

United States District Court,  
C.D. California.

**EAS SENSORSENSE, INC,**  
Plaintiffs.

v.

**UNIVERSAL SURVEILLANCE CORPORATION,**  
Defendants.

**Universal Surveillance Corporation,**  
Counterclaimant.

v.

**EAS Sensorsense, Inc., Arthus Fuss, et al,**  
Counterclaim Defendants.

No. ED CV 04-1603-GW (AJWx)

**May 15, 2008.**

Jim Francis, Stoll, Keenon, Ogden Law Office, Lexington, KY, Marc R. Jacobs, Michelman and Robinson, Encino, CA, Paul H. Burleigh, Leclairryan LLP, Los Angeles, CA, Robert R. Waters, Waters Law Offices, Louisville, KY, for Plaintiffs.

Graham B. Lippsmith, Girardi and Keese LLP, Maxwell M. Blecher, Blecher and Collins, Milord A. Keshishian, Milord and Associates PC, Thomas V. Girardi, Girardi and Keese LLP, Los Angeles, CA, for Defendants.

Christy Marie Kostich, Gary P. Simonian, Paul H. Burleigh, Leclair Ryan LLP, Los Angeles, CA, Jim Francis, Stoll, Keenon, Ogden Law Office, Robert R. Waters, Waters Law Offices, Lexington, KY, for Counterclaimant.

Christy Marie Kostich, Gary P. Simonian, Paul H. Burleigh, Leclair Ryan LLP, Los Angeles, CA, Marc R. Jacobs, Michelman and Robinson, Encino, CA, for Counterclaim Defendants.

## **DECISION AND STATEMENT OF REASONS AS TO CLAIMS CONSTRUCTION ISSUES**

**GEORGE H. WU, District Judge.**

### ***I. INTRODUCTION***

Hearings were held pursuant to *Markman v. Westview Instruments*, 52 F.3d 967 (Fed.Cir.1995), *aff'd*, 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996), as to certain claims in plaintiff EAS Sensorsense, Inc.'s Patent No. 5,680,681 (henceforth "'681 Patent"). Defendant herein is Universal Surveillance Corporation. The parties have raised eight terms or phrases for which they seek a "claims construction" from this Court.

## II. BACKGROUND

The '681 Patent involves an "electronic article surveillance" tag. Such tags are attached to clothing by retail merchants to prevent theft by customers. The two principal ways in which such mechanisms operate are: 1) the presence of a diode and antenna (or other electronic device) within the tag that will cause an alarm to be activated within the premises when the clothing item is moved either to an unauthorized area of the store or outside of it; and 2) the inclusion of a frangible vial containing ink staining liquid within the tag that will fracture causing the ink to leak out and stain the garment when there is an unauthorized attempt to remove the tag from the clothing. *See* "Background of the Invention" in Column 1 of the '681 Patent. FN1 While both of those mechanisms are incorporated into the '681 Patent, they were well known within the industry before the filing of the present patent. *See e.g.*, page 1 of Patent No. 4,649,397 (attached as Exhibit B to Declaration of Milord A. Keshishian in Support of Universal's Opening Claim Construction Brief) which describes a tag that "includes an electronically-detectable device and a frangible container to provide a telltale stain on the merchandise to show attempted unauthorized removal of the tag."

FN1. Citations to the '681 Patent will sometimes be to "Col." meaning columns and to "1." or "11." meaning line or lines.

As discussed in the "Brief Description of the Prior Art" portion of the '681 Patent:

In the past, a wide variety of conventional devices have been employed using ink as the detrimental substance for staining the fabric of a garment when unauthorized attempts have been made to remove the tag from the garment.

\* \* \*

The substance contained within the vials is released when a fracturing element is flexed so that the vial is broken, releasing the substance.

Problems and difficulties have been encountered when using such conventional devices such as disclosed in U.S. Pat. Nos. 5,031,287 or 5,309,740, which stem largely from the fact that adequate support for the vials within the housing is difficult since the vials must be restrained in position so that inadvertent fracture will not occur. Also, the fragile vials must be supported in such a manner that breakage will not occur inadvertently when the tag is removed by personnel using authorized tag removal devices.

\* \* \*

Therefore, a long-standing need is present to provide a novel garment security tag for supporting frangible vials of a staining substance that that inadvertent breakage will not occur during authorized tag removal .... Support of the vials and breakage means for vials is of importance so that breakage occurs only when unauthorized disturbance or separation of tag component occurs.

'681 Patent at Col. 1, ll. 16-19, 29-40 and 53-62.

The present invention was created to avoid those "problems and difficulties." Id. at Col. 1, ll. 65-66. As delineated in the "Summary of the Invention" portion of the '681 Patent:

The first housing includes a pair of fragile vials containing a garment-staining substance which is supported on a fixed holder adjacent to slots defining openings in the first housing through which released substance can enter the fabric of the garment. The vials are physically dimensioned of reduced size as compared with the openings. The holder supports an element considered to be a fracturing means or breaker bar which is movably or loosely carried on the holder and having opposite ends engageable with the vials.

\* \* \*

Still a further object of the present invention resides in the provisions of a security tag for garments which includes a fracturing element employed to support fragile vials within the housing in combination with slots provided in the housing suitable for conducting released substance from the vials into adjacent fabric of the garment and wherein the slots are of larger size than the size of the vials.

'681 Patent at Col. 2, ll. 1-9 and 39-45.

As stated in the "Description of the Preferred Embodiment" portion of the '681 Patent:

Referring now in detail to **FIG. 3**, [as to] the first housing **11** [, ... ] [o]ne of the components within the interior cavity is a fracturing device or breaker bar **22** for breaking at least one of a pair of fragile vials **23** (one shown) in the event of unauthorized tampering with the device. The fracturing element **22** includes a central body **24** having lateral arcuate portions **25** and **26** outwardly projecting from the body **24**. Downwardly depending from the central body **24** is a projection **27** through which the pin **12** passes in a downwardly depending position. Therefore, the fracturing device or breaking bar **22** integrally includes the pin **12** along with the arcuate portions **25** and **26** which are effective for fracturing or breaking the fragile vial **23** and an identical component **28**.

The vials are held and supported by a holder **29** having a central body **60**, see **FIG. 8**, with lateral circular retainers **61** and **62** that are provided with bores for insertably receiving and holding the vials. The fracturing element **22** nests in an opening **63** with the pin **12** extending through the body **60** of the holder. The fracturing device may pivot within the opening **63** about its engagement with the body **60** so that its laterally extending ends **25** and **26** forcibly engage with either or both vials causing fracture. The holder is substantially stationary with the bottom panel **17** but will wobble in response to movement of the pin and fracture element.

It is to be particularly noted that the vials are shorter in length and narrower in width of slots or opening **33** and **34**. Therefore, only the holder **29** retains the vials and the vials do not touch, bear against or are supported by the sidewall or bottom panel. The vial would fall through its associated slot if it were not for the holder retainers or rings **61** and **62**.

\* \* \*

Of most importance, there is provided the pair of elongated slots identified by numerals **33** and **34** in the panel **17** which are in spaced-apart relationship with respect to the fragile vials **23** and **28** respectively. The diameter of the circular vials or the width thereof in cross-section is less than the width of the respective slots **33** and **34** so that the vials cannot rest on top of the slots. The slots are therefore employed only to permit release and passage of the theft-deterrent substance exteriorly of the first housing **11** and do not mount or retain the vials in position on the panel **17**.

\* \* \*

Therefore, the element **22** is permitted to pivot or move about a central longitudinal axis represented by the point **46**. It can also be seen that the vials **23** and **28** do not rest on the edges of the bottom plate or panel **17** which define the elongated slots **33** and **34**. Therefore, the vials **23** and **28** are supported by the holder rings or retainers **61** and **62**.

'681 Patent at Col. 3, ll. 50-67; Col. 4, ll. 1-15 and 38-48; Col. 5, ll. 44-49.

### **III. APPLICABLE LAW**

The applicable law in regards to claims construction in patent cases is expansively summarized in *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-27 (Fed.Cir.2005), *cert. denied*, 546 U.S. 1170, 126 S.Ct. 1332, 164 L.Ed.2d 49 (2006), and need not be repeated verbatim here. This Court will follow that law.

However, because it is so essential to the disposition of the disputes herein, there is one issue of law articulated in *Phillips* which will be noted at this point. As stated in *Phillips*, the principal legal question raised on appeal therein was the extent to which a court "should resort to and rely on a patent's specification in seeking to ascertain the proper scope of its claims." *Id.* at 1312. It is normally held that the words of a claim "are generally given their ordinary and customary meaning." *Id.* However, "the ordinary and customary meaning of a claim term is the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application." *Id.* at 1313. "Importantly, the person of ordinary skill in the art is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification," *Id.* "Thus the court starts the decisionmaking process by reviewing the same resources as would that person, *viz.*, the patent specification and the prosecution history." *Id.* quoting *Multiform Desiccants, Inc. v. Medzam, Ltd.*, 133 F.3d 1473, 1477 (Fed.Cir.1998). "The claims, of course, do not stand alone. Rather, they are part of a 'fully integrated written instrument,' *Markman*, 52 F.3d at 978, consisting principally of a specification that concludes with the claims. For that reason, claims 'must be read in view of the specification, of which they are part.' *Id.* at 979." *Phillips*, 415 F.3d at 1315. As further observed in *Standard Oil Co. v. Am. Cyanamid Co.*, 774 F.2d 448, 452 (Fed.Cir.1985), "the descriptive part of the specification aids in ascertaining the scope and meaning of the claims inasmuch as the words of the claims must be based on the description. The specification is, thus, the primary basis for construing the claims." *See Merck & Co., Inc. v. Teva Pharms. USA, Inc.*, 347 F.3d 1367, 1371 (Fed.Cir.2003) ("A fundamental rule of claim construction is that terms in a patent document are construed with the meaning with which they are presented in the patent document. Thus, claims must be construed so as to be consistent with the specification of which they are part." [Citations omitted.] )."

### **IV. CLAIMS CONSTRUCTION**

The disputed terms that are the subject of the *Markman* hearings are contained in Claims Numbers 6

through 9 of the '681 Patent. At the request of this Court, the parties filed a Joint Claim Construction Statement of the Parties which listed the "Term or Phrase" in the particular claim that was disputed, followed by "Plaintiff's Proposed Construction" and ending with "Defendant's Proposed Construction." For ease of reference, this Court will initially cite to those items and then give its construction and reasoning.

***Dispute No. 1***

TERM OR PHRASE	PLAINTIFF'S PROPOSED CONSTRUCTION	DEFENDANT'S PROPOSED CONSTRUCTION
Claim 6 first section	(Plaintiff's position is that this term is clear such that no construction is necessary)  The first of two sections of the housing.	a section of the housing that encloses electronic surveillance means and garment staining means

The words "first section" should be given their ordinary and customary meaning. No construction is really necessary as it is clear that the "first section" refers to the first of the two sections of the tag.

***Dispute No. 2***

TERM OR PHRASE	PLAINTIFF'S PROPOSED CONSTRUCTION	DEFENDANT'S PROPOSED CONSTRUCTION
Claim 6 second section	(Plaintiff's position is that this term is clear such that no construction is necessary)  The second of two sections of the housing.	another section of the housing that has fastening means to secure it to the first section.

The words "second section" are clear and refer to the second of the two sections which comprise the tag.

***Dispute No. 3***

TERM OR PHRASE	PLAINTIFF'S PROPOSED CONSTRUCTION	DEFENDANT'S PROPOSED CONSTRUCTION
Claim 6  a moveable fracturing element carried on said first section supporting said pair of fragile vials in spaced relationship with respect to said first section	The element which breaks or fractures the pair of fragile vials is movable, and it is housed in the first section of the tag housing, and it maintains the vials in a spaced relationship	fracturing element  1. that is "carried" or supported by the first section of the housing in a manner such that it can move to fracture the fragile vials, and 2. that supports or carries a pair of fragile vials spaced from the first section of the

housing.

Claim 6 of the '681 Patent in Column 7 at lines 13 through 15 refers to "a moveable fracturing element carried on said first section supporting said pair of fragile vials in spaced relationship with respect to said first section." In order to interpret the meaning of that portion of the Claim, the individual words and phrases contained therein will be examined separately and then jointly.

The phrase "a moveable fracturing element" is unambiguous in light of the language in the specification. It refers to a single item that has both the capacity to be moved and to break the later referenced vials.

The moveable fracturing element is "carried on said first section." The words "carried on" are also used in Claim 1 Column 6 at line 54 ( *i.e.*, "said pair of vials carried on said arms separately by said central portion"). From the language in the specification, the term "carried on" would have the normal dictionary meaning of "being held and supported." *See e.g., Webster's New World Dictionary, Third College Edition* (1988) at 215 (henceforth "*Webster's Dictionary*" ). FN2

FN2. As noted in Phillips, 415 F.3d at 1318, "Within the class of extrinsic evidence, ... dictionaries ... can be useful in claim construction."

The next phrase ( *i.e.*, "supporting said pair of fragile vials") is slightly ambiguous as written because it is initially unclear whether the item that is supporting the pair of fragile vials is the "moveable fracturing element" or the "first section." However, a reading of the specification quickly clears up any ambiguity. As described in the Summary of the Invention, Column 2 at lines 1 through 9, the "pair of fragile vials" are "supported on a fixed holder" and "[t]he holder supports an element considered to be a fracturing means or breaker bar which is movably or loosely carried on the holder and having opposite ends engageable with the vials." Further, in Column 2 at lines 39-41, it is noted that an "object of the present invention" is that it "includes a fracturing element employed to support fragile vials within the housing .... " Thus, the moveable fracturing element supports the pair of fragile vials, although in turn the fracturing element is itself held and supported by the first section.

The fragile vials are "in spaced relationship with respect to said first section". The interpretation of the words "spaced relationship" in that phrase is the primary focus of the disagreement between the parties. Plaintiff's exposition does not really assign any meaning to the term. FN3 Defendant contends that the words indicate that the vials are spaced apart from the housing of the first section. For reasons stated below, this Court finds Defendant's interpretation to be correct.

FN3. The '681 Patent emphasized in its Brief Description of the Prior Art that the "problems and difficulties" with the earlier devices involved issues of "adequate support for the vials within the housing". '681 Patent Col. 1, ll. 31-36. It was recognized that a matter "of importance" is the "support of the vials and breakage means". *Id.* Col. 1, ll.59-60. Consequently, in its articulation of its claims, Plaintiff is obligated to set out with some specificity the scope of its invention vis-a-vis those essential areas. Otherwise, Plaintiff would not be distinguishing its invention from the prior existing devices. Here, Plaintiff's purported interpretation of the words "spaced relationship" in Claim 6 utterly fails to impart any information or instruction on what is essentially a most important element of its invention.

The word "spaced" is defined in *Webster's Dictionary* at 1284 as meaning "to arrange with space or spaces between; divide into or by spaces." "Relationship" is defined as "the quality or state of being related." *Id.* at 1132. Thus, "spaced relationship" would normally connote a relationship characterized by spacing or spaces. The question then is whether that interpretation is supported by the specification. Clearly, it is.

The Summary of Invention indicates that the vials are supported on a "fixed holder" adjacent to the slots which are themselves larger than the vials. *See* ' 681 Patent at Col. 4, ll. 1-6 and 38-44. The "holder supports an element considered to be a fracturing means or breaker bar...." *Id.* at Col. 4, ll. 6-8. Likewise in the Description of the Preferred Embodiment, it is noted that the vials are "held and supported by a holder **29** having a central body **60**, see **FIG. 8**, with lateral circular retainers **61** and **62** that are provided with bores for insertably receiving and holding the vials. FN4 *Id.* at Col. 3, l. 66 through Col. 4, l. 2. It is especially emphasized in the Description of the Preferred Embodiment that:

FN4. It is recognized that the Federal Circuit has "expressly rejected the contention that if a patent describes only a single embodiment, the claims of the patent must be construed as being limited to the embodiment"; and it has also held that "[e]ven when the specification describes only a single embodiment, the claim of the patent will not be read restrictively unless the patentee has demonstrated a clear intention to limit the claim scope using 'words or expressions of manifest exclusion or restriction.'" *Liebel-Flasheim Co. v. Medrod, Inc.*, 358 F.3d 898, 906 (Fed.Cir.2004). However, as further explained by that court in *Phillips*, 415 F.3d at 1323-24:

To avoid importing limitations from the specification into the claims, it is important to keep in mind that the purposes of the specification are to teach and enable those of skill in the art to make and use the invention and to provide a best mode for doing so. *See Spectra-Physics, Inc. v. Coherent, Inc.*, 827 F.2d 1524, 1533 (Fed.Cir.1987). One of the best ways to teach a person of ordinary skill in the art how to make and use the invention is to provide an example of how to practice the invention in a particular case. Much of the time, upon reading the specification in that context, it will become clear whether the patentee is setting out specific examples of the invention to accomplish those goals, or whether the patentee instead intends for the claims and the embodiments in the specification to be strictly coextensive. *See SciMed Life Sys.*, 242 F.3d at 1341. The manner in which the patentee uses a term within the specification and claims usually will make the distinction apparent. *See Snow v. Lake Shore & Mich. S. Ry. Co.*, 121 U.S. 617, 630, 7 S.Ct. 1343, 1887, 30 L.Ed. 1004 Dec. Comm'r Pat. 354 (1887) (it was clear from the specification that there was "nothing in the context to indicate that the patentee contemplated any alternative" embodiment to the one presented).

In the end, there will still remain some cases in which it will be hard to determine whether a person of skill in the art would understand the embodiments to define the outer limits of the claim term or merely to be exemplary in nature. While the task may present difficulties in some cases, we nonetheless believe that attempting to resolve that problem in the context of the particular patent is likely to capture the scope of the actual invention more accurately than either strictly limiting the scope of the claims to the embodiments disclosed in the specification or divorcing the claim language from the specification.

This Court finds that, for the reasons stated in this decision, the patentee herein did in various parts of the specification (including in the Description of the Preferred Embodiment) place or utilize words and/or expressions indicating a manifest intent to exclude and/or restrict the scope of the claims. This is also

apparent in light of the existence of the prior art (and the existing patents for similar devices) of which the patentee herein was aware and from which it sought to distinguish its invention.

It is to be particularly noted that the vials are shorter in length and narrower in width of slots or opening **33** and **34**. *Therefore, only the holder 29 retains the vials and the vials do not touch, bear against or are supported by the sidewall or bottom panel.* The vials would fall through its associated slot if it were not for the holder retainers or rings **61** and **62**.

\* \* \*

*Of most importance, there is provided the pair of elongated slots identified by numerals **33** and **34** in the panel **17** which are in spaced-apart relationship with respect to the fragile vials **23** and **28** respectively. The diameter of the circular vials or the width thereof in cross-section is less than the width of the respective slots **33** and **34** so that *the vials cannot rest on top of the slots*. The slots are therefore employed only to permit release and passage of the theft-deterrent substance exteriorly of the first housing **11** and do not mount or retain the vials in position on the panel **17**.*

\* \* \*

It can also be seen that *the vials **23** and **28** do not rest on the edges of the bottom plate or panel **17*** which define the elongated slots **33** and **34**. Therefore, the vials **23** and **28** are supported by the holder rings or retainers **61** and **62**. [Emphasis added.]

'681 Patent at Col. 4, ll. 10-15 and 38-48, and Col. 5, ll. 46-49.

In light of the above, it is readily apparent that the "pair of fragile vials in spaced relationship with respect to said first section" means that the vials are separated by a space from the interior walls of the first section of the tag.

Plaintiff notes that Claim 6 at Column 7, lines 14-15, uses the words "spaced relationship" whereas the Description of the Preferred Embodiment at Column 4, line 40, uses the term "spaced-apart relationship." Plaintiff argues that because the patent uses two different phrases, they cannot have the same meaning. Plaintiff goes on to contend that since "spaced-apart relationship" in Column 4, line 40, clearly denotes a separation by space, the term "spaced relationship" cannot have the same or similar meaning. Those arguments are not persuasive.

While Plaintiffs initially cited rule of interpretation is generally true, it is observed that the connection between the fragile vials and the slots at the bottom panel of the housing (which is described as being in a "spaced-apart relationship" in Column 4 at line 40) is referenced as a "spaced relationship" in Claim 7 Column 7 at lines 23-24. Therefore, it is not readily apparent that the two terms have a significantly different meaning as used in the patent. *See Curtis-Wright Flow Control Corp. v. Velan, Inc.*, 438 F.3d 1374, 1380 (Fed.Cir.2006) ("claim drafters can also use different terms to define the exact same subject matter.").

Further, assuming *arguendo* that Plaintiff's cited rule of interpretation is applicable herein, it is clear that the two phrases are not dealing with the exact same situation or idea. As noted above, "spaced relationship" in Claim 6 refers to the concept that the vials are spaced from the housing of the first section. In the quoted



language from the Description of the Preferred Embodiment, what is stated is that there are two slots on the bottom panel which are in "spaced-apart relationship with respect to the fragile vials **23** and **28** respectively." Those slots contain openings that are larger in size than the vials. Moreover, the two vials are parallel with each other and identically positioned in regards to the two slots which are, in turn, parallel with each other. Therefore, the description of the two slots as being in a "spaced-apart relationship" with the two vials denotes more than just a separation between a slot and a vial. FN5

FN5. Likewise, in Claim 7 Column 7 at lines 21-22, it is stated that the panel in the first section has "a pair of spaced apart slots". The reference to the slots as being "spaced-apart" describes not only the fact that the slots are separated by a space but also connotes that the slots have a particular position vis-a-vis each other.

***Dispute No. 4***

TERM OR PHRASE	PLAINTIFF'S PROPOSED CONSTRUCTION	DEFENDANT'S PROPOSED CONSTRUCTION
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Claim 6

said fragile vials adapted to engage said first section in response to movement of said fracturing element to break causing said garment staining substance to enter the garment	The fragile vials are arranged such that upon movement of the fracturing element, the vials break against the housing, allowing the staining substance to contact the garment	The aforesaid structure constructed and arranged so the fragile vials supported by the fracturing element contact the first section of the housing on movement of the fracturing element toward the first section to break the vials and cause the garment staining substance to flow into or enter the garment.
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The last clause of Claim 6 (which follows the language that is the subject of Dispute No. 3) states that "said fragile vials adapted to engage said first section in response to movement of said fracturing element to break causing said garment staining substance to enter the garment." See '681 Patent Col. 7, ll. 16-19. The general meaning of that clause is clear. The fragile vials will interact with the first section and break in response to movement of the fracturing element. The dispute between the parties is how the breakage occurs. Plaintiff contends that "the vials break against the housing." Defendant asserts that they do not. The latter interpretation is correct.

In the Summary of the Invention, it is noted that the fragile vials are "supported on a fixed holder adjacent to slots" with the slots being larger than the vials. See '681 Patent at Col. 2, ll. 2-6 and 38-44. "The holder supports an element considered to be a fracturing means or breaker bar..." Id. at Col. 2, ll. 6-8. Likewise, in the Description of the Preferred Embodiment, it is stated that "One of the components within the interior cavity is a fracturing device or breaker bar **22** for breaking at least one of a pair of fragile vials ... in the event of the unauthorized tampering with the device. FN6 Id. at Col. 3, ll. 53-56. The actual process of the breakage is described as follows:

FN6. Even in the "Abstract" on the first page of the '681 Patent, it is stated that the "fragile vials [are] *fixedly* held in position over slots or openings [emphasis added]" and that the device contains "a movable vial fracturing element adjacent openings provided in the first housing ...."

Referring now in detail to **FIG. 7**, it can be seen that as the element **22** is wobbled, flexed or moved so that the laterally extending arcuate portions **25** and **26** wobble, a compressive force is placed on the respective vials. As illustrated, the element **22** is moved laterally about the pivot **46** so that a compressive load or force is placed on the vial **23** causing the vial to break and dispense its theft-deterrent substance through slot **34** into the material **14**. The sub-stance is identified by numeral **47** in its flowable condition penetrating the material **14**. It is to be understood that should the housing **11** be tampered with in such a manner that the element **22** flexes in the opposite direction, then arcuate portion **26** will break the vial **28** so that the substance will flow externally of the housing **11** via slot **33** into the garment fabric **14**. Thus when the fracturing means, such as element **22**, is displaced into a fracturing relationship with either of the vials **23** and **28**, the theft-deterrent substance will be released.

Id. at Col. 5, ll. 50-67. Thus, it is apparent that the bar is the fracturing element not the sides of the housing or any compression against the housing itself.FN7

FN7. Further, as noted in the Summary of the Invention, the vials are positioned "adjacent to slots defining openings in the first housing" where the openings are larger than the vials. Id., Col. 2, ll. 3, 5-6 and 44. Consequently, an attempt to press the vials against the bottom panel of the housing would (unless the vials were otherwise held in place, which would make such movement impossible) not result in compression of the vials against the housing since the slot openings to which the vials are adjacent are larger than the vials themselves.

An additional reason why Plaintiff's proffered interpretation is incorrect is that it contradicts the purported novel elements of its invention and adopts a method of breakage and a design already long established in the prior art. For example, in Patent No. 5,309,740 ("740 Patent") issued in May of 1994, frangible vials of ink are placed on the flat supporting surface inside of a section of a tag device. See '740 Patent at Column 3, lines 53-55, and Column 4, lines 4-8 and 57-65, which is attached as Exhibit B to Universal's Proposed Claim Construction and Citation to the '681 Patent Specification and Intrinsic Record. Breakage is accomplished in the '740 Patent by the "compressive contact" between the "flat surface of [the] vial fracturing means" on the vial(s) "with the flat undersurface of said second housing." Id. at Col. 5, ll. 1-16. Plaintiff in its Brief Description of the Prior Art section of the specification in the '681 Patent noted that "[p]roblems and difficulties have been encountered when using such conventional devices as described in U.S. Pat. Nos.... 5,309,740, which stem largely from the fact that adequate support for the vials within the housing is difficult since the vials must be restrained in position so that inadvertent fracture will not occur." '681 Patent at Col. 1, ll. 31-36. The '681 Patent goes on to state that "Support of the vials and breakage means for vials is of importanc...." Id. at Col. 5, ll. 59-60.

Where a patentee attempts to distinguish its invention from the prior art, such statements can be used as a basis for the interpretation of the scope of the claims in a granted patent. *Ekchian v. Home Depot, Inc.*, 104 F.3d 1299, 1304 (Fed.Cir.1997) ("by distinguishing the claimed invention over the prior art, an applicant is indicating what the claims do not cover, he is by implication surrendering such protection.").

In light of the above discussion, it is held that the means of breakage in Claim 6 does not involve breaking the vials against the housing of the first section.

### *Dispute No. 5*

TERM OR	PLAINTIFF'S PROPOSED	DEFENDANT'S PROPOSED CONSTRUCTION
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PHRASE	CONSTRUCTION	
Claim 7 panel	The bottom portion of the first section of the tag housing.	In the context of claim 7, a part of the first section of the housing in which a pair of spaced apart slots are formed.

Claim 6 is an independent claim while Claim 7 is a dependent one. *See generally* 35 U.S.C. s. 112 (fourth paragraph); also 3 *Chisum on Patents* (2007) s. 8.06[5] at 8-254. "[T]he presence of a dependent claim that adds a particular limitation gives rise to a presumption that the limitation in question is not present in the independent claim." Phillips, 415 F.3d at 1315.

In Claim 7 Column 7 at lines 21-22, the word "panel" is used in the phrase "said first section having a panel provided with a pair of spaced-apart slots." The word "panel" here does not require any interpretation as it is obvious that that item is the "bottom panel" of the first section of the tag as referenced, for example, in the Description of the Preferred Embodiment at Column 4, line 8 and as designated as Item No. 17 in Figures 1, 2, 3 and 6 in the '681 Patent.

### ***Dispute No. 6***

TERM OR PHRASE	PLAINTIFF'S PROPOSED CONSTRUCTION	DEFENDANT'S PROPOSED CONSTRUCTION
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Claim 7

said fragile vials normally supported in spaced relationship with respect to said slots by said fracturing element and brought into breakable relationship with respect to said slots in response to movement of said fracturing element

The fragile vials are normally retained in place by the fracturing element, the fracturing element breaks the vials against the panel and slots.

In the context of claim 7, the fracturing element normally supports the fragile vials spaced from the slots in the panel, and when the fracturing element moves, the vials are broken by being brought into contact, or breakable relationship, with the panel and slots.

The disagreement between the parties as to this clause in Claim 7 basically is the same as the primary one in Dispute No. 3, *i.e.* whether the vials are broken against the panel and slots. On that issue, the Court has already issued an interpretation which it would incorporate herein.

However, there is a further issue not really discussed by either party which appears somewhat problematic. By using the word "normally" in the above language, it would appear that the patentee may be attempting to assert that there are certain non-normal situations where the fragile vials would not be "supported in spaced relationship with respect to said slots by said fracturing element and brought into breakable relationship with respect to said panel and said slots in response to movement of said fracturing element." What those non-normal situations would be is not defined. Nor is there any indication of what the invention would look like or how it would operate in those non-normal situations. Nevertheless, since neither party has raised this matter, this Court will not address it further.

### ***Dispute No. 7***

TERM OR PHRASE	PLAINTIFF'S PROPOSED CONSTRUCTION	DEFENDANT'S PROPOSED CONSTRUCTION
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Claim 8

an electronic surveillance circuit disposed in said first section in spaced-apart relationship with respect to said fracturing element whereby said fracturing element moves without interference with said electronic surveillance circuit

The electronic surveillance circuit is located in the first section of the tag, and when the fracturing element moves, it does not interfere with the electronic surveillance circuit.

In the context of claim 8, an electronic surveillance circuit is housed in the first section at a sufficient distance from the moveable fracturing element also housed therein so as not to interfere with movement of the fracturing element.

As can be seen from the interpretations provided by each side, there really is no need for a construction as to the quoted language of Claim 8 since the parties do not significantly disagree as to the meaning of that language. See Plaintiff's Opening Claim Construction Brief at page 16 and Universal's Opening Claim Construction Brief at page 16.

**Dispute No. 8**

TERM OR PHRASE	PLAINTIFF'S PROPOSED CONSTRUCTION	DEFENDANT'S PROPOSED CONSTRUCTION
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Claim 9

said first section includes spacer ribs bearing against said electronic surveillance circuit maintaining said spaced apart relationship between said electronic surveillance circuit and said fracturing element

The first section includes spacer ribs that maintain the electronic surveillance circuit separate from the fracturing element.

(No construction offered by the Defendant)

Defendant has offered no counter interpretation of the quoted language from Claim 9 and conceded in its Opening Brief that the parties agree on the construction. No action on that issue is required from this Court.

**V. CONCLUSION**

For the reasons stated above, this Court issues its construction of the portions of the claims in dispute.

The Court sets a status conference for May 29, 2008 at 8:30 a.m. to discuss future proceedings in this case.

C.D.Cal.,2008.

EAS Sensorsense, Inc. v. Universal Surveillance Corp.

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