

United States District Court,  
D. Minnesota.

**3M INNOVATIVE PROPERTIES COMPANY and 3M Company,**  
Plaintiffs.

v.

**Barton NELSON, Inc,**  
Defendant.

No. Civ.02-3591(PAM/RLE)

**June 6, 2004.**

Carol Alice Peterson, Kevin H. Rhodes, St Paul, MN, Christopher R. Liro, David K. Callahan, Kenneth H. Bridges, Kirkland & Ellis, Chicago, IL, Mark Allen Myhra, William J. Otteson, Greene Espel, Mpls, MN, for Plaintiffs.

Jeffrey A. Eyres, Leonard Street and Deinard, Mpls, MN, John M. Collins, Tracey S. Truitt, Warren N. Williams, Hovey Williams, Truman K. Eldridge, Jr., Schlee Huber McMullen & Krause, Kansas City, MO, for Defendant.

## **MEMORANDUM AND ORDER**

**MAGNUSON, J.**

This matter is before the Court on various Motions for Summary Judgment brought by both Plaintiffs 3M Innovative Properties Company and 3M Company (collectively, "3M") and Defendant Barton Nelson. 3M asserts that it is entitled to summary judgment on its claim for infringement of U.S. Patent 4,907,825 ("the '825 patent"). 3M also seeks summary judgment on Barton Nelson's affirmative defense and counterclaim regarding the parties' covenant not to sue and on Barton Nelson's claim for attorneys' fees and costs. Barton Nelson brings its own Motion claiming that the '825 patent is invalid as a matter of law.

### **BACKGROUND**

3M filed this action in 2002 for infringement of the '825 patent. Barton Nelson counterclaimed and asserts that the '825 patent is invalid pursuant to 35 U.S.C. s. 102(b). The '825 patent is 3M's commercialized Post-It brand tape flags. The '825 patent contains twelve separate claims. Pertinent to these Motions is claim 1:

A sheet for the temporary marking of portions of documents comprising an elongate layer of flexible polymeric material having opposite major side surfaces and first and second opposite ends, and having a coating of repositionable pressure sensitive adhesive on a second end portion of one of said side surfaces adjacent said second end while being free of adhesive on both of said side surfaces along a first end portion thereof adjacent said first end, both of said end portions being adapted to be written on, said first end

portion being visually distinctive, and said adhesive coated second end portion being generally transparent when adhered to a substrate.

(Truitt Aff. Ex. 1.) 3M argues that Barton Nelson's "Tac Tab" products infringe claim 1 of the '825 patent. Barton Nelson asserts that its own product, the "Edit-Tac," was on sale more than one year prior to 3M's patent application, and thus claims 1, 4 and 5 of the '825 patent are invalid. These Motions require the Court to construe the terms of claim 1.

3M also moves for summary judgment on Barton Nelson's affirmative defense and breach of contract counterclaim regarding the parties covenant not to sue ("covenant"). During interference proceedings in the late 1980s, 3M and Barton Nelson entered into the covenant, in which 3M promised not sue Barton Nelson for infringement provided Barton Nelson conformed with the term of the covenant. In December 2003, the Court granted in part and denied in part Barton Nelson's Motion for Summary Judgment on the covenant. *See* 3M Innovative Properties Co. v. Barton Nelson, Inc., Civil File No. 02-3591, 2003 WL 22989077 (D.Minn. Dec.12, 2003) ("December Order"). The Court determined that a genuine issue of material fact existed on whether Barton Nelson's alleged infringing products were within the scope of the covenant. 3M now claims that discovery is complete and that no genuine issue of material fact remains.

Finally, in its counterclaim for breach of the covenant, Barton Nelson seeks to recover its attorneys' fees and costs incurred in defending this action. 3M contends that Barton Nelson is not entitled to attorneys' fees and costs, because the "American Rule" requires that each party bear its own attorneys' fees and related litigation costs.

## **DISCUSSION**

### **A. Standard of Review**

Summary judgment is appropriate if "there is no genuine issue as to any material fact and ... the moving party is entitled to judgment as a matter of law." Fed.R.Civ.P. 56(c). The Court must view the evidence in a light most favorable to the non-moving party. The burden of demonstrating that there are no genuine issues of material fact rests on the moving party. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986). If the moving party has carried its burden, the non-moving party must demonstrate the existence of specific facts in the record that create a genuine issue for trial. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 256, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986).

### **B. Claim Construction**

3M and Barton Nelson dispute two terms of claim 1 of the '825 patent: (1) "both of said end portions being adapted to be written on;" and (2) "polymeric material." Patent claim construction is a matter of law exclusively for the Court. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 970-71 (Fed.Cir.1995), *aff'd* 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1999). In construing terms, there is a "heavy presumption that a claim term carries its ordinary and customary meaning." *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366 (Fed.Cir.2002) (citations omitted). Proper claim construction requires an examination of the intrinsic evidence of record, including the claims of the patent language, the specifications, and the prosecution history. *Vitronics Corp. v. Conception Inc.*, 90 F.3d 1576, 1582 (Fed.Cir.1996).

Claim interpretation "begins with the language of the claim itself." *Nat'l Recovery Tech., Inc. v. Magnetic*

Separation Sys., Inc., 166 F.3d 1190, 1195 (Fed.Cir.1999). Claim terms are given their ordinary meaning as understood by one of ordinary skill in the art, unless the inventors intended the terms to be construed differently. *Hockerson-Halberstadt, Inc. v. Avia Group Int'l, Inc.*, 222 F.3d 951, 955 (Fed.Cir.2000). If the language of the claim remains genuinely ambiguous after consideration of the intrinsic evidence, then the court can examine extrinsic evidence. *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1290, 1308 (Fed.Cir.1999).

### **1. "Both of said end portions being adapted to be written on"**

Barton Nelson contends that the Court should interpret this language as meaning that the tape flags are "suitable" to be written on, while 3M maintains that the Court should find that the tape flags are "capable" of being written on. Essentially, Barton Nelson submits that the scope of the claim is limited to tabs without printing or coloration.

The Court agrees with 3M, that "adapted" means "capable." Whether a tape flag can be written on depends on the finish on the top of the flag, because of the finish's ability to accept or reject ink or graphite. The design or logo on the flag has no bearing on the tape flag's adaptability to be written on, but rather the finish on the top of the tape flag directly controls the adaptability of the tape flag to be written on. Moreover, as 3M points out, claim 1 also requires that the tape flag be "visually distinctive." Thus, advancing Barton Nelson's interpretation runs contrary to the plain language of claim 1. ( *See also* Barton Nelson's Mem. in Supp. of Mot. of Invalidity of '825 Patent at 16 (proposing "capable" construction) ("Claim 1 also requires that both of said end portions be adapted to be written on. In the Edit-Tac, [the] entire the upper surface (i.e. both ends of the sheet) are [sic] made of parchment paper, which clearly *can* be written on.") (emphasis added)).

### **2. Polymeric Material**

Claim 1 also includes "an elongate layer of flexible polymeric material." Barton Nelson submits that parchment paper is "polymeric material." 3M conversely argues that "polymeric material" specifically excludes paper. The language of the patent and the prosecution history support 3M's assertion that paper is not "polymeric material."

The patent itself explains that the '825 patent is an invention that was an improvement over, and different from, 3M's previous paper Post-It notes. Particularly, the prior art states:

[3M paper Post-It notes] are not as suitable for marking portions of substrates as may be desired, however, because relatively small percentages of such sheets are coated with the repositionable pressure sensitive adhesive so that they are sometimes dislodged during handling; because the sheets are made of paper and easily become damaged; and because the sheets are opaque so that they obscure more of the document they are marking than may be desired.

(Truitt Aff. Ex. 2, '825 patent, col. 1, ll. 21-29.) Barton Nelson attempts to assert that only the combination of these factors, rather than each one individually, render the Post-It notes unsuitable for purposes of the '825 patent. The Court is unpersuaded. 3M distinguishes the '825 patent from the prior art and thus indicates that the '825 patent does not include paper.

The prosecution history also supports this construction. In the 1989 Amendment, 3M again distinguished the '825 patent from a similar British patent:

Nor does [Great Britain Patent 345,066 ("GB '066") ] teach or make obvious the structure of the present invention as described above and claimed in claim 1. GB '066 describes an elongate strip of "paper or fabric" or "thin metal or paper or fabric coated with metal foil" .... There is no teaching that such strips be of flexible polymeric material, nor that their uncoated end portions be visually distinctive, nor that their adhesive coated second end portion be generally transparent when adhered to a substrate. Thus the strip described in GB '066, which when made of paper is similar in structure to the 3M Post-It notes, does not provide the structure or advantages of the present invention as described above and claimed in claim 1, and does not make that structure obvious.

(Liro Decl. Ex. I at 4.) This further supports that the '825 patent specifically excludes paper.

Barton Nelson relies heavily on the dictionary definition of polymer. "Polymer" is defined as "a chemical compound or mixture of compounds formed by polymerization and consisting essentially of repeating structural units." Webster's New Collegiate Dictionary 912 (9th ed.1984). Barton Nelson contends that cellulose, a primary component of paper, is a polymer, and therefore paper is "polymeric material" under the '825 patent. If the Court were persuaded by Barton Nelson's argument, then the '825 patent would encompass nearly all materials because almost everything is composed of polymers. Although paper may be composed of polymers, paper is not by itself a polymer. (Lucia Decl. para. 8 ("paper was comprised of approximately 87% natural polymeric material with 81% of this polymeric material being cellulose and the remainder of the polymeric material comprising low weight hemi-celluloses, which are low-molecular-weight natural polymeric materials")). The evidence submitted by Barton Nelson indicates that "polymeric material" is not interpreted as Barton Nelson submits by those arguably "skilled in the art." ( *See id.*) Moreover, this construction is contrary to the plain language and history of the '825 patent. Therefore, the Court construes "polymeric material" to exclude paper.

### **B. 3M's Motion for Summary Judgment on Barton Nelson's Affirmative Defense and Counterclaim**

In December 2003, the Court granted in part and denied in part Barton Nelson's Motion for Summary Judgment on this very issue. Specifically, the Court determined that the covenant applied to the claims in this lawsuit, but that a genuine issue of material fact remained on whether Barton Nelson's polyester adhesive flags conformed to the terms of the covenant. Now, 3M moves for summary judgment, asserting that because Barton Nelson has submitted no new evidence since the Court's Order, there no longer remains any dispute of material fact. The Court disagrees, and finds that a genuine issue of material fact exists on whether the repositionable adhesive on Barton Nelson's polyester adhesive flags is within the scope of the covenant.

### **C. Barton Nelson's Motion for Summary Judgment**

Barton Nelson claims that the '825 patent is invalid under 35 U.S.C. s. 102(b). Barton Nelson maintains that its "Edit Tac" product contained each and every limitation of claims 1, 4 and 5 of the '825 patent, and that it was on sale to the public for one year prior to the '825 patent application.

Generally, a patent is presumed valid. 35 U.S.C. s. 282. Barton Nelson must demonstrate, by clear and convincing evidence that the '825 patent is invalid. *Elan Corp., PLC v. Andrx Pharms., Inc.*, F.3d -, 366 F.3d 1336, 2004 WL 950272 (Fed.Cir. May 5, 2004). Under 35 U.S.C. s. 102(b), a patent is invalid if "there was a definite sale or offer to sell more than one year before the application for the subject patent, and [ ] the subject matter of the sale or offer to sell fully anticipated the claimed invention." *Id.* at (citations omitted).

There is no dispute that Barton Nelson's "Edit Tac" product was composed of parchment paper. ( *See Lucia Decl.* para. 1-13.) Claims 1, 2 and 4 of the '825 patent require that the claimed invention be made of "polymeric material," and because the Court construes "polymeric material" to exclude paper, Barton Nelson's Motion fails.

#### **D. 3M's Motion for Summary Judgment on Patent Infringement**

3M asserts that Barton Nelson's "Tac Tab" products infringe claim 1 of the '825 patent. A claim for infringement requires 3M to demonstrate that Barton Nelson's "Tac Tab" products embody each limitation or the equivalent of each limitation of at least one claim of the '825 patent. *Dolly, Inc. v. Spalding & Evenflo Co., Inc.*, 16 F.3d 394, 397 (Fed.Cir.1994). Barton Nelson only disputes that its "Tac Tab" products embody the limitation that "both of said end portions being adapted to be written on." The Court has construed "adapted" to mean "capable," and there is no dispute that Barton Nelson's "Tac Tab" products are capable of being written on. In fact, although Barton Nelson advocates for a different construction, it submits that its products "can be written on." (Def. Mem. in Opp'n to Infringement of '825 Patent at 25.) Thus, as Barton Nelson points out, "a patent may not, like a 'nose of wax,' be twisted one way to avoid anticipation and another to find infringement." *Dolly*, 16 F.3d at 24.

However, the Court refrains from determining whether Barton Nelson has infringed the '825 patent. A genuine issue of material fact remains on whether Barton Nelson's polyester adhesive flags, which include the "Tac Tab" products, are within the scope of the covenant. In the event that Barton Nelson's products conform with the covenant, then Barton Nelson cannot be liable for infringement as a matter of law. So, although the "Tac Tab" products embody every limitation in claim 1 of the '825 patent, the Court declines to grant 3M's Motion for Summary Judgment.

#### **D. 3M's Motion for Summary Judgment on Barton Nelson's Claim for Attorneys' Fees**

Barton Nelson's counterclaim against 3M contends that 3M breached the covenant by pursuing this litigation. Barton Nelson seeks recovery of its attorneys' fees and other litigation costs it incurs as a measure of actual damages in defending this lawsuit. 3M maintains it is entitled to summary judgment on Barton Nelson's claimed damages, because the "American Rule" in federal courts requires the parties to bear their own costs and therefore Barton Nelson cannot recover costs as a matter of law. *Johnson v. HUD*, 939 F.2d 586, 590 (8th Cir.1991).

The Court finds that this Motion is premature. Barton Nelson's claim for attorneys' fees and costs is the alleged measure of actual damages for 3M's alleged breach of the covenant. Although the American Rule dictates that attorneys' fees are usually not awarded unless a contract or statutory authority provides for them, the Court finds that this case is distinguishable because Barton Nelson's claim for attorneys' fees and costs is the actual measure of damages. Moreover, whether or not Barton Nelson is entitled to attorneys' fees and costs as the actual measure of its damages is an issue that depends on what the parties contemplated at the time they entered into the covenant. Because a genuine issue of material fact remains on whether Barton Nelson's products are within the scope of the covenant, the Court at this time declines to determine whether the parties contemplated attorneys' fees and costs as a measure of damages for an alleged breach of this covenant.

#### **CONCLUSION**

Accordingly, based on all the files, records, and proceedings herein, IT IS HEREBY ORDERED that:

1. Defendant's Motion for Summary Judgment (Clerk Doc. No. 49) is DENIED; and

2. Plaintiffs' Motion for Summary Judgment (Clerk Doc. No. 59) are DENIED.

D.Minn.,2004.

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