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IN THE UNITED STATES DISTRICT COURT

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FOR THE DISTRICT OF ARIZONA

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Supermarket Energy Technologies, LLC,)

No. CV-10-2288-PHX-SMM

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Plaintiff/Counter-Defendant,)

MEMORANDUM OF DECISION AND ORDER

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vs.)

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Supermarket Energy Solutions, Inc.,)

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Defendant/Counter-Claimant.)

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Before the Court is Plaintiff/Counter-Defendant Supermarket Energy Technologies, LLC's ("Plaintiff") Motion for Partial Summary Judgment of Patent Infringement. (Doc. 48.) Plaintiff alleges that Defendant/Counter-Claimant Supermarket Energy Solutions, Inc. ("Defendant") has infringed on U.S. Patent No. 5,899,078 (the "'078 Patent"). Defendant has responded (Doc. 50), Plaintiff has replied (Doc. 53), and the matter is fully briefed. The Court will grant Plaintiff's motion.

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BACKGROUND

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Plaintiff is a Phoenix, Arizona company that distributes products for reducing energy use by refrigerator door and frame heaters, including a product covered by the '078 Patent. (Doc. 1 at 2). Defendant is a Buffalo, Minnesota company that also distributes products for reducing energy use by supermarket freezers. (Doc. 1 at 1-2.) Bruce Malwitz, a principal of Defendant corporation, was formerly associated with Plaintiff and was aware of the '078 Patent through that previous association. (Doc. 1 ¶ 8; Doc. 22 ¶ 8.) Defendant allegedly offered for sale a device that violated Plaintiff's '078 Patent. (Doc. 1 at 2.)

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1 On October 26, 2010, Plaintiff filed a Complaint alleging: (1) Patent Infringement;
2 (2) Tortious Interference with Prospective Contractual Relations; and (3) Unfair Competition.
3 (Doc. 1.) On February 2, 2011, Defendant filed counterclaims for: (1) Declaratory Judgment
4 of Non-Infringement of Patent '078; (2) Declaratory Judgment of Invalidity of Patent '078;
5 and (3) Abuse of Process. (Doc. 22). Pursuant to presentations at a Markman hearing and the
6 parties' respective motions and memoranda, the dispute centered on the interpretation of five
7 terms in Claim 2 of the '078 Patent. See Markman v. Westview Instruments, Inc., 52 F.3d
8 967, 979 (Fed. Cir. 1995), aff'd 517 U.S. 370 (1996). Claim 2 states as follows (terms which
9 were disputed are in bold):

10 Apparatus for controlling a condensation-preventing heater in a refrigeration unit,
11 comprising:

12 a plurality of **sensing means** connected in parallel, for detecting the
13 presence of condensation, each of said sensing means being mounted on the
14 refrigeration unit in proximity to said heater;

15 **means, responsive to a control signal, for controlling power to said
16 heater;** and

17 **control means**, responsive to the detection of condensation by said
18 sensing means, for providing said control signal so that power is applied to
19 said heater only when condensation is present;

20 wherein each of said sensing means further comprises: an insulating
21 substrate;

22 two electronically-isolated conductors arranged so that one conductor
23 lies in close proximity to the other conductor;

24 whereby condensation forming on said sensing means raises the
25 conductivity between said conductors; and

26 wherein said control means includes **means responsive to said
27 increase in conductivity for providing said control signal**, including **means
28 for measuring the resistance between said conductors and for providing
said control signal when said resistance is below a predetermined
threshold resistance.**

21 ('078 Patent col 5:43-6:11). Thus, the disputed terms for the Markman hearing were: (1)
22 sensing means; (2) means, responsive to a control signal, for controlling power to the heater
23 ("means for controlling power"); (3) control means; (4) means responsive to the increase in
24 conductivity for providing the control signal ("means responsive to conductivity"); and (5)
25 means for measuring the resistance between the conductors and for providing the control
26 signal when the resistance is below a predetermined threshold resistance ("means for
27 measuring resistance").

28 After considering the arguments raised by the parties in their briefings and at the

1 Markman hearing, the Court issued its Claim Construction Order. (Doc. 46.)

2 **LEGAL STANDARDS**

3 An evaluation of a claim of patent infringement involves a two-step analysis. Abbott
4 Labs. v. Novopharm Ltd., 323 F.3d 1324, 1329 (Fed. Cir. 2003). First, the court construes
5 the scope of the claims and then, second, compares the allegedly infringing device to the
6 construed claims. Id. A product infringes a patent only if “every limitation of the patent
7 claim [can] be found in the accused device.” Gen. Mills, Inc. v. Hunt-Wesson, Inc., 103 F.3d
8 978, 981 (Fed. Cir. 1997).

9 Summary judgment is as appropriate in patent cases as in any other type of case.
10 Paragon Podiatry Lab., Inc. v. KLM Labs., Inc., 984 F.2d 1182, 1190 (Fed. Cir. 1993);
11 Hodosh v. Block Drug Co., 786 F.2d 1136, 1141 (Fed. Cir. 1986). Summary judgment of
12 non-infringement is appropriate if the court determines, after comparing the construed claims
13 to the accused product, that the party alleging patent infringement has failed to demonstrate
14 that each and every element of the asserted claims is met by a corresponding element in the
15 accused product. Zelinski v. Brunswick Corp., 185 F.3d 1311, 1316-17 (Fed. Cir. 1999).

16 “[M]eans-plus-function limitations[] [are] governed by 35 U.S.C. § 112, ¶ 6.” Asyst
17 Techs., Inc. v. Empak, Inc., 268 F.3d 1364, 1369 (Fed. Cir. 2001).

18 An element in a claim for a combination may be expressed as a means or step
19 for performing a specified function without the recital of structure, material or
20 acts in support thereof, and such claim shall be construed to cover the
corresponding structure, material, or acts described in the specification *and*
equivalents thereof.

21 35 U.S.C. § 112(f) (2012) (emphasis added). Construction of means-plus-function claims is
22 a two-step process: (1) determination of claimed function, and (2) identification of the
23 corresponding structure performing the function. JVW Enters., Inc. v. Interact Accessories,
24 Inc., 424 F.3d 1324, 1330 (Fed. Cir. 2005) (citing Omega Eng’g, Inc. v. Raytek Corp., 334
25 F.3d 1314, 1321 (Fed. Cir. 2003)).

26 Literal infringement of a means-plus-function claim “requires that the relevant
27 structure in the accused device perform the identical function recited in the claim and be
28 identical or equivalent to the corresponding structure in the specification.” Odetics, Inc. v.

1 Storage Tech. Corp., 185 F.3d 1259, 1267 (Fed. Cir. 1999). Structural equivalence is met
2 only if the differences are “insubstantial,” in that the allegedly infringing structure “performs
3 the claimed function in substantially the same way to achieve substantially the same result”
4 as the patented structure. Id. Whether an accused device infringes a means-plus-function
5 claim as an equivalent is a question of fact. Id. at 1268.

6 A court must grant summary judgment if the pleadings and supporting documents,
7 viewed in the light most favorable to the nonmoving party, “show that there is no genuine
8 issue as to any material fact and that the moving party is entitled to judgment as a matter of
9 law.” FED. R. CIV. P. 56(c); see Celotex Corp. v. Catrett, 477 U.S. 317, 322-23 (1986);
10 Jesinger v. Nevada Federal Credit Union, 24 F.3d 1127, 1130 (9th Cir. 1994). Substantive
11 law determines which facts are material. See Anderson v. Liberty Lobby, 477 U.S. 242, 248
12 (1986); see also Jesinger, 24 F.3d at 1130. “Only disputes over facts that might affect the
13 outcome of the suit under the governing law will properly preclude the entry of summary
14 judgment.” Anderson, 477 U.S. at 248. The dispute must also be genuine, that is, the
15 evidence must be “such that a reasonable jury could return a verdict for the nonmoving
16 party.” Id.; see Jesinger, 24 F.3d at 1130.

17 A principal purpose of summary judgment is “to isolate and dispose of factually
18 unsupported claims.” Celotex, 477 U.S. at 323-24. Summary judgment is appropriate against
19 a party who “fails to make a showing sufficient to establish the existence of an element
20 essential to that party’s case, and on which that party will bear the burden of proof at trial.”
21 Id. at 322; see also Citadel Holding Corp. v. Roven, 26 F.3d 960, 964 (9th Cir. 1994). The
22 moving party need not disprove matters on which the opponent has the burden of proof at
23 trial. See Celotex, 477 U.S. at 323-24. The party opposing summary judgment “may not rest
24 upon the mere allegations or denials of [the party’s] pleadings, but . . . must set forth specific
25 facts showing that there is a genuine issue for trial.” FED. R. CIV. P. 56(e); see Matsushita
26 Elec. Indus. Co. v. Zenith Radio, 475 U.S. 574, 585-88 (1986); Brinson v. Linda Rose Joint
27 Venture, 53 F.3d 1044, 1049 (9th Cir. 1995).

DISCUSSION

1 Plaintiff moves for summary judgment on its claim of infringement of the '078 Patent
2 by Defendant. (Doc. 48.) The Court has already construed the claims of the '078 Patent.
3 (Doc. 46.) Accordingly, the Court will now proceed to compare the allegedly infringing
4 device to the construed claims.

5 The '078 Patent claims are written using the means-plus-function limitation
6 methodology. Accordingly, the Court determined the claimed functions, and identified the
7 corresponding structure for each of the disputed means.

8 **I. "Sensing Means"**

9 The Court determined the function of "sensing means" as detecting the presence of
10 condensation. (Doc. 46.) Consequently, the Court identified the corresponding structure
11 performing the determined function as two electrically isolated conductors, placed on an
12 insulating substrate, arranged so that one conductor lies in close proximity to the other
13 conductor where the formation of condensation on the corresponding structure raises the
14 conductivity between the conductors. (Id.) Finally, the Court found the usage of the words
15 "includes" and "including" in Claim 2 to be non-limiting; therefore, the claim limitation is
16 not restricted to only the preferred embodiment. (Id.) See Manual of Patent Examining
17 Procedure § 2111.03.

18 Plaintiff argues that Defendant's device uses multiple sensing means mounted in
19 parallel on a refrigeration unit to detect condensation, and that Defendant's device uses
20 sensing means consisting of two electrically isolated conductors in close proximity to each
21 other on an insulating substrate. (Doc. 48 at 6.) In support of this allegation, Plaintiff cites
22 the declaration of its expert witness Stephen Shelby, a person of ordinary skill in the art
23 related to the patented device. (Doc. 49 ¶¶ 1-2; Doc. 49-1 ¶ 6.)

24 Defendant offers no citation to any evidence which would serve to contradict
25 Plaintiff's claim that Defendant's device contains this element of Claim 2 of the '078 Patent.
26 (Doc. 53.)

27 **II. "Means for Controlling Power"**

28 The Court determined the function of "means for controlling power" to be controlling

1 power to a condensation-preventing heater on a refrigeration unit in a way that is responsive
2 to a control signal. (Doc. 46.) Next, the Court identified the corresponding structure
3 performing the determined function as a relay where one terminal of the magnetic inductive
4 coil is connected to the output of a threshold-detector, and where the second terminal of the
5 coil is connected to the non-inverting input of the threshold-detector, and where the coil
6 controls relay terminals normally in the open position, and where the relay terminals are
7 connected in series between the condensation-preventing door heaters and the power source
8 for the door heaters. (Id.)

9 Plaintiff argues that Defendant’s device also contains the “means for controlling
10 power” element of Claim 2. (Doc. 48 at 7.) Plaintiff, again through citation to the Declaration
11 of its expert, asserts that Defendant’s device contains this element as well, because: one
12 terminal of a magnetic coil is connected to the output of a threshold detector and the second
13 terminal of the magnetic coil is connected to the voltage bus; the coil controls relay terminals
14 normally in the open position; and the relay terminals are connected in series between the
15 condensation preventing door heater and the power source for the door heater. (Doc. 48 at
16 7; Doc. 49-1 ¶ 7.)

17 Defendant offers no citation to any evidence which would serve to contradict
18 Plaintiff’s claim that Defendant’s device contains this element of Claim 2 of the ‘078 Patent.
19 (Doc. 53.)

20 **III. “Control Means,” “Means Responsive to Conductivity,” and “Means for**
21 **Measuring Resistance”**

22 The Court first determined the function of “control means” to be providing a control
23 signal so that power is only applied to a condensation-preventing heater on a refrigeration
24 unit when condensation is present, and is responsive to the detection of condensation by the
25 sensors. Next, the Court identified the corresponding structure performing the determined
26 function as a pair of sensor lines, where one sensor line is connected to the non-inverting
27 input of an op-amp, and the other sensor line is connected to the inverting input of the op-
28 amp, and where the voltage bus is connected to the non-inverting input of the op-amp with

1 one of the sensor lines, and where the non-inverting voltage supplied from the voltage bus
2 is applied to the inverting input of the op-amp via a voltage divider made up of resistors
3 connected between the voltage bus and a ground, and where a capacitor is connected between
4 the non-inverting sensor line and a ground so that the control circuitry is not triggered by
5 spurious signals, such that an increase in the conductivity between the pair of the sensor lines
6 triggers the op-amp to send a control signal. (Doc. 46.) The Court also found that the
7 definition for “means responsive to conductivity,” and “means for measuring resistance” are
8 contained within the definition for “control means.” (Doc. 46.)

9 Plaintiff argues that Defendant’s device contains this element of Claim 2. (Doc. 48
10 at 7.) Citing to the Declaration of its expert witness, Plaintiff asserts that Defendant’s device
11 contains an equivalent control means, in that Defendant’s device contains a “threshold
12 detector that provides a control signal to the means for controlling power so that power is
13 applied to the heater only when condensation is present.” (Doc. 49-1 ¶ 8.) Plaintiff allows
14 that Defendant’s control means is superficially different in that it measures voltage across
15 two conductors instead of resistance. (Doc. 48 at 8.) Plaintiff contends that this difference
16 is superficial only, however, in that measurement of voltage is equivalent to the measurement
17 of resistance for the purpose of determining the presence of condensation and thereby raising
18 conductivity.¹ (Doc. 41 at 8:9-11). Thus, Plaintiff contends that the threshold detector in
19 Defendant’s device performs the same function in the same way as in Plaintiff’s device.
20 (Doc. 48 at 8; Doc. 49-1 ¶¶ 9-10.)

21 Defendant offers no citation to any evidence which would serve to contradict
22 Plaintiff’s claim that Defendant’s device contains this element of Claim 2 of the ‘078 Patent.
23 (Doc. 53.) Defendant cursorily argues that the prosecution history of the claim shows that
24 Plaintiff originally limited Claim 2 to only a control means which measures resistance, and
25 thus that Plaintiff is estopped from arguing that Defendant’s device is equivalent. (Doc. 50
26 at 7.) Defendant fails to cite to any appropriate evidence in support of this theory, however;

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28 ¹ During the Markman hearing, Plaintiff called an expert witness who testified that
voltage and resistance are equivalent for the purposes described.

1 moreover, the Court notes that in its previous Claim Construction Order, it specifically found
2 that Defendant failed to provide “any clarification as to why the prosecution history lends
3 itself to Defendant’s proposed definitions.” (Doc. 46 at 14.)

4 Upon consideration of all disputed and undisputed facts, and making all reasonable
5 inferences from the facts in favor of the nonmoving party, the Court finds that Plaintiff
6 successfully shows that there is no genuine issue of triable fact as to whether Defendant’s
7 device infringes the ‘078 Patent. Plaintiff supports its claim of infringement with citation to
8 the Declaration of its expert witness, a person of ordinary skill in the art related to the
9 patented device. Plaintiff’s witness avows that due to the equivalency of resistance and
10 voltage, Plaintiff’s device contains every element of Claim 2 of the ‘078 Patent. Plaintiff thus
11 supports its claim with reference to specific evidence showing that Defendant’s device
12 infringes on the ‘078 Patent.

13 Defendant, on the other hand, fails to offer even token support of its disavowals,
14 resting its defense merely upon the argument of counsel without citation to any specific
15 factual evidence in the record. Further, Defendant repeats its argument that the history of
16 Plaintiff’s claim prosecution shows that the ‘078 Patent does not encompass Defendant’s
17 means of control structure. (Doc. 50 at 6-7). The Court found Defendant’s theory
18 unpersuasive during claims construction, and finds it equally unpersuasive here, where
19 Defendant simply reasserts the argument, again without reference to specific supporting
20 factual evidence.

21 Defendant additionally argues that it raises three alternative grounds for denial of
22 Plaintiff’s motion for summary judgment. (Doc. 50 at 2-5.) Defendant asserts: (1) that
23 Plaintiff has no standing to sue on the ‘078 Patent; (2) that a settlement agreement between
24 the parties in a prior case precludes Plaintiff from bringing the current action; and (3) that
25 Plaintiff’s patent is invalid. (Id.)

26 The Court finds that Defendant fails to show that there is a genuine issue of material
27 fact on any of these grounds. In response to Defendant’s unsupported claims that Plaintiff
28 has no interest in the ‘078 Patent, or has only a limited interest insufficient for this suit,

1 Plaintiff provides reference to its Exclusive License Agreement. (Doc. 53-4.) That document
2 purports to grant Plaintiff an exclusive license in the '078 Patent, including "sole and
3 exclusive right to initiate, prosecute, and pursue any and all claims or lawsuits to protect the
4 Patent including, but not limited to, claims or lawsuits that relate to claims of patent
5 infringement." (Doc. 53-4 at 2.) Defendant offers no factual evidence or legal authority to
6 contradict Plaintiff's status as licensee.

7 Similarly, Defendant fails to show that there exists a question of material fact as to
8 whether the prior settlement agreement bars Plaintiff's current claim. The settlement
9 agreement, which Defendant itself cites in its response to Plaintiff's motion, explicitly states
10 that any agreement to release the other from liability for infringement on the '078 Patent
11 "shall not apply to any actions taken by . . . [Defendant] in the future." (Doc. 51-1 at 5.) That
12 agreement was executed on November 26, 2008, and Plaintiff's present complaint alleges
13 continuing infringement. (Doc. 1.)

14 Defendant's claim that Plaintiff's patent is invalid is equally unsupported. Defendant
15 merely asserts, without reference to any verifiable factual source, that Plaintiff was offering
16 the device patented in the '078 Patent for sale prior to the date of the original patent
17 application. (Doc. 50 at 4.) Specifically, Defendant's entire argument on this point reads:
18 "Furthermore, the uncontroverted testimony and affidavit Bruce Malwitz that the product
19 was offered for sale more than a year prior to the patent application rendering the patent void
20 pursuant to the time bar." [sic] (Id.)

21 The Court notes that Defendant fails to direct the Court to the location of the affidavit
22 in the record. After locating the affidavit of Bruce Malwitz (Doc. 19-1) attached to a prior
23 filing (Doc. 19), however, this Court finds that even had Defendant properly referenced the
24 affidavit in its Response, Defendant fails to show that there is a genuine issue of material
25 fact. The lone, unsupported, and unspecific allegation of Bruce Malwitz, a principal of
26 Defendant corporation, is not reasonable evidence sufficient to raise a triable issue of fact.
27 Moreover, the Court notes that this portion of Bruce Malwitz's affidavit is indeed
28 controverted by Plaintiff's affidavit of Malcom Mager. (Doc. 53 at 8; Doc. 53-6 ¶¶ 13-14.)

1 Thus, Plaintiff makes a compelling showing that Defendant cannot reasonably dispute
2 the factual allegations which mandate summary judgment in Plaintiff's favor. Therefore, the
3 Court finds that Plaintiff has shown that there is no genuine issue of material fact suitable for
4 trial, and that it is entitled to summary judgment as a matter of law as to its claim of patent
5 infringement against Defendant.

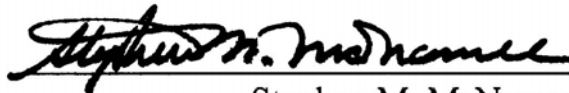
6 Defendant's Response to Plaintiff's Motion for Partial Summary Judgment also
7 purports to constitute a cross-motion for summary judgment against Plaintiff on Defendant's
8 claim of abuse of process. (Doc. 50 at 8.) The Court will not construe Defendant's Response
9 as a cross-motion for summary judgment. Defendant has failed to properly move for
10 summary judgment under FED.R.CIV.P. 56, instead merely appending its asserted claim for
11 summary judgment in its Response to Plaintiff's motion. Moreover, Defendant fails to offer
12 any citation to legal authority or specific factual evidence in support of its argument, in
13 violation of Rules 7.2(b), and 56.1(e) of the Rules of Practice of the U.S. District Court for
14 the District of Arizona. Finally, even had Defendant properly moved for summary judgment
15 on this claim, the Court finds Defendant's argument without merit, because Defendant's
16 claim for abuse of process is necessarily premised on the theory that Plaintiff's claim for
17 infringement is groundless.

18 CONCLUSION

19 Based on the foregoing,

20 **IT IS HEREBY ORDERED GRANTING** Plaintiff's Motion for Partial Summary
21 Judgment of Patent Infringement. (Doc. 48.)

22 DATED this 24th day of September, 2012.

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25 Stephen M. McNamee
26 Senior United States District Judge
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