PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of **CERTAIN TWO-WAY GLOBAL SATELLITE COMMUNICATION DEVICES, SYSTEM AND COMPONENTS THEREOF**	**Inv. No. 337-TA-854** **(Enforcement Proceeding)**

ENFORCEMENT INITIAL DETERMINATION AND RECOMMENDED DETERMINATION ON REMEDY

Administrative Law Judge Dee Lord

(March 7, 2014)

Appearances:

For Complainant BriarTek IP, Inc.:

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For Respondents DeLorme Publishing Company, Inc and DeLorme InReach LLC:

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For Commission Investigative Staff:

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TABLE OF CONTENTS

This is the Enforcement Initial Determination (EID) issued pursuant to the Commission Order of May 20, 2013. The record shows that the enforcement respondents have violated the Consent Order issued by the Commission on April 5, 2013. To the extent that the Commission determines that a violation of the Consent Order has taken place, I recommend the imposition of penalties.

The following abbreviations may be used in this Initial Determination:

CPX	Complainant's physical exhibit
CDX	Complainant's demonstrative exhibit
CX	Complainant's exhibit
CIB	Complainant's initial post-hearing brief
CRB	Complainant's reply post-hearing brief
RPX	Respondents' physical exhibit
RDX	Respondents' demonstrative exhibit
RX	Respondents' exhibit
RIB	Respondents' initial post-hearing brief
RRB	Respondents' reply post-hearing brief
SIB	Commission Investigative Staff's initial post-hearing brief
SRB	Commission Investigative Staff's reply post-hearing brief
Dep.	Deposition
JSCI	Joint Stipulation of Contested Issues
JX	Joint Exhibit
Tr. at	Transcript
CPHB	Complainant's pre-hearing brief
RPHB	Respondents' pre-hearing brief
SPHB	Commission Investigative Staff's pre-hearing brief

I. BACKGROUND

A. Procedural History

On September 17, 2012, the Commission issued a Notice of Investigation to determine:

> [W]hether there is a violation of subsection (a)(1)(B) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain two-way global satellite communication devices, system and components thereof that infringe one or more of claims 1, 2, 5, 10-12, and 34 of [U.S. Patent No. 7,991,380], and whether an industry in the United States exists as required by subsection (a)(2) of section 337.

(*See* Notice of Investigation.) The Investigation was instituted upon publication of the Notice of Investigation in the *Federal Register* on September 21, 2012. *See* 77 Fed. Reg. 58579-80 (2012); 19 CFR § 210.10(b).

The complainant in the violation phase was BriarTek IP, Inc., 3129 Mount Vernon Avenue, Alexandria, VA 22305. The respondents in the violation phase were DeLorme Publishing Company, Inc., 2 DeLorme Drive, Yarmouth, ME 04096; DeLorme InReach LLC, 2 DeLorme Drive, Yarmouth, ME 04096; Yellowbrick Tracking Ltd., The Heli-Pad, Little Basset's Farm, Magpie Lane, Brentwood, Essex, CM13EA, UK. The Office of Unfair Import Investigations was also a party in the Investigation.

On November 8, 2012, Order No. 7 terminated respondent Yellowbrick Tracking, Ltd. based upon a settlement agreement.

On February 19, 2013, Order No. 17 granted-in-part Complainant's motion for summary determination of importation, finding that Complainant satisfied the importation requirement with respect to the InReach 1.0 and InReach 1.5 products, and the main boards for the InReach 1.5 product.

On March 15, 2013, Order No. 21 granted Respondents' opposed motion to terminate the

Investigation based on a consent order.

On April 5, 2013, a Commission Notice issued and indicated that the Commission would not review Order No. 21 terminating the Investigation. On the same day, the Commission issued a consent order that provided, *inter alia*, that:

> DeLorme shall not import into the United States, sell for importation into the United States, or sell or offer for sale within the United States after importation any two-way global satellite communication devices, system, and components thereof, that infringe claims 1, 2, 5, 10-12 and 34 of the '380 Patent after April 1, 2013, until the expiration, invalidation, and/or unenforceability of the '380 Patent or except under consent or license from Complainant, its successors or assignees.

(Consent Order at 2 (April 5, 2013).)

On May 20, 2013, the Commission issued a Notice of Institution of Enforcement Proceeding in this matter to determine:

> [W]hether DeLorme is in violation of the April 5, 2013 consent order issued in the investigation, and what, if any, enforcement measures are appropriate.

(*See* Notice of Institution of Enforcement Proceeding.)

The complainant in this enforcement proceeding is BriarTek IP, Inc., 3129 Mount Vernon Avenue, Alexandria, VA 22305. The respondents are DeLorme Publishing Company, Inc., 2 DeLorme Drive, Yarmouth, ME 04096; and DeLorme InReach LLC, 2 DeLorme Drive, Yarmouth, ME 04096. The Office of Unfair Import Investigations is also a party in this enforcement proceeding.

On July 31, 2013, Order No. 9 granted Complainant's unopposed motion to partially terminate this Investigation based on withdrawal of allegations of infringement based on claims 5, 11, 13, and 34 of U.S. Patent No. 7,991,380.

On November 4, 2013, Order No. 21 granted Complainant's motion to amend its infringement contentions to add allegations of infringement of dependent claim 2 by the InReach SE product.

An evidentiary hearing in this Investigation was held on November 18, 2013.

On December 17, 2013, Order No. 24 instructed the parties to provide additional briefing regarding the impact of the Federal Circuit's decision in *Suprema, Inc. v. International Trade Commission*, --- F.3d ----, 2013 WL 6510929, No. 2012-1170 (Fed. Cir. 2013) (petitions for rehearing and rehearing *en banc* awaiting disposition), on the issues raised in this enforcement proceeding.

On March 4, 2014, Order No. 27 extended the target date by three days to June 9, 2014.

B. The Private Parties

1. BriarTek IP, Inc.

BriarTek IP, Inc. is a corporation with its principal place of business in Virginia. (Enforcement Complaint at ¶ 12.)

2. DeLorme Publishing Company, Inc.

DeLorme Publishing Company, Inc. is a corporation with its principal place of business in Maine. (DeLorme Response to Enforcement Complaint at ¶ 15; Enforcement Complaint at ¶ 15.)

3. DeLorme InReach, LLC

DeLorme InReach, LLC is a corporation with its principal place of business in Maine. (DeLorme Response to Enforcement Complaint at ¶ 16; Enforcement Complaint at ¶ 16.)

C. Overview Of The Patent At Issue

1. Technical Summary

U.S. Patent No. 7,991,380 ("the '380 patent") is entitled "Global Bidirectional Locator Beacon and Emergency Communications System." (CX-0004.) It lists Charles K. Collins and Joseph Landa as the inventors. (*Id.*) It was filed on March 29, 2007 and issued on August 2, 2011. (*Id.*) The patent claims priority to Provisional Application No. 60/788,411, which was filed on March 30, 2006 and has a patent term adjustment of 985 days. (*Id.*) The Abstract of the '380 patent states:

> An emergency monitoring and reporting system includes a user unit and a monitoring system. The user unit includes an input device, a user satellite communication system, and a user processor communicatively coupled to the input device and the user satellite communication system. The monitoring system includes a monitoring satellite communication system, an output device, and a monitoring processor communicatively coupled to the monitoring satellite communication system and the output device. The user satellite communication system and the monitoring satellite communication system are adapted for mutual communication via a satellite network such that the output device can present information corresponding to information entered at the input device to an observer.

(*Id.* at Abstract.)

2. Ownership of the Patent at Issue

The certified copy of the assignment records for the '380 patent demonstrates that the '380 patent is assigned to "BriarTek IP." (CX-0010.) Respondents do not offer any arguments to rebut this evidence—rather, Respondents merely argue that "DeLorme rests on BriarTek's burden on the issue of proving ownership." (RIB at 23.) In light of this unrebutted evidence that Complainant is the assignee of the '380 patent, Complainant has established ownership of the '380 patent for purposes of this Investigation.

D. Products At Issue

The Consent Order applies to "any two-way global satellite communication devices, system, and components thereof, that infringe claims 1, 2, 5, 10-12 and 34 of the '380 Patent[.]" (Consent Order at 2 (April 5, 2013).) Complainant alleges that DeLorme InReach Models 1.5 and SE (2.0), when combined with Earthmate software that runs on a smartphone or tablet, the Iridium satellite system, Respondents' servers in Chicago, and recipients of messages, including GEOS, a monitoring company, and Respondents, directly infringe claims 1, 2, and 10 of the '380 patent. Complainant says that "[i]t is the entire system that results in the direct infringement of claims 1, 2, and 10." (CIB at 12-15.)

II. JURISDICTION

Paragraph 2 of the Consent Order Stipulation signed by Respondents provides that:

> The Commission has *in rem* jurisdiction over the accused two-way global satellite communication devices, system, and components thereof that are at issue in this Investigation, the Commission has *in* personam jurisdiction over DeLorme for purposes of this Stipulation and proposed Consent Order, and the Commission has subject matter jurisdiction in this Investigation.

(Order No. 854-021, Ex. A (March 15, 2013).) Further, Respondents admit that "[p]ursuant to paragraph 2 of the Consent Order Stipulation, DeLorme does not contest the *in rem*, *in personam*, or subject matter jurisdiction of the Commission." (RIB at 22.) As a result, the Commission has *in rem*, *in personam*, and subject matter jurisdiction in this Enforcement proceeding.

III. VIOLATION OF THE CONSENT ORDER

A. Consent Order

The Consent Order provides that:

> Upon entry of the proposed Consent Order, DeLorme shall not import into the United States, sell for importation into the United States, or sell or offer for sale within the United States after importation any two-way global satellite communication devices, system, and components thereof, that infringe claims 1, 2, 5, 10-12, and 34 of the '380 Patent after April 1, 2013, until the expiration, invalidation, and/or unenforceability of the '380 Patent or except under consent or license from Complainant, its successors or assignees.

(Consent Order at 2 (April 5, 2013).)

Complainant alleges that Respondents' InReach Models 1.5 and SE (2.0), when combined with Earthmate software that runs on a smartphone or tablet, the Iridium satellite system, Respondents' servers in Chicago, and recipients of messages, including GEOS, a monitoring company and Respondents, directly infringe claims 1, 2, and 10 of the '380 patent. Complainant says that "[i]t is the entire system that results in the direct infringement of claims 1, 2, and 10." (CIB at 12-15.) Complainant accuses five actions by InReach of violating the consent order: (1) reusing Iridium modems and plastic clips from InReach 1.0 devices that were imported before April 1, 2013, in InReach 1.5 devices that were sold after April 1, 2013; (2) selling InReach SE devices after April 1, 2013, where those InReach SE devices include an imported plastic clip; (3) selling InReach SE devices after April 5, 2013, where those InReach SE devices include an imported Iridium 9603 modem; (4) selling InReach SE devices, where those InReach SE devices include an imported AVNET chip; and (5) activating, after April 1, 2013, InReach 1.5 devices that were sold before April 1, 2013. (CIB at 69-83.)

On December 13, 2013, the Federal Circuit issued an opinion in *Suprema, Inc. v. International Trade Commission*, --- F.3d ----, 2013 WL 6510929, No. 2012-1170 (Fed. Cir.

2013) (petitions for rehearing and rehearing *en banc* awaiting disposition). It indicates, *inter alia*, that:

> The patent laws essentially define articles that infringe in § 271(a) and (c), and those provisions' standards for infringement (aside from the "United States" requirements, of course) must be met at or before importation in order for the articles to be infringing when imported. Section 271(b) makes unlawful certain conduct (inducing infringement) that becomes tied to an article only through the underlying direct infringement. Prior to the commission of any direct infringement, for purposes of inducement of infringement, there are no "articles that ... infringe"—a prerequisite to the Commission's exercise of authority based on § 337(a)(1)(B)(i).

2013 WL 6510929 at *9. The Federal Circuit further states that:

> Given the nature of the conduct proscribed in § 271(b) and the nature of the authority granted to the Commission in § 337, we hold that the statutory grant of authority in § 337 cannot extend to the conduct proscribed in § 271(b) where the acts of underlying direct infringement occur post-importation.

Id. Because Complainant's infringement allegations appear to be based, at least in part, on actions that occur within the United States after importation, additional briefing addressing the impact of *Suprema* on Complainant's allegations was requested from the parties on December 17, 2013. (Order No. 24.) On January 3, 2014, Complainant and Respondents provided additional briefing on the issue. On January 10, 2014, Staff provided additional briefing on the issue. For the reasons explained below, *Suprema* does not foreclose Complainant's allegations in this enforcement proceeding.

Complainant's Position: Complainant argues that *Suprema* does not impact Complainant's allegations of a violation of the consent order. Complainant says that the holdings of *Suprema* have limited applicability to (i) method claims, (ii) the question of violation under § 337(a)(1)(B)(i), and (iii) the specific facts at issue in *Suprema*. Complainant continues that the current enforcement proceeding relates to (i) apparatus claims, (ii) enforcement of a

consent order, and (iii) the importation of components that are used for the allegedly infringing system which is controlled by Respondents. Complainant contends that extending the *Suprema* holdings to the facts of this enforcement proceeding ignores Congressional intent, the 337 statute as a whole, and Commission precedent.

Respondents' Position: Respondents argue that under *Suprema*, the Commission does not have the authority to prohibit or penalize the importation of non-infringing parts later used in the United States in the assembly of a device that, still later, becomes part of an allegedly infringing system only after a user downloads domestically-developed software onto a third-party smartphone or tablet and pairs that smartphone or tablet with the InReach device. Respondents explain that in *Suprema*, the Federal Circuit addressed the question of whether the Commission can predicate a finding of a violation of 19 U.S.C. § 1337(a)(1)(B)(i) on a claim of induced infringement where the underlying act of direct infringement does not occur until after importation. Respondents argue that the holding of *Suprema* applies to the consent order here in light of the similarity of the language of the consent order and the language of Section 337, and that *Suprema* is not limited in application to method claims. Respondents argue that because the alleged acts of direct infringement do not occur until after importation (assembly of the imported parts into an InReach device, then activation and use by a user), Respondents could not have violated the consent order in light of *Suprema*.

Staff's Position: Staff argues that the Federal Circuit's decision in *Suprema* is limited to the interpretation of 19 U.S.C. § 1337(a)(1)(B)(i). Staff says that the issues raised in this Enforcement Proceeding involve the interpretation of the consent order, not a violation of 19 U.S.C. § 1337(a)(1)(B)(i). (Citing Notice of Institution of Enforcement Proceeding (May 24, 2013).) Staff continues that, by agreeing to the terms of a consent order, Respondents obtained

the benefits of avoiding a possible adjudication of violation of section 337 and the expense of litigation. Staff adds that Respondents acknowledge that they voluntarily entered into a contract with the U.S. government that they would not import into the United States, sell for importation into the United States, or sell or offer for sale within the United States after importation any two-way global satellite communication devices, system, and components thereof, that infringe claims 1, 2, 5, 10-12, and 34 of the '380 patent after April 1, 2013. (Citing RIB at 2.)

Staff argues that the fact that the language of the consent order tracks the language of section 337 is not dispositive. Staff explains that a consent decree is not necessarily barred merely because the decree provides greater relief than the court could have awarded after a trial. Staff contends that a consent order is a contract and should be construed as a contract for enforcement purposes. Staff notes that the consent order does not state that an article must infringe at the time of its importation.

Staff explains that Respondents admitted that prior to April 1, 2013, they imported devices that they understood to be covered under the consent order, and made efforts to stress that they "quarantined" over 2200 units behind lock and key in their warehouse. Staff continues that Respondents also admitted that they have taken the majority of the components from 1,596 units of the imported devices from the "quarantined" inventory, converted them into InReach 1.5 devices and sold them over 51 days during a period between April 2, 2013 and November 14, 2013. Staff concludes that Respondents cannot and should not be permitted to "wiggle [their] way out of [their] 'contract with the U.S. Government' by appealing to a Federal Circuit decision that is inapposite to the facts and issues of this Enforcement Proceeding." (Staff Resp. to Order No. 24.)

Conclusions and Analysis: The Federal Circuit's holding in *Suprema* is not relevant to

the issues raised in this Investigation. In *Suprema,* the respondents had appealed the Commission's imposition of exclusion and cease and desist orders after a finding of violation of § 337(a)(1)(B)(i) and argued, in pertinent part, that a Section "337(a)(1)(B)(i) violation may not be predicated on a theory of induced infringement under the facts of this case." *Suprema*, 2013 WL 6510929 at * 2. As explicitly acknowledged by the Federal Circuit, the threshold issue raised on appeal was "whether a § 337(a)(1)(B)(i) violation may be predicated on a claim of induced infringement where the attendant direct infringement of the claimed method does not occur until post-importation." *Id.* at *5. The Federal Circuit "conclude[d]" that "§337(a)(1)(B)(i), by tying the Commission's authority to the importation, sale for importation, or sale within the U.S. after importation of *articles that infringe* a valid and enforceable U.S. patent, leaves the Commission powerless to remedy acts of induced infringement in these circumstances." *Id.* (emphasis in original). Thus, the issue raised on appeal in *Suprema* addressed what constituted a violation under section 337(a)(1)(B)(i).

In contrast, the question that must be addressed here is whether or not Respondents violated a consent order. In instituting this enforcement proceeding, the Commission stated that it:

> [H]as determined to institute formal enforcement proceedings to determine ***whether DeLorme is in violation of the April 5, 2013 consent order*** issued in the investigation, and what, if any, enforcement measures are appropriate.

(Comm'n Notice of Institution of Enforcement Proceeding at 2 (May 20, 2013) (emphasis added).) This is to be contrasted with the Commission' institution of the original proceeding, which stated that the Commission orders that:

> An investigation be instituted to determine ***whether there is a violation of subsection (a)(1)(B) of section 337*** in the importation into the United States, the sale for importation, or the sale within the United States after importation of

> certain two-way global satellite communication devices, system and components thereof that infringe one or more of claims 1, 2, 5, 10-12, and 34 of the '380 patent, and whether an industry in the United States exists as required by subsection (a)(2) of section 337[.]

(Comm'n Notice of Institution of Investigation at 2 (September 17, 2012) (emphasis added).) Thus, the question that must be answered is whether or not Respondents violated the April 5, 2013 consent order, not whether or not the activities of Respondents would constitute a violation of Section 337(a)(1)(B).

Extending the holding of *Suprema*, which, as explained above, addresses the question of violation of Section 337(a)(1)(B), to foreclose Complainant's claims based on the alleged violation of a consent order is not supported. First, the statute that creates the cause of action here does not support such an extension. Terminating an investigation based on the entry of a consent order and imposing a civil penalty based upon the violation of a consent order does not require a finding of violation under Section 337(a)(1). Rather, the Section 337 statute explicitly provides, *inter alia*, that:

> ***The Commission shall determine***, with respect to each investigation conducted by it under this section, ***whether or not there is a violation of this section, except that the Commission may, by issuing a consent order*** or on the basis of an agreement between the private parties to the investigation, including an agreement to present the matter for arbitration, ***terminate any such investigation, in whole or in part, without making such a determination***.

19 U.S.C. § 1337(c) (emphasis added). The statute continues to provide that:

> Any person who violates an order issued by the Commission under paragraph (1) after it has become final shall forfeit and pay to the United States a civil penalty for each day on which an importation of articles, or their sale, occurs in violation of the order of not more than the greater of $100,000 or twice the domestic value of the articles entered or sold on such day in violation of the order.

19 U.S.C. § 1337(f)(2). Thus, the statute itself does not require a finding of violation under Section 337(a)(1)(B) either (1) to terminate based on consent order, or (2) to impose a civil

penalty for violation of the consent order.

Suprema itself also does not support such a reading. Rather, as noted above, *Suprema* addressed the limited question of "whether a § 337(a)(1)(B)(i) violation may be predicated on a claim of induced infringement where the attendant direct infringement of the claimed method does not occur until post-importation." *Suprema*, 2013 WL 6510929 at *5. Respondents acknowledge as much, stating that the question addressed in *Suprema* was "whether the Commission can predicate a finding of violation of 19 U.S.C. § 1337(a)(1)(B)(i) ('Section 337(a)(1)(B)(i)') on a claim of induced infringement where the underlying act of direct infringement does not occur until *after* importation." (Respondents' Resp. to Order No. 24 at 4.) Furthermore, a footnote in *Suprema* counsels against extending the holding of *Suprema* to encompass violations of consent orders:

> Our ruling is not a jurisdictional one. The question we address is not whether the Commission may initiate an investigation where theories of induced infringement are implicated; we simply conclude that a § 337(a)(1)(B)(i) violation may not be predicated on a theory of induced infringement in these circumstances.

Suprema, 2013 WL 6510929, at *5 n.2 (citing *Amgen, Inc. v. U.S. Int'l Trade Comm'n*, 902 F.2d 1532, 1535 (Fed. Cir. 1990) (noting that the Commission is correct to first assume jurisdiction and then determine merits of claim where patent claims are asserted)). Thus, the Federal Circuit acknowledges that the Commission does not lack jurisdiction over cases where theories of induced infringement are implicated (as here) and the holding of *Suprema* should be limited to the question of violation under § 337(a)(1)(B)(i).[1]

Turning to the language of the consent order itself, there is nothing that requires that a violation of § 337(a)(1)(B) be found to find a violation of the consent order. Consent orders are

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[1] To be noted, Respondents have waived the right to contest jurisdiction. (*See* Section II, *supra.*)

contracts and are interpreted under the principles of contract law. *See Notice Of Proposed Rulemaking And Request For Comments,* 57 Fed. Reg. 52830, 52838-39 (Nov. 5, 1992) (explaining that "[t]he second sentence of paragraph (b) of the interim rule was deemed unnecessary because the Commission construes the terms of consent orders according to general principles of contract law."); *See also Certain R-134A Coolant (Otherwise Known as 1,1,1,2-Tetrafluoroethane)*, Inv. No. 337-TA-623, Enforcement Initial Determination, 2009 WL 3239170 at *11-12 (Sept. 21, 2009) (interpreting a consent order using contract law principles), unreviewed by Comm'n Notice (Nov. 23, 2009). Respondents acknowledge as much, stating that the consent order "just represents a contract under which DeLorme has agreed with the Government not to import or sell before or after importation any device, system, or component that infringes certain claims of the '380 Patent." (Respondents' Resp. to Order No. 24 at 15.) Respondents also agree that "Consent Orders are to be interpreted according to general principles of contract law." (RIB at 2.)

The plain language of the consent order makes clear that Respondents' activities do not need to violate Section 337(a)(1)(B) to violate the consent order. The consent order includes two separate portions—an introduction ("whereas clause"), and the order itself. (*See* April 5, 2013 Consent Order at 1-2.) The whereas clause provides context for the order that follows, and explains, in pertinent part, that the Investigation was instituted based upon allegations of "***unlawful activities*** in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain two-way global satellite communication devices, system, and components thereof by [Respondents][] that are alleged to infringe claims 1, 2, 5, 10-12, and 34 of U.S. Patent No. 7,991,380 (the "'380 Patent")." (*Id.* at 1 (emphasis added).)

The order portion of the Consent order includes similar, but not identical language, providing that:

> Upon entry of the proposed Consent Order, [Respondents][] shall not import into the United States, sell for importation into the United States, or sell or offer for sale within the United States after importation any two-way global satellite communication devices, system, and components thereof, that infringe claims 1, 2, 5, 10-12, and 34 of the '380 Patent after April 1, 2013, until the expiration, invalidation, and/or unenforceability of the '380 Patent or except under consent or license from Complainant, its successors or assigns.

(*Id.* at 2.) Noticeably absent from the order portion of the Consent Order, when compared to the whereas clause, is any requirement that the importation actually constitute an "unlawful activity"—i.e., a violation of Section 337(a)(1)(B). Applying the ordinary rules of contract interpretation, the only conclusion that can be drawn is that the order portion of the consent order does not require that Respondents not commit an unlawful act; rather, the order requires that Respondents not "import into the United States, sell for importation into the United States, or sell or offer for sale within the United States after importation any two-way global satellite communication devices, system, and components thereof, that ***infringe*** claims 1, 2, 5, 10-12, and 34 of the '380 Patent after April 1, 2013." (*Id.* (emphasis added).)

An analogous situation was addressed in *Certain R-134A Coolant (Otherwise Known as 1,1,1,2-Tetrafluoroethane).* There, the complainant argued that the respondent violated the consent order by failing to convert a Chinese facility to a new process. Complainant averred that a "whereas" clause contained in the consent order stipulation provided that this conversion would be undertaken. Complainant then argued that this "whereas" clause from the stipulation, must be read into the explicitly stated "stipulations" of the consent order stipulation, and then into the consent order itself. Inv. No. 337-TA-623, Enforcement Initial Determination, 2009 WL 3239170, at *11-12 (Sept. 21, 2009). This argument was rejected. The administrative law judge

found that the "Consent Order itself, the entry of which complainants did not oppose, summarizes the set of stipulations on which it is based before reciting the operative provisions of the Order." The administrative law judge continued that "the plant conversion is not recited in the Consent Order's summary of the stipulations," and the "language regarding plant conversion appears only in the WHEREAS clause of the Consent Order Stipulations." *Id.* Here, Respondents drafted and signed the consent order stipulation and drafted a proposed consent order. (*See* Order No. 854-021 Exs. A and B (March 15, 2013).) Both included the specific language "infringe" in the explicit "stipulations," but omitted any requirement that the "infringement" be "unlawful," which was included in the "whereas" clauses. (*Id.*) Having voluntarily entered into the stipulation, Respondents cannot complain regarding the plain import of the language.

To be noted, Respondents received a significant benefit by entering into this "contract."[2] Respondents avoided a significant portion of the costs of litigating a 337 matter, costs which the AIPLA has estimated as between $550,000.00 and $5,000,000.00, depending on the amount at risk. Law Practice Management Committee, *AIPLA Report of the Economic Survey* at 35 (2013). In return, for this benefit Respondents waived their right to contest a number of issues in an enforcement proceeding, including, *inter alia*, validity, jurisdiction, and whether or not their "infring[ing]" activities constituted a violation of Section 337(a)(1)(B). (*See* April 5, 2013 Consent Order at 1-2.) Based upon all of the foregoing, the question that must be answered in this enforcement proceeding is not whether Respondents' alleged infringement could support a finding of violation of 337(a)(1)(B) in a Violation Investigation. Rather, the question is simply

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[2] As noted above, Respondents admit that the consent order is "a contract under which DeLorme has agreed with the Government not to import or sell before or after importation any device, system, or component that infringes certain claims of the '380 Patent." (Respondents' Resp. to Order No. 24 at 15.)

whether Respondents have imported into the United States, sold for importation into the United States, or sold or offered for sale within the United States after importation, any two-way global satellite communication devices, system, and components thereof, that ***infringe*** (as defined by Section 271 of the United States Code) claims 1, 2, 5, 10-12, and 34 of the '380 Patent.[3]

B. Infringement

1. Applicable Law

"An infringement analysis entails two steps. The first step is determining the meaning and scope of the patent claims asserted to be infringed. The second step is comparing the properly construed claims to the device accused of infringing." *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed. Cir. 1995) (en banc), *aff'd*, 517 U.S. 370 (1996) (citations omitted).

a. Claim Construction

Claim construction "is a matter of law exclusively for the court." *Id.* at 970-71. "The construction of claims is simply a way of elaborating the normally terse claim language in order to understand and explain, but not to change, the scope of the claims." *Embrex, Inc. v. Serv. Eng'g Corp.*, 216 F.3d 1343, 1347 (Fed. Cir. 2000). "[O]nly those [claim] terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy." *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999).

Claim construction focuses on the intrinsic evidence, which consists of the claims themselves, the specification, and the prosecution history. *See generally Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). The Federal Circuit in *Phillips* explained that in

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[3] Only claims 1, 2, and 10 remain at issue in this Enforcement Proceeding.

construing terms, courts must analyze each of these components to determine the "ordinary and customary meaning of a claim term," which 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." *Id.* at 1313.

"It is a 'bedrock principle' of patent law that 'the claims of a patent define the invention to which the patentee is entitled the right to exclude.'" *Id.* at 1312 (citations omitted). "Quite apart from the written description and the prosecution history, the claims themselves provide substantial guidance as to the meaning of particular claim terms." *Id.* at 1314. For example, "the context in which a term is used in the asserted claim can be highly instructive," and "[o]ther claims of the patent in question, both asserted and unasserted, can also be valuable sources of enlightenment as to the meaning of a claim term." *Id.*

"[T]he specification 'is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term.'" *Id.* (citation omitted). "The longstanding difficulty is the contrasting nature of the axioms that (a) a claim must be read in view of the specification and (b) a court may not read a limitation into a claim from the specification." *Innova/Pure Water, Inc. v. Safari Water Filtration Sys., Inc.*, 381 F.3d 1111, 1117 (Fed. Cir. 2004). The Federal Circuit has explained that there are certain instances when the specification may limit the meaning of the claim language:

> [O]ur cases recognize that the specification may reveal a special definition given to a claim term by the patentee that differs from the meaning it would otherwise possess. In such cases, the inventor's lexicography governs. In other cases, the specification may reveal an intentional disclaimer, or disavowal, of claim scope by the inventor. In that instance as well, the inventor has dictated the correct claim scope, and the inventor's intention, as expressed in the specification, is regarded as dispositive.

Phillips, 415 F.3d at 1316.

In addition to the claims and the specification, the prosecution history should be

examined if in evidence. "The prosecution history…consists of the complete record of the proceedings before the PTO and includes the prior art cited during the examination of the patent. Like the specification, the prosecution history provides evidence of how the PTO and the inventor understood the patent." *Id.* at 1317 (citation omitted). "[T]he prosecution history can often inform the meaning of the claim language by demonstrating how the inventor understood the invention and whether the inventor limited the invention in the course of prosecution, making the claim scope narrower than it would otherwise be." *Id.*

If the intrinsic evidence does not establish the meaning of a claim, then extrinsic evidence may be considered. Extrinsic evidence consists of all evidence external to the patent and the prosecution history, including dictionaries, inventor testimony, expert testimony and learned treatises. *Id.* at 1317. Extrinsic evidence is generally viewed "as less reliable than the patent and its prosecution history in determining how to read claim terms[.]" *Id.* at 1318. "The court may receive extrinsic evidence to educate itself about the invention and the relevant technology, but the court may not use extrinsic evidence to arrive at a claim construction that is clearly at odds with the construction mandated by the intrinsic evidence." *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973, 977 (Fed. Cir. 1999).

b. Infringement

Once claim construction is completed, the properly construed claims must be compared to the device accused of infringing. A complainant must prove either literal infringement or infringement under the doctrine of equivalents. Infringement must be proven by a preponderance of the evidence. *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 859 F.2d 878, 889 (Fed. Cir. 1988). A preponderance of the evidence standard "requires proving that infringement was more likely than not to have occurred." *Warner-Lambert Co. v. Teva Pharm.*

USA, Inc., 418 F.3d 1326, 1341 n. 15 (Fed. Cir. 2005).

Literal infringement is a question of fact. *Finisar Corp. v. DirecTV Group, Inc.*, 523 F.3d 1323, 1332 (Fed. Cir. 2008). Literal infringement requires the patentee to prove that the accused device contains each and every limitation of the asserted claim(s). *Frank's Casing Crew & Rental Tools, Inc. v. Weatherford Int'l, Inc.*, 389 F.3d 1370, 1378 (Fed. Cir. 2004).

The Federal Circuit has explained that:

> Infringement under the doctrine of equivalents may be found when the accused device contains an "insubstantial" change from the claimed invention. Whether equivalency exists may be determined based on the "insubstantial differences" test or based on the "triple identity" test, namely, whether the element of the accused device "performs substantially the same function in substantially the same way to obtain the same result." The essential inquiry is whether "the accused product or process contain elements identical or equivalent to each claimed element of the patented invention[.]"

TIP Sys., LLC v. Phillips & Brooks/Gladwin, Inc., 529 F.3d 1364, 1376-77 (Fed. Cir. 2008) (citations omitted).

Section 271(a) of the Patent Act delineates the cause of action for direct infringement of patent claims. Specifically, it provides that "[e]xcept as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent." 35 U.S.C. § 271(a).

Section 271(b) of the Patent Act sets forth the cause of action for induced infringement of patent claims. Specifically, it provides that "[w]hoever actively induces infringement of a patent shall be liable as an infringer." 35 U.S.C. § 271(b). "Direct infringement is a required element to establish induced infringement." *Toshiba Corp v. Imation Corp.*, 681 F.3d 1358, 1364 (Fed. Cir. 2012). To prove inducement, a patent holder must also prove that once the defendants knew

of the patent, they actively and knowingly aided and abetted another's direct infringement. To be noted, the "'mere knowledge of possible infringement by others does not amount to inducement; specific intent and action to induce infringement must be proven.'" *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1305 (Fed. Cir. 2006) (en banc) (quoting *Warner–Lambert Co. v. Apotex Corp.*, 316 F.3d 1348, 1364 (Fed.Cir.2003)). The Federal Circuit recently summarized *DSU Med. Corp.*, noting that it had "clarified en banc that the specific intent necessary to induce infringement 'requires more than just intent to cause the acts that produce direct infringement. Beyond that threshold knowledge, the inducer must have an affirmative intent to cause direct infringement.'" *Kyocera Wireless Corp. v. Int'l Trade Comm'n*, 545 F.3d 1340, 1354 (Fed. Cir. 2008) (quoting *DSU Medical*, 471 F.3d at 1306).

The Supreme Court recently held that "induced infringement under § 271(b) requires knowledge that the induced acts constitute patent infringement." *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S.Ct. 2060, 2068 (2011). The Court explained that "[g]iven the long history of willful blindness and its wide acceptance in the Federal Judiciary, we can see no reason why the doctrine should not apply in civil lawsuits for induced patent infringement under 35 U.S.C. § 27l(b)." *Id.* at 2069 (footnote omitted). The Supreme Court continued that "[w]hile the Courts of Appeals articulate the doctrine of willful blindness in slightly different ways, all appear to agree on two basic requirements: (1) the defendant must subjectively believe that there is a high probability that a fact exists and (2) the defendant must take deliberate actions to avoid learning of that fact. We think these requirements give willful blindness an appropriately limited scope that surpasses recklessness and negligence." *Id.* at 2070-71 (footnote omitted).

2. Claim Construction

a. Person of Ordinary Skill

Complainant's Position: Complainant argues that a person of ordinary skill in the art of the '380 patent would have a Bachelor's degree in physics or engineering with approximately ten years of relevant experience in the field of satellite communications, navigation, and/or wireless interfaces. Alternatively, according to Complainant, a person of ordinary skill in the art would have a Master's degree in physics or engineering with approximately five years of relevant experience in the field or a Ph.D. in the same area and research in the relevant field. (Citing CX-0002C at Q. 46; Tr. at 166:16-167:2.) Complainant contends that there is no practical difference in the levels of skill proposed by Complainant and Respondents. (Citing CX-0002C at Q. 54-56; Tr. at 166:16-167:2.)

Respondents' Position: Respondents argue that a person of ordinary skill in the art of the '380 patent would have an undergraduate degree in electrical engineering, computer engineering, or computer science and three to five years of practical experience designing and implementing commercial applications for wireless communication systems. (Citing RX-0162C at Q. 47; RX-0164C at Q. 8.) Respondents say that this is based on their expert, Mr. William Zancho's, decades of experience working in the field with engineers on implementing satellite communication systems and the fact that the '380 patent is simply worded and not described in overly technical language. (Citing RX-0164C at Qs. 13, 14.) Respondents contend that Complainant's proposal requires too much experience and Dr. Steffes, Complainant's expert, improperly based his proposal for the person of ordinary skill in the art on second-hand knowledge from teaching students and encountering professionals in the communications and navigation industries periodically. (Citing CX-0002C at Q. 47.) Respondents note that Dr.

Steffes testified that none of his opinions would change if Respondents' proposed definition were adopted. (Citing *id.* at Qs. 54-55.) As a result, Respondents assert that it is unclear why Dr. Steffes insists on an increased level of learning and experience.

Staff's Position: Staff argues that Respondents' proposal should be adopted for the level of one of ordinary skill in the art of the '380 patent. Staff says that it is unclear why a physics degree would be more relevant than an engineering degree, or why it would require at least ten years, rather than three to five years, of experience for one to be a person of ordinary skill in the art. Staff contends that Complainant's proposal is "excessive."

Conclusions and Analysis: A person of ordinary skill in the art of the '380 patent would have an undergraduate degree in electrical or computer engineering, or computer science and three to five years of experience in the design or implementation of wireless communication systems.

Although the field of technology addressed by the '380 patent appears complex at first assessment—a "Global Bidirectional Locator Beacon and Emergency Communications System"—the technology at the heart of the invention and the asserted claims is relatively simple. (CX-0004 at Title, 8:2-25, 50-54.) There is nothing in the claims or the patent that requires the level of skill proposed by Complainant. Rather, the patent and the asserted claims are directed to various elements of an "emergency monitory and reporting system" and explain the interaction between the elements. (*Id.* at 8:2-25, 50-54.) The elements at issue in the asserted claims include, *inter alia*, a "user unit," and a "monitoring system."[4] (*Id.*) Other than conclusory testimony from its expert "based on [his] experience with training various levels of

[4] As explained in Section III.B.d *infra*, these are the only claim terms that need to be construed in this Investigation.

students, and based on [his] encounters with professionals" (CX-0002C at Qs. 46-47), Complainant cites no support that understanding these relatively simple claim terms (and the technology of the '380 patent generally) would require ten years of experience or advanced degrees. (CIB at 23.) As a result, although a person of ordinary skill in the art would have relevant education and experience in wireless communication systems, requiring ten years of experience is excessive.

b. "a user unit"

Claim Term	Complainant's Proposal	Respondents' Proposal	Staff's Proposal
"a user unit"	Agrees with Staff	"a single device used by a user"	"a device or equipment used by a user"

Complainant's Position: Complainant argues that "a user unit" should be construed to mean "a device or equipment used by a user." (CIB at 25.) Complainant says that the '380 patent identifies the "user unit" as Item 2 in figures 1-5 and describes a "user unit" as including multiple devices. (Citing CX-0004 at 3:62-65; Tr. at 98:10-99:1.) Complainant continues that claim 1 also discusses the user unit including other devices. (Citing CX-0002C at Q. 76; Tr. at 166:16-167:2.) Complainant argues that Respondents' requirement that the user unit be a single device is inconsistent with the specification, which shows multiple devices that are part of the user unit. (Citing CX-0002C at Q. 78; Tr. at 166:16-167:2.)

Respondents' Position: Respondents argue that a "user unit" must be "a unitary thing, that is, a single device." Respondents contend that Figure 1 shows the "user unit" (element 2) as a "unitary device" containing within it the required input device (element 4), satellite communication system (element 5), and processor (element 6). (Citing CX-0004 at 4:5-30.) Respondents continue that Figure 2 shows a user wearing the "user unit" like a wrist watch.

(Citing *id.* at 4:56-59.) Respondents add that Figure 3 shows a keypad and microphone within a single user unit. (Citing *id.* at 5:6-8.) Respondents assert that the specification supports their construction. (Citing *id.* at Abstract, 1:42, 62, 2:24, 31, 3:22-23, 27, 62-63, 4:1-2, 6-7, 27, 5:53. Respondents note that if the user unit were not a single device, there would be little value in adapting it to be coupled to a user, as described in claim 2. (Citing *id.* at 1:56, 4:56-66.)

Respondents say that Complainant's expert, Dr. Steffes, confirmed that the user unit shown in Figure 2 had to be a single device and Figure 2 shows the user unit as a single device containing the required elements. (Citing Tr. at 138:17-169:2, 140:11-141:9.) Respondents continue that Dr. Steffes agreed that Figure 3 shows the user unit as a single device containing the required elements and all of the figures of the patent show the user unit as a single box containing all of the required elements of claim 1. (Citing Tr. at 138:17-145:17, 140:11-141:9.) Respondents add that their expert, Mr. Zancho, explained that when somebody describes a user unit, they are referring to a single device that is used by the user. (Citing Tr. at 247:6-11, 249:21-250:5, 250:19-251:5; RX-0162C at Qs. 77-78.)

Respondents disagree with Complainant's and Staff's proposed construction, arguing that constructions that deny a unit must be a "single thing" should be rejected. (Citing http://www.merriam-webster.com/dictionary/unit.) Respondents contend that nowhere in the specification can one find an implementation that is not a single unit. Respondents say that while Complainant's expert may hold the opinion that the patent's figures disclose block diagrams, such an opinion is irrelevant and at odds with the intrinsic record. Respondents continue that it does "more violence to the language" to conclude that a "unit" can come in multiple pieces than to conclude that a "unit" can include self-contained parts that might be described as devices.

Staff's Position: Staff argues that its proposed construction most closely reflects the plain and ordinary meaning of the term "user unit." Staff asserts that Respondents' proposed construction is inconsistent with the remaining language of the claim, which specifically provides that "the user unit includes an input *device*, a user satellite communication system, and a user processor . . . ." (Citing CX-0004 at 8:6-7 (emphasis added).) Staff notes that under Respondents' construction, a user unit of claim 1 would be "a *single device* used by a user" that would also "*include*[] an input *device*"—a result which Staff says would be grammatically incongruous since a single device would need to include a second device. Staff continues that although Respondents argue that the figures in the '380 patent teach that a user unit must be single enclosed device, Dr. Steffes explained that one of ordinary skill in the art would interpret the figures as functional block diagrams that electrically show the connections between devices within the unit, not as a representation of a physical enclosure of the parts. (Citing Tr. at 137:1-138:12.) Staff adds that the specification clearly describes each figure as "exemplary." (Citing CX-0004 at 3:43-54.) Staff concludes that there is no intrinsic evidence to warrant Respondents' narrowing construction of the plain and ordinary language of the '380 patent's claims.

Conclusions and Analysis: The term "a user unit" will be construed to mean "equipment for a user." At its essence, the dispute between the parties regarding the term "a user unit" is whether the "user unit" must be limited to a single device that includes the features addressed in the claim, as proposed by Respondents, or a unit that can be implemented as devices that include the features addressed in the claim, as proposed by Staff and Complainant. On the whole, the record does not support adding the restrictions sought by Respondents.

The Federal Circuit has made clear that "the claims themselves provide substantial guidance as to the meaning of particular claim terms." *Phillips v. AWH Corp.,* 415 F.3d 1303,

1314 (Fed. Cir. 2005) (en banc). Here, the plain language of the claims themselves counsels against Respondents' narrow construction that limits "a user unit" to a single device. First, claim 1 merely requires that the various elements of the "user unit"—"an input device," "a user satellite communication system," and a "user processor"—be "communicatively coupled." (CX-0004 at 8:6-9.)[5] The claims contemplate multiple "device[s]" within the "user unit." Claim 1 itself discloses two "device[s]" that are included within the "user unit." Specifically, claim 1 provides that the "user unit" includes an "input device," which, in turn, includes "a text entry device." (CX-0004 at 8:6, 8:22-23.) Further, claims 5 and 8, which depend from claim 1, include additional "device[s]," including "a memory device" and "a selection device," both of which are included in the "user unit." (*Id.* at 8:31, 8:43.) Thus, because the claims contemplate multiple "device[s]" being contained within the "user unit," the plain language of the claims supports a construction that would permit several "devices" to comprise the "user unit."

Respondents fail to address directly the inconsistency between their proposed construction—that a "user unit" is a "single device"—and the plain language of the claims that discloses multiple "devices" comprising the "user unit." Rather, Respondents argue that it does "more violence to the language" to conclude that a "unit" can come in multiple pieces than to

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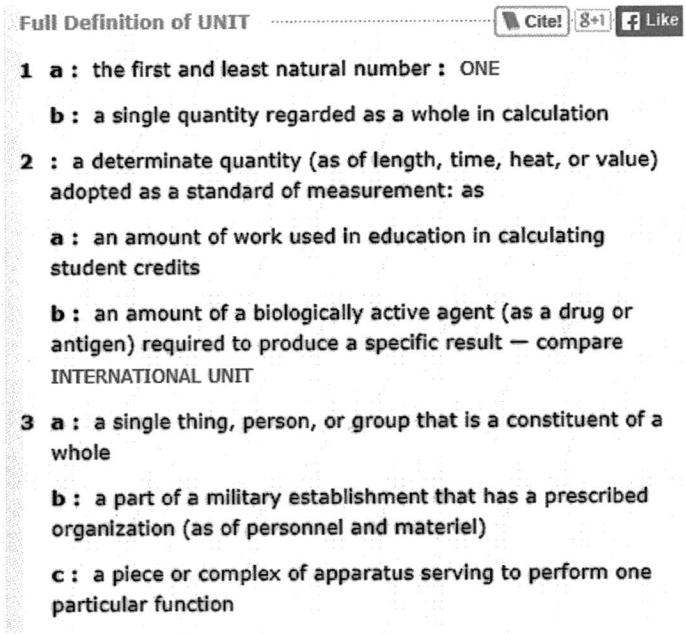
[5] Although Mr. Zancho argues that "communicatively coupled" would require communication through a bus within a single device (Tr. at 250:10-25), nothing in the '380 patent specification requires such a restrictive understanding of "communicatively coupled." Rather, the '380 patent actually discloses input devices that are physically separate from the remainder of the "user unit." (CX-0004 at 5:13-15.) Additionally, the '380 patent discloses the use of external sensors that are "communicatively coupled" to the processor in the "user unit." The '380 patent states that "[p]articular embodiments of the user unit 2 also include a status sensor 18 that is ***communicatively coupled*** to the processor 6, as shown in FIG. 5." (CX-0004 at 5:53-55 (emphasis added).) The '380 patent continues to explain that the "sensor can also sense and indicate biological information such as heart rate and body temperature, to be used by remote medical personnel so that a medical emergency can be analyzed even before personnel reach the user." (CX-0004 at 6:4-8.) The '380 patent specification acknowledges that such a sensor may need to be physically separate from the remainder of the "user unit," explaining that the sensor is "connected to the user unit via an electronic interface" or is "included in the user unit." (CX-0004 at 3:67-4:2.) Thus, the '380 patent makes clear that a sensor that is a part of the "user unit" can be physically separate from the user unit, while still "communicatively coupled." As a result, restricting the term "communicatively coupled" to mean communication through a bus within a single device is unsupported by the specification.

conclude that a "unit" can include self-contained parts that might be described as devices. (RRB at 7.) Respondents cite an online definition of "unit" from Merriam Webster as support. (*Id.* (citing http://www.merriam-webster.com/dictionary/unit).) The essence of Respondents' argument appears to be that because the dictionary meaning of "unit" would require a single device, the dictionary meaning should control over language of the claims to the contrary. This argument fails for several reasons.

First, Respondents have cited an online dictionary definition of "unit"—not an exhibit that has been admitted in this Investigation. As a result, the online dictionary definition is not properly part of the evidentiary record. Second, the dictionary cited by Respondents does not establish that the term "unit" ***must*** be limited to a "single" device. Rather, the dictionary provides a number of different definitions for the term "unit," not all of which are limited to a "single" device. Although one of the definitions (definition 3a) defines a "unit" as "a single thing, person, or group that is a constituent of a whole," another of the definitions (definition 3c) defines a "unit" as "a piece or ***complex*** of apparatus serving to perform one particular function" (emphasis added):



Full Definition of UNIT Cite! 8+1 Like

1 a : the first and least natural number : ONE

b : a single quantity regarded as a whole in calculation

2 : a determinate quantity (as of length, time, heat, or value) adopted as a standard of measurement: as

a : an amount of work used in education in calculating student credits

b : an amount of a biologically active agent (as a drug or antigen) required to produce a specific result — compare INTERNATIONAL UNIT

3 a : a single thing, person, or group that is a constituent of a whole

b : a part of a military establishment that has a prescribed organization (as of personnel and materiel)

c : a piece or complex of apparatus serving to perform one particular function

Merriam Webster Online Dictionary, *Definition of "Unit,"* http://www.merriam-webster.com/dictionary/unit (last visited January 28, 2014). Thus, the dictionary discloses that the term "unit" could mean not only "a single thing" that is a constituent of a whole, but a "complex of apparatus" that performs a particular function. Thus, assuming *arguendo* that the cited dictionary definition were part of the evidentiary record, it does not support Respondents' limiting construction of "unit."

Third, even assuming *arguendo* that the cited dictionary definition supported Respondents' restrictive construction, Respondents' argument is legally flawed. The Federal Circuit has explained that extrinsic evidence shall not be used to arrive at a claim construction that is clearly at odds with the construction mandated by the intrinsic evidence. *Elkay Mfg. Co.*, 192 F.3d at 977. The cited dictionary definition is, without question, extrinsic evidence. To the extent that the dictionary definition of "unit" conflicts with the language of the claims as

Respondents appear to admit,[6] the language of the claims must control. *See id.*

Although Respondents argue that the specification supports their construction of "user unit," there is nothing in the specification that demonstrates a clear intention by the patentees to limit the claim's scope as required by Respondents' proposed construction. The Federal Circuit has stated that "[g]enerally, a claim is not limited to the embodiments described in the specification unless the patentee has demonstrated a 'clear intention' to limit the claim's scope with 'words or expressions of manifest exclusion or restriction.'" *i4i Ltd. P'ship v. Microsoft Corp.*, 598 F.3d 831, 843 (Fed. Cir. 2010) (quoting *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 906 (Fed. Cir. 2004)). Here, like the claims, the specification states that the "user unit" includes a number of devices, including *inter alia* an "input device," a "memory device," and an "output device." (*See e.g.*, CX-0004 at 1:42-45, 62-65; 2:31.) Thus, not only is a "clear intention" to limit the claim's scope absent from the specification, construing a "user unit" to mean a "single device" would conflict with the disclosures provided in the specification.

Respondents' argument that boxes drawn around the "user unit" are limiting is not persuasive. The specification is clear that Figures 1-5 depict "***exemplary***" user units. (CX-0004 at 3:43-49.) Respondents fail to identify any "words or expressions of manifest exclusion or restriction" that evidence a clear intent to limit the claims to these exemplary embodiments. *See i4i v. Microsoft*, 598 F.3d at 843. Absent such evidence, the claims are not limited to such examples.

Further, the specification actually suggests that the "input device," which is a part of the "user unit," can be separate from other parts of the "user unit." The specification explains that

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[6] Although Respondents rely on one dictionary definition that defines "unit" as a "single thing . . .," which conflicts with the intrinsic record, as noted above, one of the dictionary definitions actually describes a complex of apparatus, which does not conflict with the intrinsic record.

the "input device can be any device that can accept an input entered by the user that can be processed by the user unit 2." (CX-0004 at 5:3-5.) The specification states that "the input device 4 can be a keypad 13 or a microphone 14, or can include both a keypad 13 and a microphone 14[.]" (*Id.* at 5:6-8.) The specification adds that "other types of input devices, such as touch screens and ***pressure sensitive writing tablets*** can be used with the system 1." (Id. at 5:13-15 (emphasis added).)[7] Thus, the specification discloses an embodiment where the "input device" is a "pressure sensitive writing tablet"—i.e., a separate device. This rebuts Respondents' argument that "[n]owhere does the specification refer to or depict the user unit as coming in multiple pieces." (RIB at 29.)

The prosecution history does not support Respondents' narrow construction. During prosecution, the patentees relied upon the presence of a text entry device in the claims to distinguish the claims from the prior art. (RX-0131 at DLM-1021107, 1021161-62.) However, the patentees did not argue that the "user unit" was a single device that required a keyboard. Rather, they argued that the device disclosed in the prior art reference would not have been combined with a keypad (text entry device) because the device had no way to send messages from a keypad. They explained that the device in the prior art reference was limited to sending "outgoing numeric codes." (*Id.*) None of these statements is a clear disavowal of claim scope as it relates to whether the "user unit" must be single device.

Mr. Zancho's testimony that a "user unit" is a "single device" is unpersuasive in view of the clear intrinsic record. Mr. Zancho testified that based on his experience in the satellite

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[7] The existence of an embodiment with an "input device" that is physically separate from the remaining parts of the "user unit" lends credence to Dr. Steffes' testimony that figures 1, 4, 5, and 7 are functional block diagrams showing connections between various components, rather than a physical diagram defining the form of the user unit. (*See* Tr. at 137:1-145:1.)

communications industry, a user unit described as including certain elements would be understood to be a single unit containing those elements. (Tr. at 249:21-250:5.) Mr. Zancho's testimony conflicts with the intrinsic evidence, and as a result, will not be used to arrive at a claim construction that is clearly at odds with the construction mandated by the intrinsic evidence. *Elkay Mfg. Co.*, 192 F.3d at 977.

Based upon the plain language of the claims, the lack of evidence of an intent to limit the meaning of a "user unit" in the specification, and the presence of embodiments that include user units with physically separate input devices, Respondents' limiting construction will be rejected and the term "user unit" will be construed to mean "equipment for a user."

c. "a monitoring system"

Claim Term	Complainant's Proposal	Respondents' Proposal	Staff's Proposal
"a monitoring system"	Agrees with Staff	"A single device, not the user unit, located in a fixed position remote from the user unit, and operated by an observer, capable of sending and receiving information"	"A communications system to check on the progress of a user and to receive information from the user"

Complainant's Position: Complainant argues that the term "a monitoring system" should be construed to mean a communication system to check on the progress of the user and provide reports to and from the user pertaining to emergencies. (Citing CX-0002C at Q. 80; Tr. at 166:16-167:2.) Complainant disagrees with Respondents' proposed construction, averring that there is no indication that a monitoring system should or would necessarily consist of a single device. Complainant continues that because of the nature of satellite monitoring systems that existed at the time of the invention, the idea that a fixed position is required and that the system

be operable or be operated by an observer is not required. Complainant continues that similar to the "user unit" the claim itself discloses that the monitoring system is made up of multiple devices. Complainant adds that the system cannot be a single device because the words system and device are used differently in the claim. (Citing CX-0002C at Q. 84; Tr. at 166:16-167:2.)

Respondents' Position: Respondents argue that the '380 patent describes a monitoring system that is perfectly symmetrical with the user unit. (Citing CX-0004 at Fig. 1.) Respondents say that the '380 patent describes the monitoring system like the user unit as a unitary device—one system at a defined location. Respondents explain that Figures 1, 7, and 8 show the elements of the monitoring system included within a single unit drawn as a single box. (Citing CX-0004 at 4:30-34, 6:33-39, 6:58-61, 6:65-7:1.) Respondents continue that the monitoring system is characterized by what it includes and is differentiated from the user unit. (Citing CX-0004 at 1:45-46, 2:41-42, 65, 3:1, 29-30, 4:16, 30-31, 6:34, 58, 65-66, 2:27-28, 61-62, 3:36-39, 4:43-44, 5:60-61, 6:32-33.) Respondents add that the "monitoring system" is consistently described and defined as a specific location to which information can be sent and where information can be observed. (Citing CX-0004 at 3:24-25, 4:43-44, 5:60-61, 65, 6:42, 50-51, 7:64-65.) Respondents aver that while the '380 patent might have assigned the various features of the claimed system differently by distributing them over several devices or multiple systems, it did not do so. (Citing RX-0164C at Qs. 34-35.) Respondents say that their proposed construction captures the essential symmetry between the user unit and the monitoring system. (Citing RX-0162C at Q. 82.)

In their reply brief, Respondents propose replacing the term "device" in their construction with the term "system," but retaining the specification's "requirement" that the monitoring

system occupy a single location at which the observer receives messages. (Citing CX-0004 at 3:36-39, 4:43-44, 5:60-61.)

Staff's Position: Staff contends that its proposed construction most closely reflects the plain and ordinary meaning of this term. Staff disagrees with Respondents' proposed construction, saying that a "system" typically connotes a set of things or parts that form a larger whole. Staff contends, as a result, that a "system" is not inherently a single "anything," much less a single device. Staff continues that there is no suggestion in the claims or the specification that the system be limited to a single device; rather, the claim specifically provides that the monitoring system includes a communication system, an output device, and a monitoring processor. (Citing CX-0004 at 8:10-12.) Staff says that Respondents' construction would result in a "single device" that would also include an output device, which is grammatically incongruous.

Staff argues that Respondents improperly import a nonexistent limitation from the specification to construe the monitoring system as being in a fixed location. Staff says that the seven examples in the specification cited by the Respondents provide no indication that the patentees intended to limit the monitoring system to a fixed location. Staff continues that because Respondents' proposed construction unduly limits the scope of the claim term, it should be rejected.

Conclusions and Analysis: The term "a monitoring system" will be construed to mean "equipment for observing, and communicating with, a user." The addition of further limitations proposed by the parties is not warranted because they are either duplicative of the remaining language of claim 1 or unsupported by the record.

To start, claim 1 provides significant insight into what the term "a monitoring system" means. Claim 1 discloses, *inter alia*, that the "monitoring system" includes a "monitoring satellite communication system," an "output device," and a "monitoring processor." (CX-0004 at 8:10-15.) Claim 1 continues to explain that the "monitoring satellite communication system" is adapted for "mutual communication" with the "user satellite communication system," such that the "output device" in the "monitoring system" can present information corresponding to information entered at the input device. (*Id.* at 8:15-21.) Thus, claim 1 makes clear that the "monitoring system" is equipment used for "mutual communication" with the user unit, and presents information regarding the user unit. The plain language of the claims requires nothing further.

Complainant's and Staff's proposed construction adds additional details regarding the functions of the "monitoring system," namely "to check on the progress of a user and to receive information from the user." The portion of the construction that requires the "monitoring system" to "receive information from the user" is unnecessary in view of the language already included in the claim. Claim 1 explains that the "monitoring system" includes an output device that "can present information to an observer, wherein the information corresponds to information entered at the input device." (CX-0004 at 8:10-11, 19-21.) As a result, it is not necessary to include this language in the construction of "monitoring system."

The portion of Complainant's and Staff's construction that requires the "monitoring system" "check on the progress of a user" is not required by the language of the claim or the specification. (See CX-0004 at 8:2-23.) "Checking on the progress of a user" is just one embodiment of the "monitoring system." (CX-0004 at 3:28-33 (disclosing that "[t]he user unit ***can*** include a satellite beacon that transmits a beacon signal according to a timed sequence, and

the monitoring system ***can*** include a receiver that receives the beacon signal via the satellite network and provides an indication of the presence or absence of the beacon signal at the output device.") (emphasis added); CX-0004 at 5:53-6:4 (disclosing that the "monitoring system" monitors status sensors on the "user unit" to determine if a "problem" has arisen).) There is nothing in the specification or claims indicating a clear intent to limit claim 1 to this particular embodiment.

Moreover, the principle of claim differentiation counsels against limiting claim 1 to this embodiment. The doctrine of claim differentiation originates in "the common sense notion that different words or phrases used in separate claims are presumed to indicate that the claims have different meanings and scope." *Karlin Tech., Inc. v. Surgical Dynamics, Inc.*, 177 F.3d 968, 971-72 (Fed. Cir.1999). Claim differentiation "create[s] a presumption that each claim in a patent has a different scope." *Comark Commc'ns, Inc. v. Harris Corp.*, 156 F.3d 1182, 1187 (Fed. Cir. 1998). "In the most specific sense, 'claim differentiation' refers to the presumption that an independent claim should not be construed as requiring a limitation added by a dependent claim." *Curtiss-Wright Flow Control Corp. v. Velan, Inc.*, 438 F.3d 1374, 1380 (Fed. Cir. 2006).

The Federal Circuit has stated that the "presumption is especially strong when the limitation in dispute is the only meaningful difference between an independent and dependent claim, and one party is urging that the limitation in the dependent claim should be read into the independent claim." *SunRace Roots Enter. Co. v. SRAM Corp.*, 336 F.3d 1298, 1303 (Fed. Cir. 2003); *see also Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 910 (Fed. Cir. 2004) ("[W]here the limitation that is sought to be 'read into' an independent claim already appears in a dependent claim, the doctrine of claim differentiation is at its strongest.")

Here, dependent claims actually address status signals being sent to and monitored by the "monitoring system." Claim 17 states that the "user unit" of claim 1 includes a "status sensor" that provides information to the "monitoring system" and claim 35 discloses a (CX-0004 at 9:5-10, 65-67.) method of using the device of claim 1 which includes "monitoring the monitoring system[.]" As a result, the doctrine of claim differentiation counsels against construing "a monitoring system" to require "check[ing] on the progress of a user."

Respondents' proposed construction adds a number of limitations that are not supported by the claims or specification. Respondents' construction requires that the "monitoring system" be a "single device" that is "located in a fixed position remote from the user unit, and operated by an operator." First, similar to the "user unit" discussed above, the claims contemplate multiple "device[s]" within the "monitoring system." Claim 1 itself discloses another "device" that is included within the "monitoring system." Specifically, claim 1 provides that the "monitoring system" includes an "output device." (CX-0004 at 8:11.) Further, claims 19, 24, 27, and 28 which depend from claim 1, include additional "device[s]," including "a monitor output device," "a monitor input device," "a memory device," "a selection device," and "a scrolling device." (*Id.* at 9:16, 18, 33, 46, 52.) Thus, because the claims contemplate multiple "device[s]" being contained within the "monitoring system," the plain language of the claims supports a construction that would permit several "devices" to comprise the "monitoring system" and counsels against Respondents' restrictive construction.

In their reply brief, Respondents unpersuasively attempt to address the conflict between their proposed construction and the plain language of the claims, saying that "recognizing . . . the difference between a 'unit' and a 'system,' and acknowledging that the Staff's and BriarTek's proposal uses the word 'system' under its plain meaning in their construction," Respondents

propose substituting the word "system" for "device" in their proposed construction. (RRB at 8.) First, raising a new proposed construction for the first time in a post trial reply brief is improper and prejudicial to Complainant. Second, the newly proposed construction does not address the heart of the issue—that is, improperly limiting the "monitoring system" to a "single" system/device, where the claims disclose a combination of devices that comprise the "monitoring system." Although Respondents have substituted the term "system" for "device," in substance Respondents interpret a "single system" the same way they interpreted a "single device." For example, Respondents argue that the '380 patent requires "that the monitoring system occupy a single location at which the observer receives messages. The observer is only ever described as receiving information 'at the monitoring system.'" (RRB at 8.) Thus, although Respondents have changed the word "device" to "system," the substance of Respondents' construction is unchanged.

Second, the plain language of the claims does not require that all of the elements of the "monitoring system" be located in a single location, or be "operated by an operator" as Respondents' construction would suggest. Claim 1 merely requires that the various elements of the "monitoring system"—the "monitoring satellite communication system," "an output device," and "a monitoring processor"—be "communicatively coupled." (CX-0004 at 8:10-15.) As discussed in footnote 6, *supra*, the '380 patent uses the term "communicatively coupled" to include internal as well as external connections. Thus, there is no requirement that the elements of the "monitoring system" be provided in a single location, as long as the elements are "communicatively coupled." Moreover, claim 1 makes no mention of "an operator"; rather, it merely provides that the "output device ***can*** present information to an observer[.]" (CX-0004 at 8:19-20 (emphasis added).) As a result, there is nothing in the language of the claims that

requires all of the elements of the "monitoring system" be located in a single location, or be "operated by an operator."

Although Respondents argue that the specification supports their construction of "monitoring system," there is nothing in the specification that demonstrates a clear intention by the patentees to limit the claim's scope as required by Respondents' proposed construction. A review of the specification demonstrates that the opposite is true. Like the claims, the specification states that the "monitoring system" includes a number of devices, including *inter alia* an "output device," a "monitor input device," "a memory device," and a "selection device." (*See e.g.*, CX-0004 at 1:45-49, 2:36, 42, 51-52.) Thus, the specification contemplates multiple devices being included in the "monitoring system." Further, the specification discloses an additional ***server***, with its own processor for sorting and organizing news information, as being part of the "monitoring system." (See CX-0004 at 3:1-27, 6:65-7:15.) By disclosing a separate "server" as a part of the "monitoring system," the specification appears to suggest a number of different components—including distinct or separate devices—provide the functionality of the "monitoring system." Thus, the specification does not disclose that all of the elements of the "monitoring system" are provided in a single location, much less require it.

The specification also contemplates a number of actions being conducted automatically by the "monitoring system," i.e., without the presence of an "observer." For example, the specification states that "the monitoring satellite communication system can transmit the information to the user satellite communication system according to a timing sequence. For example, the timing sequence can be periodic." (CX-0004 at 3:12-16.) Moreover, although the specification acknowledges that an observer can be involved, there are other options to having an observer:

> The input device 4 receives user data from a user and the processor 6 formats the data for transmission by the satellite communication system 5 transmitter. ***The monitor processor 9 formats the user data*** received by the receiver of the monitor satellite communication system 7, ***for presentation to the observer*** at the output device 8. ***Optionally***, the monitoring system can also include a relay transmitter, so that ***messages from the user can be relayed directly to response personnel***.

(CX-0004 at 4:45-53 (emphasis added).) There is nothing disavowing this "optional[]" approach from the scope of the claims. As a result, there is nothing the specification that requires that the "monitoring system" be located in a single location, or be "operated by an operator" as Respondents' construction would suggest.

Respondents' argument that boxes drawn around the "monitoring system" are limiting is not persuasive. The specification is clear that Figures 1, 7, and 8 depict "***exemplary***" monitoring systems. (CX-0004 at 3:43-54.) Respondents fail to identify any "words or expressions of manifest exclusion or restriction" that evidence a clear intent to limit the claims to these exemplary embodiments. *See i4i v. Microsoft*, 598 F.3d at 843. Absent such evidence, the claims are not limited to such examples.

Further, as discussed above, the specification actually suggests that the "monitoring system" can include components that are not within a "single system/device." The specification discloses an additional server, with its own processor for sorting news information, as being part of the "monitoring system." (See CX-0004 at 3:1-27, 6:65-7:15.) Taken together, there is no clear intent to limit the claims to the exemplary embodiments of figures 1, 7, and 8.

Based upon all of the foregoing, the term "a monitoring system" will be construed to mean "equipment for observing, and communicating with, a user."

d. Other Claim Terms

Although Complainant, Respondents, and Staff addressed constructions for a number of additional claim terms from the asserted claims of the '380 patent in their briefs, none of those terms need to be addressed because they have no impact on the question of infringement. Rather, as explained in Section III.B.3, *infra*, the only claim terms relevant to an infringement analysis are "a user unit" and "a monitoring system." These are the only claim limitations for which Respondents have raised relevant non-infringement arguments. Only claim terms in controversy need to be construed, and only to the extent necessary to resolve the controversy. *Vanderlande Indus. Nederland BV v. Int'l Trade Comm'n.*, 366 F.3d 1311, 1323 (Fed. Cir. 2004); *Vivid Tech., Inc. v. Am. Sci. & Eng'g. Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999).

3. Claim by Claim Analysis of Accused System

Complainant has asserted that Respondents' accused system meets each and every limitation of claims 1, 2, and 10 of the '380 patent. Claim 1 discloses:

> An emergency monitoring and reporting system, comprising:
> a user unit;
> and a monitoring system;
> wherein the user unit includes an input device, a user satellite communication system, and a user processor communicatively coupled to the input device and the user satellite communication system;
> wherein the monitoring system includes a monitoring satellite communication system, an output device, and a monitoring processor communicatively coupled to the monitoring satellite communication system and the output device;
> wherein the user satellite communication system and the monitoring satellite communication system are adapted for mutual communication via a satellite network such that the output device can present information to an observer, wherein the information corresponds to information entered at the input device; and
> wherein the input device includes a text entry device adapted to receive textual data entered by a user.

(CX-0004 at 8:2-23.)

Claim 2 discloses: "The system of claim 1, wherein the user unit is adapted to be coupled to a user."

(CX-0004 at 8:24-25.)

Claim 10 discloses:

> The system of claim 1,
> wherein the user satellite communication system includes a transmitter, and
> wherein the input device is adapted to receive user data from a user and the user processor is adapted to format the data for transmission by the transmitter.

(CX-0004 at 8:50-54.)

Complainant's Position: Complainant argues that the preamble of claim 1 is not a limitation, but if it were a limitation, it would be met in the accused system. Complainant says that the InReach 1.5 and SE devices, when activated and used with a smartphone or tablet running Earthmate in conjunction with the back end InReach LLC support constitutes an "emergency monitoring and reporting system." (Citing CX-0002C at Q. 170; 166:16-167:2.) Complainant says that JX-0012C depicts the operation of the InReach system. (Citing CX-0033C at 23:21-25:5; Tr. at 98:10-99:1.) Complainant continues that each InReach device includes an "Iridium Tx/Rx" transmitter and receiver, works with a smartphone, communicates with the Iridium gateway which goes to Respondents' "Back Office," which sends email messages to the end users. Complainant adds that Respondents' quick start guides are designed by Respondents to provide instruction on how to download, install, pair and send two-way messages. (Citing CX-0033C at 91:7-23; CX-0114C; Tr. at 98:10-99:1.)

Complainant contends that under its construction, the InReach 1.5 and SE devices with Earthmate software on a smartphone or tablet constitutes a "user unit." (Citing CX-0002C at Q.