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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

PRESIDIO COMPONENTS INC.,  vs.  AMERICAN TECHNICAL CERAMICS CORP.,  Defendant.	Plaintiff,
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CASE NO. 08-CV-335 - IEG (NLS)  
ORDER DENYING ATC'S MOTION  
FOR RECONSIDERATION.  
[Doc. No. 366]

Currently before the Court in this patent infringement case is ATC's Rule 60 Motion, Based on Intervening Law, to Amend Judgment or for a New Trial Regarding Presidio's False Marking Prior to October 24, 2008. [Doc. No. 366]. Having considered the parties' arguments, and for the reasons set forth below, the Court **DENIES** the motion.

**BACKGROUND**

The factual and procedural history of this case is set forth in great detail in this Court's prior order and need not be repeated herein. See Presidio Components, Inc. v. Am. Technical Ceramics Corp., — F. Supp. 2d —, 2010 WL 1462757, at \*\*2-4 (S.D. Cal. 2010). As relevant to this Order, Presidio Components, Inc. ("Presidio") sued American Technical Ceramics Corporation ("ATC") for patent infringement, and ATC counterclaimed. The patent at issue is U.S. patent number 6,816,356 ("the '356 patent"), which discloses and claims a substantially monolithic, multilayer capacitor with



1 evidence of the marker’s “knowledge of falsity” to give rise to an inference of “intent to deceive,” and  
2 (2) the court must then inquire whether the marker can rebut that presumption with sufficient  
3 *subjective* evidence of no intent to deceive. (See Def. Rule 60 Motion, at 1.) ATC contends that  
4 because this Court failed to follow this two-pronged framework, and instead applied a “single totality  
5 of the circumstances test,” it should reconsider and vacate its earlier ruling on Presidio’s false marking  
6 intent prior to October 4, 2008. (See *id.* at 2 (emphasis in original).)

7 Contrary to ATC’s arguments, however, the Federal Circuit in Solo Cup expressly *reaffirmed*  
8 its prior framework as stated in Clontech Labs., Inc. v. Invitrogen Corp., 406 F.3d 1347 (Fed. Cir.  
9 2005). See Solo Cup, 608 F.3d at 1362-63. Accordingly, the Solo Cup decision does not represent “an  
10 intervening change in controlling law,” and ATC is not entitled to a reconsideration.

11 Moreover, even if Solo Cup arguably constitutes “a new, two-pronged framework” for  
12 determining whether the accused false marker acted “for the purpose of deceiving the public” in  
13 violation of 35 U.S.C. § 292, the Court followed that exact framework when ruling on ATC’s post-  
14 trial motion challenging the jury’s finding that Presidio did not have the “intent to deceive” the public  
15 prior to October 24, 2008. Specifically, the Court then stated that:

16 “Intent to deceive, while subjective in nature, *is established in law by objective*  
17 *criteria. Thus, ‘objective standards’ control and ‘the fact of misrepresentation coupled*  
18 *with proof that the party making it had knowledge of its falsity is enough to warrant*  
19 *drawing the inference that there was a fraudulent intent.’ Thus, under such*  
20 *circumstances, the mere assertion by a party that it did not intend to deceive will not*  
21 *suffice to escape statutory liability. Such an assertion, standing alone, is worthless as*  
*proof of no intent to deceive where there is knowledge of falsehood. But in order to*  
*establish knowledge of falsity the plaintiff must show by a preponderance of the*  
*evidence that the party accused of false marking did not have a reasonable belief that*  
*the articles were properly marked (i.e., covered by a patent). Absent such proof of lack*  
*of reasonable belief, no liability under the statute ensues.”*

22 (Order on Post-Trial Motions, at 59 (quoting Clontech, 406 F.3d at 1252-53) (emphases added) [Doc.  
23 No. 348].) As can be seen, the Court expressly noted that the “intent to deceive” inquiry is established  
24 by *objective* criteria, with the burden on ATC to show “by a preponderance of the evidence that  
25 [Presidio] did not have a *reasonable belief* that the [BB capacitors] were properly marked.” (See *id.*  
26 (emphasis added).) Having reviewed the parties’ arguments, the Court then concluded that ATC failed  
27 to meet its burden because “there was substantial evidence before the jury to find that ATC has failed  
28 to demonstrate that prior to October 24, 2008, the Devoes lacked a ‘reasonable belief’ that the ‘356  
patent covered the BB capacitors.” (See *id.* at 60 (citing Clontech, 406 F.3d at 1252-53).)

1 Furthermore, the Federal Circuit in Solo Cup specifically cautioned that “[t]he bar for proving  
2 deceptive intent here is particularly high, given that the false marking statute is a criminal one, despite  
3 being punishable only with a civil fine.” 608 F.3d at 1363 (citations omitted). Accordingly, “*a purpose*  
4 *of deceit*, rather than simply knowledge that a statement is false, is required.” Id. (emphasis added).  
5 “Thus, mere knowledge that a marking is false is insufficient to prove intent if [the marker] can prove  
6 that it did not consciously desire the result that the public be deceived.” Id. In this case, the jury has  
7 found,<sup>1</sup> and the Court has agreed, that ATC has failed to demonstrate such intent to deceive on behalf  
8 of Presidio. Accordingly, ATC has failed to meet its burden under Solo Cup’s first objective prong.

9 Finally, to the extent any presumption of intent to deceive the public applies in this case, such  
10 presumption is rebuttable in nature. See Solo Cup, 608 F.3d at 1362-63. In the present case, just like  
11 in Solo Cup, 608 F.3d at 1363, the Court found that Presidio effectively rebutted the presumption  
12 when it “provided credible evidence that its purpose was not to deceive the public” with its marking.  
13 For example, Dan Devoe testified that although he did not inquire as to whether the BB capacitors  
14 practiced any of the claims of the ‘356 patent, he believed that they *did* practice the ‘356 patent. (Trial  
15 Tr. Day 2, at 44:7-44:19.) Likewise, although Lambert Devoe initially testified that Presidio did not  
16 “form a belief or understanding whether any particular claim of the ‘356 patent covered the BB  
17 capacitor,” he later clarified that Presidio “thought those [marking] decisions were correct,” especially  
18 in light of a cross-sectional diagram on the front cover of the ‘356 patent which “looks remarkably  
19 similar” to the BB capacitors. (Trial Tr. Day 2, at 131:24-132:3; Trial Tr. Day 3, at 21:18-24:19.)  
20 Similarly, Gunter Vorlop testified at his deposition that he believed that Presidio had a patent on its  
21 BB capacitors, and that one of those patents was the ‘356 patent. (Vorlop Dep., at 207-08 (Jan. 6,  
22 2009), attached to Def. Motion for JMOL on False Marking, Ex. 5.) In light of this substantial  
23 evidence, the Court reaffirms its prior finding that Presidio effectively rebutted any inference of  
24 “intent to deceive” the public that might have arisen. See Solo Cup, 608 F.3d at 1364 (“Thus, a good

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25  
26 <sup>1</sup> For the same reasons, the Court concludes that the jury instructions in this case were not  
27 erroneous in light of Solo Cup. For example, the Jury Instruction No. 37 specifically told the jurors  
28 that “[i]ntent to deceive, while subjective in nature, *is established in law by objective criteria*. Thus,  
*objective standards control* and the fact of misrepresentation coupled with proof that the party making  
it had knowledge of its falsity is enough to warrant drawing the inference that there was a fraudulent  
intent. Thus, under such circumstances, the mere assertion by a party that it did not intend to deceive  
will not suffice to escape liability.” (Jury Instructions, at 63 (emphases added) [Doc. No. 297].)

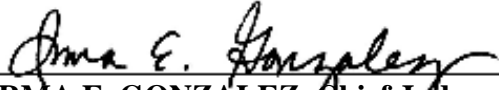
1 faith belief that an action is appropriate, especially when it is taken for a purpose other than deceiving  
2 the public, can negate the inference of a purpose of deceiving the public.”).

3 **CONCLUSION**

4 For the foregoing reasons, ATC’s motion for reconsideration in light of the Federal Circuit’s  
5 recent decision in Solo Cup, 608 F.3d 1356, is **DENIED**.

6 **IT IS SO ORDERED.**

7 **DATED: August 25, 2010**

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9 **IRMA E. GONZALEZ, Chief Judge**  
10 **United States District Court**

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