

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

WILLIAM GRECIA,

Plaintiff,

-v-

MASTERCARD INTERNATIONAL INC.,

Defendant.

No. 15-cv-9059 (RJS)
ORDER

WILLIAM GRECIA,

Plaintiff,

-v-

SAMSUNG ELECTRONICS AMERICA,
INC.,

Defendant.

No. 16-cv-9691 (RJS)
ORDER

RICHARD J. SULLIVAN, District Judge:

Plaintiff William Grecia, the purported inventor of technologies used to prevent the unauthorized copying of digital media, such as movies, music, or games, brings these related actions against Defendants MasterCard International, Inc. (“MasterCard”) and Samsung Electronics America, Inc. (“Samsung”) for infringement of three of his patents: U.S. Patent Nos. 8,402,555 (“the ‘555 Patent”), 8,533,860 (“the ‘860 Patent”), and 8,887,308 (“the ‘308 Patent”).¹ Now before the Court are the parties’ competing constructions of Grecia’s patent claims pursuant to *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996). For the reasons set forth below, the Court adopts the following construction of the disputed patent terms.

¹ The patents share a common specification. Only the ‘860 Patent is asserted against Samsung.

I. PROCEDURAL HISTORY²

On November 18, 2015, Grecia filed a complaint alleging that MasterCard infringes Claim 1 of the ‘360 Patent and various claims of the ‘555 and ‘860 Patents. (Doc. No. 1.) About a year later, on December 15, 2016, Grecia filed a complaint alleging that Samsung infringes various claims of the ‘860 Patent. (16-cv-9691, Doc. No. 1.) The Court accepted the action against Samsung as related to the earlier filed action against MasterCard.

In August 2017, the United States Patent and Trademark Office (“PTO”) granted MasterCard’s petition for *inter partes review* (“IPR”) of the ‘860 Patent, and instituted an IPR proceeding as to Claims 1–8 and 11–20 of that patent. (See Doc. No. 51.) In light of the pending IPR proceeding, MasterCard moved to stay this litigation. (*Id.*) Shortly thereafter, however, at Grecia’s request, the PTO entered an adverse judgment against Grecia on Claims 1–8 and 11–20 of the ‘860 Patent and terminated the IPR. (See Doc. No. 63.) Accordingly, the Court denied MasterCard’s motion to stay as moot. (Doc. No. 64.)

On September 25, 2017, the parties filed their Joint Claim Construction Chart. (Doc. No. 62.) Grecia filed his opening claim construction brief on October 23, 2017 (Doc. No. 65), Defendants filed their opposing brief on November 21, 2017 (Doc. No. 68), and Grecia filed his reply on November 28, 2017 (Doc. No. 69). Because Grecia’s reply exceeded the standard page limit by five pages, the Court granted Defendants leave to submit a five-page surreply (Doc. No. 72), which they filed on December 20, 2017 (Doc. No. 73). The Court held a claim construction hearing on May 24, 2018.

² In determining the proper construction of the patent claims, the Court has considered the parties’ Joint Claim Construction Chart, dated September 25, 2017 (Doc. No. 55), Grecia’s Opening Claim Construction brief (Doc. No. 65 (“Grecia Br.”)), Defendants’ Claim Construction Response brief (Doc. No. 68 (“Def. Br.”)), Grecia’s Claim Construction Reply brief (Doc. No. 69 (“Grecia Reply”)), Defendants’ Claim Construction Surreply brief (Doc. No. 73 (“Def. Surreply”)), the materials attached to those submissions, and the parties’ presentations at the claim construction hearing held on May 24, 2018. For the sake of clarity, unless otherwise noted, the docket entries cited herein refer to the docket sheet in *Grecia v. MasterCard International, Inc.*, Case No. 15-cv-9059 (RJS) (S.D.N.Y.).

II. LEGAL STANDARD

A. Principles of Claim Construction

“[T]he claims of a patent define the invention to which the patentee is entitled the right to exclude.” *Aventis Pharm. Inc. v. Amino Chems. Ltd.*, 715 F.3d 1363, 1373 (Fed. Cir. 2013) (quoting *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (*en banc*)). Patent claim construction is a matter of law “exclusively within the province of the court.” *Markman*, 517 U.S. at 372. The terms of a claim generally take “their ordinary and customary meaning” – the meaning, that is, that the terms would have “to a person of ordinary skill in the art in question at the time of the invention.” *Phillips*, 415 F.3d at 1312–13. “A patentee, however, can act as his own lexicographer to specifically define terms of a claim contrary to their ordinary meaning.” *Abraxis Bioscience, Inc. v. Mayne Pharma (USA) Inc.*, 467 F.3d 1370, 1376 (Fed. Cir. 2006) (citation and internal quotation marks omitted). To act as his own lexicographer and use a term in a manner other than its ordinary meaning, the patentee must expressly define the term in the patent specification or the “prosecution history,” which consists of the record of the proceedings before the PTO. *Teleflex, Inc. v. Ficosa N. Am. Corp.*, 299 F.3d 1313, 1325 (Fed. Cir. 2002).

Courts consider the terms of a claim “in the context of the entire patent,” *Phillips*, 415 F.3d at 1313, and not “in a vacuum,” *Medrad, Inc. v. MRI Devices Corp.*, 401 F.3d 1313, 1319 (Fed. Cir. 2005) (citation and internal quotation marks omitted). Accordingly, courts construing patent claims examine the full “intrinsic evidence of record”: “the claims, the specification and, if in evidence, the prosecution history.” *PC Connector Solutions LLC v. SmartDisk Corp.*, 406 F.3d 1359, 1362 (Fed. Cir. 2005) (citation and internal quotation marks omitted). The specification in particular is “always highly relevant to the claim construction analysis” and is, in fact, “the single best guide to the meaning of a disputed term.” *Vitrionics Corp. v. Conceptoronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996). When “using the specification to interpret the meaning of a claim,”

however, courts should avoid “importing limitations from the specification into the claim.” *Phillips*, 415 F.3d at 1323; *see also Comark Commc 'ns, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998) (“[T]here is sometimes a fine line between reading a claim in light of the specification, and reading a limitation into the claim from the specification.”). Likewise, while courts may consult the prosecution history to “determine whether . . . there were any express representations made in obtaining the patent regarding the scope and meaning of the claims,” *DeMarini Sports, Inc. v. Worth, Inc.*, 239 F.3d 1314, 1323 (Fed. Cir. 2001), the Federal Circuit has cautioned against relying too heavily on the prosecution history “because [it] represents an ongoing negotiation between the PTO and the applicant . . . [and] often lacks the clarity of the specification and thus is less useful for claim construction purposes,” *Phillips*, 415 F.3d at 1317.

In addition to considering such intrinsic evidence, courts construing patent claims may also consult extrinsic evidence, which includes “all evidence external to the patent and prosecution history, including expert and inventor testimony, dictionaries, and learned treatises.” *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 980 (Fed. Cir. 1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996). Extrinsic evidence, however, is “less significant than the intrinsic record in determining the ‘legally operative meaning of claim language.’” *C.R. Bard, Inc. v. U.S. Surgical Corp.*, 388 F.3d 858, 862 (Fed. Cir. 2004) (quoting *Vanderlande Indus. Nederland BV v. Int'l Trade Comm'n*, 366 F.3d 1311, 1318 (Fed. Cir. 2004)); *see also Phillips*, 415 F.3d at 1322–23 (“[J]udges are free to consult dictionaries and technical treatises . . . in order to better understand the underlying technology and may also rely on dictionary definitions when construing claim terms, so long as the dictionary definition does not contradict any definition found in or ascertained by a reading of the patent documents.”) (citation and internal quotation marks omitted); *Phillips*, 415 F.3d at 1318 (“[E]xpert testimony can be useful to a court . . . to provide background on the technology at issue

. . . or to establish that a particular term in the patent or the prior art has a particular meaning in the pertinent field.”). In general, if the meaning of the claim is clear from the intrinsic evidence alone, resort to extrinsic evidence is improper. *Vitrionics*, 90 F.3d at 1583 (“In most situations, an analysis of the intrinsic evidence alone will resolve any ambiguity in a disputed claim term. In such circumstances, it is improper to rely on extrinsic evidence.”)

B. Definiteness Under 35 U.S.C. § 112, ¶ 2³

Claims and claim terms must meet the patent law’s definiteness requirement. *See* 35 U.S.C. § 112, ¶ 2 (requiring that claims “particularly point[] out and distinctly claim[] the subject matter” of the invention). “Because claims delineate the patentee’s right to exclude,” the definiteness requirement ensures that the claims are “sufficiently definite to inform the public of the bounds of the protected invention.” *Halliburton Energy Servs., Inc. v. M-I LLC*, 514 F.3d 1244, 1249 (Fed. Cir. 2008). “[A] patent is invalid for indefiniteness if its claims, read in light of the specification delineating the patent, and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention.” *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120, 2124 (2014). In evaluating a claim for indefiniteness, courts must be mindful of the “inherent limitations of language,” and understand that “[s]ome modicum of uncertainty . . . is the price of ensuring the appropriate incentives for innovation.” *Id.* at 2128 (internal quotation marks omitted). Furthermore, since issued patents are presumptively valid, *see*

³ The parties do not appear to dispute that, because the first patent in the series was filed February 15, 2012 – prior to the enactment of the America Invents Act – the pre-AIA version of Section 112 is the one that applies here. (*See* Def. Br. at 4 & n.3.) When “the applications resulting in the patents at issue . . . were filed before September 16, 2012, courts refer to the pre-AIA version of [Section] 112.” *AbbVie Deutschland GmbH & Co., KG v. Janssen Biotech, Inc.*, 759 F.3d 1285, 1290 (Fed. Cir. 2014). Here, although the applications for the ‘555 and ‘860 patents were filed *after* September 16, 2012, they are continuations of the ‘555 patent, which was filed several months *before* that date. In any event, the AIA does not appear to have materially modified the relevant language in the second paragraph of Section 112.

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