuit, 146 F.R.D. 205, 374 (1993).

That the Seventh Amendment entitles an inventor to a jury



trial is without doubt. The Supreme Court used these words:

Maintenance of the jury as a fact-finding body is of such importance and occupies so firm a place in our history and jurisprudence that any seeming curtailment of the right to a jury trial should be scrutinized with utmost care.

Dimick v. Schiedt, 293 U.S. 474, 486 (1935). Courts, therefore, are charged with the mandate of securing and preserving the role of the jury in our system of civil jurisprudence.

With these considerations in mind, the Supreme Court and the Courts of Appeals have established a body of law rooted in the Constitution relating to the role of the jury and standards of review of jury verdicts. Appropriately, a jury's verdict is entitled to paramount judicial deference and is not to be set aside unless there was no evidentiary basis for the verdict. The trial and appellate court's function in reviewing a jury's findings is exhausted when an evidentiary basis for the verdict is apparent. Accordingly, the trial and appellate courts are not permitted to weigh evidence or to judge the credibility of witnesses, as such functions are assigned to the fact-finder. In a jury trial, drawing factual inferences and applying legal rules to facts and findings of facts are for the jury, not the judge. These precepts were not followed in the instant case.

Under proper instructions from the district court, the jury here interpreted the disputed claims in light of the trial testimony and evidence (including expert testimony), the other claims, the specification and the prosecution history, all of which were presented to the jury. The jury evaluated the evidence and

then returned with the only verdict supported by that evidence: infringement. Significantly, the jury made this finding in the face of underlying evidentiary disputes as to claim interpretation. Guided by the instructions from the court and consistent with the rules of patent claim construction forged by this Court, the jury rejected defendants' unwarranted and improper attempts to limit independent claim 1 to the preferred embodiment or to engraft on to independent claim 1 limitations appearing in dependent claims. The jury made a factual finding of infringement which was supported by substantial evidence and was not inconsistent with any tenet of claim construction.

Plaintiffs' fundamental right to a jury determination of these issues should not have been extinguished merely because the district court disagreed with the evidence and the jury's findings and took a different view than the jury of plaintiffs' cogent expert testimony on infringement. The judge's belated grant of a directed verdict on infringement abridged plaintiffs' Constitutional right to a jury trial.

In addressing the issues of the role of judges and juries in claim interpretation, the Federal Circuit should not cull patent jury trials from the mainstream of law as to do so would only confuse courts and endanger fundamental rights. As stated by former Chief Judge Markey:

There is neither reason nor authority for employing in a patent trial procedures and practices different from those employed in any other civil trial. Indeed, reason and authority mandate the contrary.

H. T. Markey, On Simplifying Patent Trials, 116 F.R.D. 369, 370 (1987). See also, Connell v. Sears, Roebuck & Co., 722 F.2d 1542, 1547, 220 USPQ 193, 197 (Fed. Cir. 1983), where this Court stated:

So long as the Seventh Amendment stands, the right to a jury trial should not be rationed, nor particular issues in particular types of cases be treated differently from similar issues in other types of cases.

This Court restated its fidelity to an inventor's right to a jury trial in SRI International v. Matsushita Electric Corp., 775 F.2d 1107, 1127, 227 USPQ 557, 590 (Fed. Cir. 1985) (Markey, C. J. additional opinion):

[I]t is appropriate to affirm unequivocally that patent litigants are entitled to neither greater nor a lesser but to the same right to a jury trial, under the same governing considerations, as are all other litigants.

See also, Railroad Dynamics, Inc. v. A. Stucki Co., 727 F.2d 1506, 1515, 220 USPQ 929, 937 (Fed. Cir.), cert. denied, 469 U.S. 871 (1984) ("There is, of course, no reason for considering patent cases as somehow out of the mainstream of the law and rules of procedure applicable to jury trials for centuries under our jurisprudence.")

If the goal of reargument before the Court en banc is to shape a stable body of law regarding claim interpretation and thereby diminish confusion and encroachments on Constitutional rights, then efforts should be made to harmonize the roles of the judge, jury and appellate court in patent jury trials with those in other jury trials. Plaintiffs respectfully submit that in fashioning and harmonizing those respective roles, the court should not view the jury as a disfavored vehicle for resolving disputes about patent



infringement. When properly instructed by the trial judge and appropriately informed by evidence, including expert testimony, and assisted by skilled counsel, a jury in a patent case, like juries in a whole range of important and complex litigation, is an appropriate and effective vehicle for decision making.

Trial by jury is a part of our democratic system and institutions, as well as integral to our felt sense of justice. It is critical to the confidence of a free people in the administration of justice. It cannot be discarded on notions of convenience or because of disagreement with findings within the jury's province. The Constitutional right to a jury trial is not just a mandate, it is also a sensible and proven method of adjudication which has served the federal judicial system well.

#### IV. ARGUMENT

- A. The Jury Verdict Here Should Be Reinstated Because The Resolution Of The Disputed Claim Interpretation Issues Expressly Submitted To The Jury Was Within The Province Of The Jury And The Reasonable Verdict Was Supported By Substantial Evidence.

In our system of jurisprudence the role of the judge is to determine the law and the role of the jury is to find facts which includes drawing factual inferences and applying legal rules to found facts resulting from factual disputes. While in appropriate circumstances, the claims of a patent, like a contract, may be determined as a matter of law, a patent is not law. Patents, like contracts, are bilateral instruments reflecting what a patentee intended to claim as his invention and what invention the Patent Office intended to grant patent protection. Photo Electronics

Corp. v. England, 581 F.2d 772, 776 (9th Cir. 1978); 2 Walker on Patents §§ 240, 245. In our judicial system, the jury has been empowered with the task of resolving factual disputes, especially those relating to the parties' intent. Accordingly, the jury has an undeniable role in interpreting patents.

Rules of statutory construction are designed to assist the finder of the law determine the intent of the lawmakers. Like the cannons of patent and contract construction, statutory interpretation permits courts to turn to extrinsic interpretational aids when the words of the statute fail to denote the scope of the statute. Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837 (1984). Unlike contracts or patents, however, because statutes embody the law, the law-finder is responsible for resolving ambiguities.

To empower a trial court with the fact-finding function of resolving evidentiary disputes regarding claim interpretation, as if patents were statutes, would not only run afoul of the Seventh Amendment, but would also saddle trial courts with unwarranted special practices and procedures regarding patent jury trials. As sagely emphasized by Former Chief Judge Markey:

To confront a trial judge with requests that for this one [patent jury] trial he or she should abandon the modus operandi of all other civil trials is unconscionable.

On Simplifying Patent Trials, 116 F.R.D. at 370-71.

Plaintiffs suggest that the Federal Circuit direct district courts to utilize the rich body of contract law, a law with which trial courts are familiar, for a helpful paradigm of patent claim

interpretation. As district courts know, a contract is to be construed as a matter of law, unless there is an ambiguity. After the court determines (as a matter of law) that an ambiguity is present, the jury is asked to resolve the ambiguity en route to deciding the ultimate issue of breach.<sup>5</sup>

Patent claim interpretation traditionally has and should follow the same interpretational paradigm. Like the interpretation of a contract, under appropriate circumstances the trial court may interpret a patent as a matter of law. If the court determines as a matter of law, however, that the claim language is reasonably disputable, a fact issue arises and the jury is called upon to find the facts.

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<sup>5</sup>As with the interpretation of contracts, a mere dispute over the meaning of a claim does not create a fact question. Johnston v. IVAC Corp., 885 F.2d 1574, 1579-80, 12 USPQ2d 1385 (Fed. Cir. 1989). "A disputed issue of fact may, of course, arise in connection with interpretation of a term in a claim if there is a genuine evidentiary conflict created by the underlying probative evidence pertinent to the claim's interpretation." Id. In cases where such a factual dispute arise, it is the jury's role to interpret the claim once it finds the facts. Structural Rubber Prods. Co. v. Park Rubber Co., 749 F.2d 707, 721 n. 14, 223 USPQ 1264, 1275 n. 14 (Fed. Cir. 1984) (citing McGill Inc. v. John Zink Co., 736 F.2d 666, 672, 221 USPQ 944 (Fed. Cir.), cert. denied, 469 U.S. 1037 (1984)).



Recently, a panel of this Court in Delta-X Corp. v. Baker Hughes Production Tools, Inc., 984 F.2d 410, 25 USPQ2d 1447 (Fed. Cir. 1993) unanimously endorsed the utilization in patent cases of the standard practice of submitting to the jury issues raising the meaning of the claim, where that meaning was a critically important ingredient of the jury's finding of infringement. This Court first explained with approval how the issue of claim meaning was handled in the lower court:

More specifically, Baker requested that the judge instruct the jury that, as a matter of law, a comparator and a computer are not the same thing. The district judge denied Baker's request and instead submitted the disputed matter to the jury.

Id. at 415.

After this explanation of how the issue was handled by the trial judge, the Court endorsed that method with the following cogent explanation of how jury verdicts should be analyzed.

In sum, these instructions make it clear that the court instructed the jury to resolve evidentiary disputes over claim terms. The court's instructions then advised the jury to determine whether Baker's products infringed. Because it returned a finding of infringement, the jury must have resolved the evidentiary dispute over the meaning of "electrical comparator." This court concludes that Baker did not show any error in the jury instructions, when read as a whole, so egregious as to mislead the jury and require a new trial. Jamesbury, 756 F.2d at 1560.

Id. at 415.

That approach was also approved by this court in Brooktree Corp. v. Advanced Micro Devices, Inc., 977 F.2d 1555, 24 USPO 2d 1401 (Fed. Cir. 1992), where this court approved instructions to the jury which were in part as follows:

To determine infringement, you must first construe the meaning

and scope of the claims and, second, compare the properly construed claims to the alleged infringing device. You should refer to extrinsic evidence, including specifications, prosecution history, and other claims to construe the meaning and scope of the claims.

Id. at 1577.

In upholding the jury verdict, this Court explained:

A reasonable jury, applying this law to the evidence, could have found that the specification does not support AMD's contention that "overriding" implies the simultaneous presence of reference voltage and constant current sources. There was substantial evidence whereby the jury, having interpreted the claims to mean that the two different modes (introducing a reference voltage or providing a constant current) operate at different times, could have applied this interpretation to find that the '688 patent was infringed by AMD's accused chips, thus providing a "legally sufficient evidentiary basis" for upholding the verdict. Fed.R.Civ.P. 50(a)(1).

Id. at 1577.

The instant case presents a sobering example of a district court's misapprehension of its role in the interpretation of a patent. As part of its instructions to the jury, the trial court "interpreted" claim 1 and directed the jury to use this "interpretation" and the other evidence when determining infringement. (A969-73; A981-84). The district court, however, did not define each term and phrase of claim 1, leaving such for the jury to determine based upon the evidence and its common sense. Guided by the trial court's instructions, the jury's determination of infringement required two fact-finding steps. The jury was first asked to:

[D]etermine the meaning of the claims taking the interpretation as I've explained it [sic] to you using the relevant patent documents including the specifications [sic], the drawings and the file histories. As you've heard, the file history is the prosecution history, is the record of the

communications between the inventor and the [sic] Patent Office. Also relevant are other considerations that show how the terms of a claim would be normally understood by those of ordinary skill in the art.

The meaning must be of an ordinary and of a custom [sic] meaning unless it appears from the file history that the inventor used the terms differently. I have interpreted those terms for you. (A974).

Next, the jury was instructed to compare the claims, as interpreted by the jury, with the accused device to determine if the claims read on the device. (A974-75). The district court instructed the jury that "your main task is to use your common sense. . .", (A967) explaining further in its charge:

Did the testimony of the witness -- be he an expert witness or an ordinary fact witness make sense and the law trusts you and you alone to make that particular judgment. I have absolutely nothing to say about when you believe and what you believe.

Requiring the jury to interpret certain terms of the patent was quite proper, and indeed required, as there were genuine evidentiary disputes at trial regarding certain terms of claim 1. (A741-852; A878-910; A941-950; A951-955). See Johnston v. IVAC Corp., 885 F.2d at 1579, 12 USPQ2d at 1385 ("A disputed issue of fact may, of course, arise in connection with interpretation of a term in a claim if there is a genuine evidentiary conflict created by the underlying probative evidence pertinent to the claim's interpretation"). Palumbo v. Don-Joy Co., 762 F.2d 969, 974, 226 USPQ 5, 8 (Fed. Cir. 1985) (when the meaning of a claim term is disputed a "factual question arises, and construction of the claim should be left to the trier or jury under appropriate instruction.") See also the Baker and Brooktree cases discussed



above.

As recently stated by this Court:

[T]he ultimate conclusion about the meaning and scope of a claim is, like contract interpretation, a question of law. . . . But when a question of infringement is given to a jury . . . [t]he underlying factual issues become the jury's province to resolve in the course of rendering its verdict on infringement.

Lemelson v. General Mills, 968 F.2d 1202, 1206 23 USPQ2d 1284, 1287 (Fed. Cir.), cert. denied, \_\_\_\_ U.S. \_\_\_\_, 113 S.Ct. 976 (1993) (citation omitted).<sup>6</sup>

This Court has recently instructed that the standard of review of jury verdicts remains the same where the jury interprets the patent's claim:

On appellate review we consider all the evidence in the light most favorable to the jury verdict, including reasonable inferences drawn from the evidence. . . . When the question

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<sup>6</sup>Plaintiffs recognize that this Court in the IVAC decision instructed that this Court's previous statements on claim interpretation should not be interpreted to suggest that a mere dispute over claim interpretation ipso facto presents a jury issue. Indeed, as the IVAC court instructed, conflicting conclusory opinions over claim interpretation should not remove the case from disposition on summary judgment. Unlike the conclusory disputes discussed in IVAC, in this case, plaintiffs presented overwhelming evidence that its interpretation was proper. Defendants did not put on any adverse patent experts relying, instead, upon cross-examination of plaintiffs' witnesses. An evidentiary dispute was created and was for the jury to resolve.

of infringement turns on the interpretation of the claim, we review whether a reasonable jury could have interpreted the claim in a way that supports its finding on the question of infringement. . . . [T]hat is, whether a reasonable jury could have reached the verdict reached by this jury.

Tol-O-Matic v. Proma Produkt-Und Marketing, 945 F.2d 1546, 1552, 20 USPQ 2d 1332 (Fed. Cir. 1991), reh'g denied, (October 29, 1991), suggestion for reh'g en banc declined, (November 8, 1991) (citations omitted).

This standard was applied in Lemelson where this Court held that the jury was "adequately instructed to consider and decide the factual questions necessary to interpret the scope of the claims before deciding the issue of infringement." Lemelson, 968 F.2d at 1206. The trial court had instructed the jury to consider the prosecution history and to exclude any interpretation that may have been given up during prosecution. This Court found no problem with these instructions and reviewed the jury's finding to determine "whether substantial evidence, in light of the applicable law, supports the jury's verdict." Lemelson, 786 F.2d at 1207.

In contrast, in this matter, after the verdict the trial court discarded the jury's claim interpretation stating: "'construction of claim scope (claim interpretation), . . . is a question of law for decision by the trial judge on a motion for JNOV. . . .'" Opinion at p. 4 (quoting Senmed, Inc. v. Richard-Allan Medical Industries, 888 F.2d 815, 818, 12 USPQ2d 1508 (Fed. Cir. 1989)).

Contrary to the trial court's interpretation, the Senmed court, however, did not write out the role of the jury in interpreting patents nor did it alter the standard of review of

jury verdicts. On the contrary, in Senmed, the court held that the jury's finding of infringement was not supported by substantial evidence as the jury's apparent interpretation "would result in a patentee's recapturing what was forfeited in obtaining the patent, a result contrary to a fundamental underpinning of patent law." Senmed, 888 F.2d at 818 n. 6. Senmed did not transfer fact-finding from the jury to the judge. Rather, the Senmed decision quite properly instructed trial courts to review the jury's claim interpretation for its legal correctness.

As with jury verdicts in other kinds of cases including complex cases like antitrust, securities, commercial contracts and product liability involving complicated issues of technology, the judge may review the verdict to determine whether it is contrary to applicable legal rules, his instructions or unambiguous terms of the contract, resolving all doubts in favor of the verdict winner. If there is a reasonable basis for the jury verdict, then the verdict is upheld without the court speculating that the jury may have followed some inappropriate path to the verdict. If it is desired that the court have more information about the jury's findings to measure them against applicable law, specific interrogatories can be submitted to the jury under Fed.R.Cir.P. 49. Here, the jury verdict did not run afoul of any rule of law or precept of claim interpretation.<sup>7</sup>

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<sup>7</sup>Ironically, it was the trial judge who violated settled precepts  
(continued...)



Notwithstanding that in appropriate circumstances a court may interpret a patent as a matter of law, after the jury's verdict the trial court's inquiry was limited to determining whether, upon reviewing the evidence in a light most favorable to the verdict-winner, a reasonable jury could have made such a finding. The Supreme Court used these words:

The rule has been stated 'that if the court admits the testimony, then it is for the jury to decide whether any, and if any what, weight is to be given to the testimony'. . . . [The weight and credibility of a witness' testimony] . . . belongs to the jury, who are presumed to be fitted for it by their natural intelligence and their practical knowledge of men and the ways of men; and so long as we have jury trials they should not be disturbed in their possession of it, except in a case of manifest and extreme abuse of their function.

Sartor v. Arkansas Natural Gas Corp., 321 U.S. 620, 628-29 (1943).

In the instant case, evidence was presented to the jury on claim interpretation. The court admitted expert testimony to explain the accused system and some terms of art (Mr. Mikula) and to demonstrate how the properly-interpreted claims read on the accused device (Mr. Chovanes). This Court has sanctioned such testimony as valuable in assisting lay juries understand terms of art and resolve the ultimate question of infringement. Snellman v.

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<sup>7</sup>(...continued)

of claim interpretation by limiting the independent claim to the preferred embodiment, reading limitations from dependent claims into the independent claim and ignoring specific language in the specification which makes it crystal clear that embodiments involving batches of articles as well as embodiments involving individual articles infringe the patent.

Ricoh Co. Ltd., 862 F.2d 283, 287, 8 USPQ2d 1996 (Fed. Cir.), cert. denied, 491 U.S. 910 (1989); Amstar Corp. v. Envirotech Corp., 823 F.2d 1538, 1545, 3 USPQ2d 1412 (Fed. Cir. 1987).

The jury accepted the trial evidence and rendered a verdict of infringement. The trial judge was not permitted to simply substitute his finding for the findings of the jury. Snellman, 862 F.2d at 288 (Accepting [the patent expert's] interpretation of the claim and his expert conclusion on infringement, as the jury obviously did, and in view of the language of the specification, there was substantial evidence to support the jury verdict of infringement.")

Rather than writing out of patent law the role of the jury, this Court should instruct lower courts to clearly make the necessary preliminary inquiry, namely whether there is a factual dispute underlying the interpretation of the claim. Such a finding would not only assure that the appropriate evidence would reach the jury, but it would also dictate the appropriate appellate review.

If the trial court concludes that there is no factual dispute, then the court must determine the meaning of the claim and instruct the jury accordingly. If the trial court determines that there is an underlying factual dispute for the jury to resolve, then the court is required to provide the jury with the proper instructions as to the method of resolving the dispute. Structural Rubber, 749 F.2d at 222 (the trial court must "direct the jury's attention to disputed factual issues which, when resolved, lead inexorably, in the opinion of the district court, to [the legal] determination of

obviousness or nonobviousness.") As suggested in Structural Rubber, such instructions would be easily reviewed if reflected in special verdicts or interrogatories as provided for in Fed.R.Civ.P. 49. Id.

Like contracts, in appropriate circumstances, patent interpretation can be for the court. However, if the court, after resorting to the undisputed recognized sources of claim construction (e.g., specification, other claims), perceives an ambiguity which cannot be resolved from these documents, extrinsic evidence (e.g., expert testimony) is appropriate and, upon such an evidentiary conflict, the jury is required to resolve the factual question. Singer Mfg. v. Cramer, 192 U.S. 265, 275 (1904); 4 W.H.E. Jaeger, Williston on Contracts, § 601 (3d ed. 1961). Similarly, a factual dispute over the meaning of claim terminology in an industry is for the jury and is an appropriate subject for expert testimony.

Resolution of such factual disputes is for the jury. The Supreme Court in Sartor reminded that juries are uniquely suited for such as they are the "practical knowledge of men and the ways of men." Evidentiary disputes over the interpretation of claims of a patent require resolution by a jury. Shifting this task to the trial court would be a betrayal to the ideal of self-government embodied in the civil jury trial and guaranteed by the Seventh Amendment.

Understandably, this Court's mission of advancing stable and consistent law on which the technological community can rely has,



at times, overtaken the principles of stare decisis. Pauline Newman, "Introduction: The Federal Circuit: Judicial Stability or Judicial Activism," 42 Am. U.L. Rev. 683 (Sp. 1983). This mission, however, is not inconsistent with, and indeed must remain faithful, to, the Seventh Amendment's right to jury trial.

The question posed by this Court about the role of a jury in interpreting claims is not a question of procedural efficiency. It is a question about the structure of government, the distribution of power in our society. Shifting power from the jury to the judge, as was done in the instant case, is an affront to the passion with which the civil jury right was defended during the creation of these United States and is directly contrary to the Seventh Amendment.

**B.    The Jury Verdict Here Should Be Reinstated Because The Weight Of Evidence And Credibility Of Witnesses Are For The Jury.**

Once the trial court determines that the claims of a patent are ambiguous and admits factual and expert testimony, the weight of such testimony is for the jury. As with all other jury trials, the court functions as a gate keeper to assure that the testimony is competent. However, once such testimony is admitted,

Issues that depend on the credibility of witnesses, and the effect or weight are to be decided by the jury.

Gunning v. Cooley, 281 U.S. 90, 94 (1930). See also, Sartor, 321 U.S. at 627-28 (where trial court admits opinion testimony, it is for the jury to decide what, if any, weight to assign to it).

In the instant case, the factual and expert testimony was

admitted, considered by the jury and then was summarily dismissed by the trial court as "strained." Plaintiffs' technical and patent experts and fact witnesses offered evidence about the meaning of key disputed terms and how such meanings are derived from the other claims, specification and file history as well as industry usage. Defendants cross-examined each of these witnesses but chose not to put on opposing experts. In spite of this evidence and the jury's findings, the district court arrived at his own "plain meaning" of key terms in the patent. On a motion for judgment as a matter of law, the court erred in disregarding the trial evidence.

Although claim interpretation may sometimes be a question of law, the district court may admit expert testimony on the meaning of the claims to aid interpretation. Advanced Cardiovascular Sys., Inc. v. Scimed Life Sys., Inc., 887 F.2d 1070, 1073, 12 USPQ2d 1539 (Fed. Cir. 1989) (stating that expert testimony was helpful when the patent and prosecution history were not decisive on the claim's meaning); Snellman, 862 F.2d at 287 (expert testimony helpful to explain technical terms); Moeller v. Ionetics, Inc., 794 F.2d 653, 657, 229 USPQ 992, (Fed. Cir. 1986) (it was an abuse of discretion for the district court to have excluded expert testimony on the disputed claim language); Palumbo v. Don-Joy Co., 762 F.2d at 972 (expert testimony helpful to ascertain how one of ordinary skill in the art would interpret the claim language); McGill, 736 F.2d at 675 (expert testimony admitted as evidence of construction of claims as they would be construed by those skilled in the art).

Once the court determines that extrinsic evidence is required

to resolve underlying disputes regarding claim interpretation, the court is required to instruct the jury as to the method by which the jury is to determine that meaning. See Palumbo, 762 F.2d at 974 (submission of the legal issue of claim interpretation requires "appropriate instruction"). The instructions should be crafted in order to facilitate the district court and this Court's review of the jury verdict.

Accordingly, as with the instructions sanctioned by this Court regarding the legal issue of obviousness, the instructions regarding claim interpretation should direct the jury to the disputed factual issues and provide a framework for resolving such disputes. See e.g., Structural Rubber, 749 F.2d at 722 (the trial court's instructions should "direct the jury's attention to disputed factual issues which, when resolved lead inexorably, in the opinion of the district court, to determination of obviousness or nonobviousness."); Connell, 722 F.2d at 1574 ("[s]ubmission of the obviousness question to the jury also should be accompanied by appropriate instructions on the law.") Upon such instructions, the jury can fulfill its function of weighing evidence and drawing inferences.

The district court, in the instant case, improperly intruded into the domain of the jury to find facts by looking past the trial testimony, weighing evidence and determining the credibility of plaintiffs' witnesses. At the onset of the trial, the court correctly informed the jury that, "You're the sole judges of the facts. I have nothing to say about the facts." (A661).



Notwithstanding this pledge, the court took this function away from the jury simply because it mistakenly believed that claim interpretation is always a matter of law for the court.<sup>1</sup>

It is the function of the trier of fact alone to evaluate contradictory evidence and to draw inferences therefrom. The role of the jury was not for the district court to change.

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<sup>1</sup>The trial judge's opinion is replete with factual findings, as discussed in plaintiffs' main and reply briefs previously submitted. By way of example, the trial judge found as a fact that the accused system was simply a "cash register" in the face of overwhelming evidence that the accused system is an inventory control and reporting system, as admitted in Westview's brochures and testimony. See plaintiffs' main brief, p. 8, n. 3. Similarly, the trial judge attempted to wish away Westview's own description of its inventory control and reporting system by suggesting that Westview's literature was inaccurate without any contention from Westview that its users' manual was inaccurate. See plaintiffs' main brief, p. 9, n. 4. These two instances, which bear upon the usage of terminology in the drycleaning industry, are just examples of the trial judge's penchant to find facts as a matter of law despite substantial contrary evidence. The weight of the evidence and the credibility of witnesses were clearly for the jury.

- C. In An Appeal After A Jury Trial, The Standard Of Appellate Review Is To Resolve All Doubts In Favor Of The Verdict Winner And Determine Whether The Verdict Is Supported By Substantial Evidence And Whether A Reasonable Jury Could Arrive At The Verdict.

This Court's standard of review regarding claim construction disputes is dictated by when and by whom the claims were construed. When, as in the instant matter, the jury is required to resolve factual disputes regarding claim construction, this Court's review function is exhausted when, after the evidence is considered and reasonable inferences drawn in favor of the verdict winner, there was substantial evidence to support the jury's verdict and that those findings can support the jury's legal conclusion.

This is the same standard of review that the trial court was obligated to apply. The trial court's opinion, however, does not even acknowledge this standard of review, let alone apply it. Rather, the trial court made a de novo review of the evidence and improperly found noninfringement.

Defendants ask this Court to sanction the district court's opinion. To accept defendants' arguments on appeal and thereby approve the district court's opinion would require this Court to step beyond the proper standard of review of jury verdicts and eclipse the role of the jury in patent trials. The jury's verdict of infringement was in accordance with the court's instructions to the jury and based upon substantial evidence. Upon that determination, the trial and appellate court's review is complete.

In order to avoid conflict and confusion, the Court of Appeals for the Federal Circuit decided early in its existence that it

would apply the procedural law of the regional circuit from which the appeal was taken. Fanduit Corp. v. All States Plastics Mfg., 744 F.2d 1564, 1574-75, 223 USPQ 465 (Fed. Cir. 1984) (per curiam). Thus, in this appeal, this Court is to look to the Supreme Court and the Court of Appeals for the Third Circuit precedent for guidance as to the standard of review of jury verdicts.

The standard of appellate review of jury verdicts is well-established and based upon the constitutional right to jury trials and traditional deference to the role of the jury to find facts. Gallick v. Baltimore & Ohio R. Co., 372 U.S. 108, 112-114 (1963) (appellate court invaded jury's province by weighing evidence). As the Supreme Court stated, the trial on the merits is "the 'main event' . . . rather than a tryout on the road.'" Anderson v. City of Bessemer City, 470 U.S. 564, 574-75 (1985) (quoting Wainwright v. Sykes, 433 U.S. 72 (1977)). Accordingly, the standard of appellate review of jury verdicts reflects deference to the role of the jury in our judicial system:

But where, as here, there is an evidentiary basis for the jury's verdict, the jury is free to discard or disbelieve whatever facts are inconsistent with its conclusion. And the appellate court's function is exhausted when that evidentiary basis becomes apparent, it being immaterial that the court might draw a contrary inference or feel that another conclusion is more reasonable.

Lavender v. Kurn, 327 U.S. 645, 653 (1946).

The Court of Appeals for the Third Circuit, the Circuit from which this appeal emerged, is in accord. See e.g., Chuy v. Philadelphia Eagles Football Club, 595 F.2d 1265, 1273 (3d Cir. 1979) (en banc) ("Our limited function at this point is to



ascertain from review of the record whether there is sufficient evidence to sustain the verdict of the jury on this issue"); Dawson v. Chrysler Corp., 630 F.2d 950, 959 (3d Cir. 1980), cert. denied, 450 U.S. 959, (1981) (the jury verdict must be sustained unless the record "is critically deficient of that minimum quantum of evidence from what a jury might reasonably afford relief"), quoting Denny v. Siegel, 407 F.2d 433, 439 (3d Cir. 1969). The reviewing court is not free to reweigh the evidence or substitute its own judgment for that of the jury, Blair v. Manhattan Life Ins. Co., 692 F.2d 296, 300 (3d Cir. 1982), or to pass on the credibility of witnesses. Kinnel v. Mid-Atlantic Mausoleums, Inc., 850 F.2d 958, 961 (3d Cir. 1988).

The Court of Appeals for the Federal Circuit is also in accord. As this Court has instructed:

To convince this court that a trial judge erred in granting a motion for JNOV, an appellant need only show that there was substantial evidence to support the jury's findings and that those findings can support the jury's legal conclusions.

Orthokinetics, Inc. v. Safety Travel Chairs, Inc., 806 F.2d 1565 1571, 1 USPQ 2d 1081 1085 (Fed. Cir. 1986). See also, Tol-O-Matic Inc. v. Proma Product-Und Marketing Gesellschaft, 945 F.2d at 1549, 20 USPQ2d at 1338. ("The jury's verdict must stand unless the evidence is of such quality and weight that reasonable persons in the exercise of impartial judgment could not have returned that verdict."); Railroad Dynamics, Inc. v. Stucki Co., 727 F.2d 1506, 1513, 220 USPQ 929, 937 (Fed. Cir.), cert. denied, 469 U.S. 871 (1984) (If the "court is convinced that reasonable persons could

have found in light of that evidence all the facts necessary to support the jury's verdict, denial of a motion for JNOV is required.")

Recently, this Court confirmed that this standard of review was not altered when the jury was assigned the task of resolving disputes on the meaning of claim language. In Lemelson, this Court acknowledged that when a jury is required to resolve disputes as to the meaning of a claim, the jury's determination is reviewed in accordance with "currently established rules for review of jury verdicts" by the trial court and this Court on appeal. Lemelson, 968 F.2d at 1206. See also, Tandon Corp. v. U.S. Intern. Trade Commission, 831 F.2d 1017, 1021, 4 USPQ2d 1283, 1288 (Fed. Cir. 1987) ("when interpretation of claims requires findings of underlying fact, those factual findings are reviewed in accordance with the appropriate evidentiary standard, i.e., that of substantial evidence."); Snellman v. Ricoh, 862 F.2d at 287-88 ("Accepting [the patent expert's] interpretation of the claim and his expert conclusion of infringement, as the jury obviously did, and in view of the language of the specification, there was substantial evidence to support the jury verdict of infringement.")

The trial court in the instant action mistakenly interpreted the Senmed decision as holding that claim interpretation is always and exclusively a question of law. This is not the law nor can it be. Accordingly, the trial court here did not apply the appropriate standard of review of the jury's verdicts. The Supreme Court's instruction to trial courts applies equally to appellate

review of jury verdicts:

It is not the function of a court to search the record for conflicting circumstantial evidence in order to take the case away from the jury on a theory that the proof gives equal support to inconsistent and uncertain inferences. The focal point of judicial review is the reasonableness of the particular inference or conclusion drawn by the jury. It is the jury, not the court, which is the fact-finding body. It weighs the contradictory evidence and inferences, judges the credibility of witnesses, receives expert instructions, and draws the ultimate conclusion as to the facts. The very essence of its function is to select from among conflicting inferences and conclusions that which it considers most reasonable.

Tennant v. Peoria & Pekin Union Railway Co., 321 U.S. 29, 35 (1944).

This Court's opinions regarding review of jury verdict are in accord with the Supreme Court's mandate: The jury verdict is not to be disturbed if it is supported by substantial evidence. The reviewing court is not permitted to substitute its view of the evidence for that of the jury. This is precisely what the trial court did here. Plaintiffs request this Court to correct this error and reinstate the jury verdict.

D. In A Jury Trial, The Judge And Jury Each Have A Role In Claim Interpretation Which Is Governed By The Standard That A Reasonable Verdict Supported By Substantial Evidence Must Be Upheld.

The respective roles of the judge and jury regarding claim interpretation has been treated throughout this brief. Nevertheless, as it sits at the heart of this appeal, this truism is worth repeating: the court determines the law and the jury finds the facts. In the instant case, the trial court stepped into the domain of the jury and wrestled from the jury its dedicated



function of finding facts.

Plaintiffs ask this Court to use this occasion to protect the role of the jury in patent litigation by clearly instructing district courts that the role of judges and juries in the construction of a patent should be handled like construction of contracts. First, the court should determine if the claims are capable of being interpreted as a matter of law. Such a determination may be made on a motion for summary judgment or prior to instructing the jury. If the court makes such a determination, the court should instruct the jury as to the meanings of the claim and permit the jury to determine the question of infringement.

Recently, a panel of this Court in the Read decision, stated that "[w]here the Court's interpretation is not set forth in its instructions to the jury, the court must perform its role of deciding this issue of law in ruling on the JNOV motion." Plaintiffs fear that this quote may be taken out of context and result in the type of Constitutional mischief which occurred in this case. If the court, as in this case, instructed the jury to determine the meaning of the claim and as to how to do so, it must be assumed that the jury followed the court's instructions, Aspen Skiing Co. v. Aspen Highlands Skiing Corp., 472 U.S. 585, 604 (1985), and made the factual findings necessary to support its verdict. Perkin-Elmer Corp., 732 F.2d 888, 893, 221 USPQ 669, 673 (Fed. Cir.) cert. denied, 469 U.S. 857 (1984). In turn, that verdict is to be reviewed under the substantial evidence test.

The Read decision could be broadly construed to permit the

court to withhold from the jury its interpretation of the patent, let the jury deliberate without the necessary judicial guidance, and return a verdict only to be subject to the court's delayed interpretation of the patent. Such a process not only violates the appropriate, indeed mandatory, standard of review regarding jury verdicts, it would also amount to a substantial waste of judicial resources. There is no need for juries to deliberate on infringement prior to the court's determination whether the patent can and should be interpreted as a matter of law. Indeed, the Supreme Court has advised against sending a jury out to an uncharted sea:

In our opinion [infringement] was a question of fact properly to be left for determination to the jury, under suitable instructions from the court upon the rules of law, which should guide them to their verdict.

Coup v. Royer, 155 U.S. 565, 579-80 (1895) (emphasis added) (quoting Keyes v. Grant, 118 U.S. 25, 36 (1886)). See also, Palumbo, 762 F.2d at 978 (when the meaning of a claim is disputed a "factual question arises, and construction of the claim should be left to the trier of fact under appropriate instruction." ) (emphasis added).

If the court determines that claim construction is for the jury, the court's instruction should, as suggested above, identify the disputed issues and provide a mechanism for such a resolution. After the jury is assigned the task of claim interpretation, the jury's verdict to be accorded paramount deference:

The jury instructions, not challenged on appeal, included the instruction that the meaning of [the] claim . . . must be

determined, and that all relevant documents, including the patent specification, the drawings, and the prosecution history should be considered. The jury was instructed that it should then apply the claim as interpreted, to determine whether the accused device embodied all of the elements of [the] claim. . . .

We have reviewed the record and conclude that the jury, hearing the conflicting opinions of patent experts for each side, and having the specification and prosecution history before it, could have reached the verdict. . . .

Tol-O-Matic, 945 F.2d at 1550-52.

Plaintiffs are not suggesting that a jury's patent construction should be immune from review for its legal correctness or its evidentiary support. Indeed, a court should protect against a jury's claim construction when such would violate the basic tenets of patent law. See e.g., Senmed, 888 F.2d at 818, 12 USPQ 2d at 1513 (trial court properly entered JNOV when jury's claim interpretation would have violated the principle of file wrapper estoppel); Arachnid, 792 F.2d at 1302 (jury's claim construction properly considered that the examiner had rejected the patentee's construction of the claim based upon prior art); Lemelson, 968 F.2d at 1207-08 (patentee's claim construction, apparently accepted by the jury, was legally unsustainable as construction violated file wrapper estoppel).

However, where, as in the instant action, the trial court merely disagreed with the verdict, as a matter of fact, there is no basis for the entry of JNOV. The court did not conclude that his interpretation was based upon the file history or other claims. Rather, the court rejected the evidence and arrived at his unsupported conclusion regarding the interpretation of the patent



claims. In doing so, the court invaded the province of the jury. The jury verdict was supported by the evidence and should be reinstated.

This court stands at the apex of the patent system. Its decisions directly impact the incentives regarding technical innovation. As Judge Newman has cogently advised:

The Federal Circuit in its most effective opinions have simplified the law so that judges and lawyers, inventors and juries, could understand it and use it.

42 Am. U.L. Rev. 683 (Sp. 1983)

Fidelity to these precepts compels that this Court strive to embrace the procedures utilized in any other civil trial. Such procedures were forged from the Constitution and are designed to protect the integrity of the right to a civil jury trial. District courts, where the "main show" takes place, are familiar and comfortable with these procedures. Confusion reigns and rights trampled when exceptions are carved out.

The instant case is a prime example of why patent trials should not be taken from the mainstream of civil jury trials. The district court believed it was its function alone to interpret the patent, notwithstanding the jury's verdict. In so dissolving the jury's verdict, the district court failed to follow the proper standard of review and violated plaintiffs' Seventh Amendment right to a jury trial.

E. The Trial Court's Interpretation Of The Patent Was Legal Error.

As discussed above, on the record before the jury the

interpretation of the claims was in accordance with the charge of the lower court and an appropriate finding by the jury, and its verdict supported by substantial evidence should not be disturbed. However, even if this Court concludes that patent interpretation is a matter of law solely for the court, the trial court's interpretation of the patent here was error and cannot stand.<sup>9</sup>

The lower court's opinion reflects fundamental misconceptions concerning the claims of the patent in suit. First, the Court interpreted the claims as requiring the data processor to be capable of storing in its memory indefinitely for later use an inventory consisting of descriptions of each article of clothing. Second, the Court mistakenly concluded that the claims of the patent required bar coded records to be attached to each individual article of clothing. The Court's interpretation of claims 1 and 10

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<sup>9</sup>It is important to note that a review of the trial court's interpretation of the patent on the basis that such a patent interpretation is a matter of law solely for the courts is plenary. If the interpretation of patent claims is held to be purely a legal question, then it is a legal question both for the lower court and this court. Accordingly, the clearly erroneous standard has no application to that review. The clearly erroneous standard of review means by definition that the trial judge was engaged in factfinding as plaintiffs submit he was. But, since he was engaged in factfinding, that function was reserved for the jury in reaching the verdict, which should be reinstated.

is contrary to the plain meaning of the claim and the evidence presented and also violates fundamental precepts of patent law, as discussed below and discussed further in plaintiffs' original and reply briefs.

**1. The Patent Requires Only a Memory Operable to Record Descriptions of Articles of Clothing.**

Claim 1 requires the data processor with "memory operable to record said information and a means to maintain an inventory total." (A1021). The Court interpreted this provision as requiring a data processor which "stores in its memory for later use information about clothing articles." (Opinion at 5). While independent claim 1 as well as certain dependent claims cover such a system, claim 1 is not so limited.

The record establishes that the claim's requirement of a "memory operable to record said information" is satisfied if the accused system possesses memory which enables the accused system to "record" or print information regarding the articles. Explaining the meaning of the claim's provision requiring a "memory operable to record said information," plaintiffs' patent expert, Mr. Chovanes, testified as follows:

Well, here it [Claim 1] says, 'a data processor including memory operable to record said information'.

It is required that the processor do remember and in fact the [accused] data processor does remember it. It remembers it until it's recorded on the ticket. Once it's recorded on the ticket, there's no need - there's no requirement of the claim to maintain. The word is not up in here: to maintain up in the memory operable to record information. It is not required to maintain.

(A766-77).



Mr. Markman, the inventor, testified on cross-examination similarly:

The primary Claim, Claim 1, does not require that the system retain details as far as the articles associated with the ticket after the ticket is produced.

The court's erroneous conclusion that the '054 Patent requires that the data processor retain in its memory after printing of the written record a description of articles of clothing is simply without any support. The plain meaning of "memory operable to record" requires only a memory sufficient to permit recording. The court cited neither the file history nor the specification in support of its interpretation which is legal error. The jury's interpretation of the patent, however, was reasonable and should not have been disturbed.

**2. A Dollar Inventory Satisfies The Requirement Of The Patent That An Inventory Total Be Maintained.**

The patent-in-suit requires that the system "maintain an inventory total." (A1021). Without any support, the court concluded that "inventory means articles of clothing" and that in order to infringe the patent, the system must maintain an inventory of descriptions of articles of clothing. (Opinion at 5; A7). In the court's own words:

A construction of "inventory" which excludes articles of clothing in the shop would hardly be one ordinary meaning of that word. Plaintiffs' device tracks articles of clothing; defendants' device does not.

(Opinion at 5-6; A7-8) (emphasis added).

The uncontested trial evidence was that the patent in suit does not require the system to keep an inventory of articles of

clothing, only some type of inventory control. Nevertheless, the trial court insisted that its interpretation of inventory is supported by the "ordinary meaning of that word." (Opinion at 6; A8). There is no evidence in the record that the "ordinary meaning" of the term inventory is the one seized upon by the court. The record reflects, however, that the ordinary meaning of inventory as used in the dry cleaning industry is not limited to articles of clothing. Rather, as stated by Mr. Jenkins, the president of the infringer, "inventory" may mean dollars or it may mean articles of clothing:

There's two types of inventory a drycleaner is concerned about. If he doesn't have an idea what it represents in what the inventory is in dollars that's cash and that's represented by dollars on the bottom of each of the laundry tickets, that's the amount of business dollars that he receives for the work that he performs for his customer.

The other type of inventory that he's concerned about ... [is] the individual articles of clothing, that's another type of inventory. If he is not careful with that type of inventory, he has a problem also. The 'Datamark'/'Datascan' was designed to take care of the first type of inventory.

(A924-25) (emphasis added).

Mr. Jenkins further acknowledged that his system was designed to maintain an "inventory" of cash and a list of invoices. In describing the "Inventory" report produced by the Datascan, Mr. Jenkins stated:

That list of invoices is the list -- It's the dollar inventory that was found by the 'Datascan' as you went through the plant and wanded all the tickets.

(A928) (emphasis added). Significantly, the accused system was presented to the trade by its manufacturer as "America's first

choice for inventory control" (A1587), using in the industry the terminology of the patent. The record demonstrates, therefore, that "inventory," as used in the dry cleaning industry, can mean either dollar inventory or articles of clothing inventory.

Still, the court below asserted that "inventory" must mean articles of clothing because "[i]t is difficult to visualize a system that would detect and localize spurious dollar deletions or additions to inventory." (Opinion at 5; A7). The court's inability to visualize such a system is alarming because maintaining an inventory of invoices and their corresponding dollar amounts is precisely what the accused system does. An authority no less than Mr. Jenkins testified as to this feature of the accused system by referring to the reports generated by the Datascan system (See A1588, A1595-1601):

- Q. Now the next line is 'Extra invoices'. How does the Westview system determine that there are extra invoices?
- A. Well, as you're wandling invoices, if you found an invoice, you'd want that invoice, you'd wand the bar code on the invoice and then the 'Datascan' would beep to tell you that it could not find that invoice so at that the point you'd have to take the ticket and then wand in because there's a little keyboard on the 'Datascan'. You'd have to wand in the amount of that ticket and that's the number that's represented there.
- Q. Now the next item is the missing invoices. How does the Westview system find the missing invoices?
- A. Well, since the 'Datascan' is loaded up with these invoice numbers and ticket totals and as you've gone through your entire plant and wanded the invoice, the bar coded invoice, then if it cannot find an invoice that the 'Datamark' says is there, it will flag it at least in the computer and then when it does the printout, it will find all the flagged invoices and print it out.



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Q. And then on missing invoices I see the first one the 7.96 I assume is \$7.98?

A. Yes.

Q. And then the zero, zero, two, seven, five is what?

A. That's the invoice number.

Q. That would be the invoice number represented by the bar code on that invoice. By this system the 'Datascan' has looked at the bar code, made the comparisons you have described and then the report prints out the missing invoice number and the dollar amount of that invoice, am I correct?

A. That's correct.

Q. And it goes right on another invoice dollar amount and so and then it comes up with the total of the missing transactions?

A. The missing invoice.

Q. The invoice represents a transaction, doesn't it?

A. Not really.

Q. Then on this the invoice is totalled.

Just so I'm clear, the Westview system can detect the additional invoices and the missing invoices and put that report out?

A. Yes.

(A929-31) (emphasis added).

The patent claims describe a system that has a means to maintain an inventory. The evidence is that in the dry cleaning industry inventory may mean dollar or invoice inventory. There was no dispute that the accused device maintains such a dollar inventory. The jury's infringement verdict is overwhelmingly supported by the evidence presented at trial.

3. The Court Erroneously Interpreted the Patent in Suit as Requiring the System to Track Individual Articles of Clothing Through the Dry Cleaning Process.

Finally, the court argued that the accused system did not infringe the patent in suit because, in the court's opinion, the claims require the tracking of individual articles of clothing throughout the dry cleaning process. (Opinion at 6; A8). The court's interpretation of the claim is contrary to the evidence which the jury was free to credit. First, "tracking" is not required; what is required is detection of bar codes on articles passing a predetermined station. Second, the claim does not require that individual "articles of clothing" be barcoded and processed; what is required is that either articles or batches or groups of articles be coded. The accused system possesses this feature as it processes invoices associated with batches of articles and permits the user to detect said bar codes on articles passing a predetermined station.

The claim does not require tracking; it requires "at least one optical scanner connected to the data processor and operable to detect said bar codes on all articles passing a predetermined station . . . ." (A1022). The unchallenged testimony presented at trial was that the "predetermined station" is any point along the dry cleaning cycle as selected by the user of the infringing system to define the borderline at which inventory is to be checked (A770-71). For example, it may be when the clothing is released to the customer or it may be at the point at which the user takes an inventory (A771).

As envisioned by the trial court, tracking could not be accomplished with claim 1's single scanner. Claim 7, on the other hand, refers to multiple scanners permitting the "tracking" referenced by the Court. The court's interpretation of claim 1 to require the tracking permitted by the system claimed in claim 7 violates one of the most basic premises of patent interpretation, prohibiting reading the requirements of a dependent claim into an independent claim. See discussion below.

Likewise flawed is the court's conclusion that the patent requires individual articles of clothing, not batches, to be processed. By reading into claim 1 the requirement of individual attachment of bar codes to individual articles of clothing, the court has read into claim 1 an additional claim element contained in dependent claims 5 and 6.

Dependent claims 5 and 6 claim alternative embodiments of the patented system:

5. The system of claim 1, wherein the written record has multiple separable parts printed concurrently, including a customer ticket, an establishment ticket and a plurality of article tags [sic, tags], at least one of the tickets and tags having a bar code printed thereon, and each tag being detachable from the written record for direct association with at least one of the customer articles.
6. The system of claim 1, wherein the data input device is a keyboard and the printer is operable to generate tags for direct attachment to articles comprising textile material, the articles being pieces of drycleaning.

(A1022).

In other words, the alternative embodiments claimed by dependent claims 5 and 6, coincidental with the entry of each



incoming transaction, would print the "strip tags" and individual garment tags. However, dependent claims 5 and 6 clearly are not limitations of claim 1 and Westview's system nonetheless literally infringes independent claim 1. Logically and under the law, the additional element in the dependent claims is unassailable support for what is also clear from the language of the independent claim - the independent claim does not require this element.

The jury was free to draw this manifest inference from claim 5 which was presented to the jury and explained by expert testimony at trial. Indeed, plaintiffs went so far as to have a copy of claim 5 blown-up to aid the jury's analysis. Nevertheless, neither claim 5 nor this testimony was mentioned in Judge Katz's opinion.

The court's interpretation of claim 1 to include the elements of dependent claims 5, 6 and 7 violates one of the most basic premises widely recognized in patent law. As this Court stated in DMI, Inc. v. Deere & Co., 755 F.2d 1570, 1574 (Fed. Cir. 1985), appeal after remand, 802 F.2d 421, 231 USPQ 276 (Fed. Cir. 1986):

The District Court said 'as a general rule a limitation cannot be read into a claim to avoid infringement ....' Where, as here, the limitation sought to be 'read into' a claim already appears in another claim, the rule is far more than 'general.' It enjoys an immutable and university applicable status comparatively rare among rules of law ....

Where some claims are broad and others narrow, the narrow claim limitation cannot be read into the broad whether to avoid invalidity or to escape infringement.

(quoting Deere & Co. v. Int'l Harvester Co., 658 F.2d 1137, 1141, 211 USPQ 11, 16 (7th Cir.), cert. denied, 454 U.S. 969 (1981)) (citations omitted). See also Palumbo v. Don-Joy Co., 762 F.2d at

977, 226 USPQ at 10.

The description of the invention provided in the patent itself also demonstrates that separate bar-coded tags need not be attached to individual inventory items. It is well established that the patent specification should be used by the court in construing the scope of the claims. E.I. duPont de Nemours & Co. v. Phillips Petroleum Co., 849 F.2d 1430, 1433, 7 USPQ 2d 1129, 1131 (Fed. Cir.), cert. denied, 488 U.S. 986 (1988), on remand, 711 F.Supp. 1205 (D. Del. 1989) ("It is entirely proper to use the specification to interpret what the patentee meant by a word or phrase in the claim"); Pacific Technica Corp. v. United States, 11 Cl. Ct. 393, 422, 3 USPQ 2d 1168, 1189 (Cl. Ct. 1986), aff'd in part, vacated in part, 835 F.2d 871 (Fed. Cir. 1987) ("Claims and their terms are best construed in light of the specification and circumstances surrounding the patent at its inception"); SRI International v. Matsushita Electrical Corp. of America, 775 F.2d at 1121, 227 USPQ at 585 ("When claim construction is required, claims are construable ... in light of the specification, yet '[t]hat claims are interpreted in light of the specification does not mean that everything expressed in the specification must be read into all the claims." (citations omitted)).

The patent specification and description of the invention repeatedly refer to the attachment of a bar-coded written record to individual articles or batches of articles as an optional feature of the invention. For example, in the Summary of the Invention, it is expressly stated that "the bar code tags may be attached to

articles of clothing and/or batches thereof, for use with scanning apparatus to facilitate generation of reports according to various managements needs." (A1018) (emphasis added). Similarly, the description of the preferred embodiment makes clear that the invention does not include the mandatory requirement that bar-coded tags be directly attached to individual garments (A1019-21). Indeed, the patent is replete with express references making this point very clear:

The optical scanning reads unique bar codes associated with articles or batches thereof. (A1019, column 5, lines 26-27).

The written records have several uses, including . . . providing a mark for attachment to individual articles in inventory, or for a group of articles in inventory. (A1019, column 6, lines 49-53).

Individual article tags may be attached to items in inventory, as is known in connection with pre-printed alpha numeric labels. In addition, a copy of the customer's ticket, for example, the establishment ticket copy, can be attached to a hanger or batch bundle or other unitary package containing a plurality of individual articles. (A1020, column 8, lines 9-15).

(A1019-20) (emphasis added; citations to drawings omitted). See also, A1020, column 7, lines 64-66 column 7, line 68 through column 8, line 3 and A1020, column 8, lines 19-21. All of these clear statements were before the jury, explained by plaintiffs' expert testimony, and argued by counsel to the jury.

A literal reading of the claims of the patent undermines the court's interpretation of the claims. Clearly, claim 1 requires the system to generate "a written record" (singular), part of which travels with "the articles" (plural) ( A1021-22). Thus, claim 1 of the patent covers a single written record which will represent the



transaction and all the articles introduced collectively. Contrasting the literal language of the dependent claims of the patent with that of independent claim 1 also highlights the fact that the patent does not necessitate that bar-coded tags be physically attached to individual articles.

The trial judge's interpretation of the patent was wrong even if viewed as a pure question of law.

V. CONCLUSION AND STATEMENT OF REQUESTED RELIEF

For the reasons set forth herein and in their original Brief and Reply Brief previously submitted, Plaintiffs-Appellants request this Court to reverse the judgment below, to order the court below to reinstate the jury's verdict that the accused system infringes claims 1 and 10 of the patent-in-suit and to remand this action to the district court.

Respectfully submitted,



William B. Mallin  
Lewis F. Gould, Jr.  
Timothy P. Ryan  
Brian M. Martin

Eckert Seamans Cherin & Mellott  
600 Grant Street, 42nd Floor  
Pittsburgh, PA 15219

and

1700 Market Street, Suite 3232  
Philadelphia, PA 19103

Attorneys for Herbert Markman  
and Positek, Inc., Appellants

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