

801 F.3d 1346
United States Court of Appeals,
Federal Circuit.

R+L CARRIERS, INC., Plaintiff–Appellant

v.

QUALCOMM, INC., Defendant–Appellee.

No. 2014–1718.

|

Sept. 17, 2015.

Synopsis

Background: Owner of **patent** related to an improved method of consolidating freight into trailers to optimize delivery efficiencies for the loads in each trailer brought infringement action. Following reexamination of **patent**, the United States District Court for the Southern District of Ohio, [Sandra S. Beckwith](#), Senior District Judge, dismissed claims. **Patent** owner appealed.

[Holding:] The Court of Appeals, [O'Malley](#), Circuit Judge, held that **patent** owner was not entitled to infringement damages prior to issuance of reexamination certificate for **patent**.

Affirmed.

West Headnotes (5)

[1] **Patents** 🔑 Elements, measure, and amount

If a substantive change has been made to the original claims during **patent** reexamination, the patentee is entitled to infringement damages only for the time period following issuance of the reexamination certificate. 35 U.S.C.A. §§ 252, 307(b).

[13 Cases that cite this headnote](#)

[2] **Patents** 🔑 Elements, measure, and amount

To determine whether substantive changes have been made to the original claims during reexamination, as would entitle the patentee to infringement damages only for the time period following issuance of the reexamination certificate, the court considers whether the scope of the claims are identical, not merely whether different words are used. 35 U.S.C.A. §§ 252, 307(b).

[14 Cases that cite this headnote](#)

[3] **Patents** 🔑 **Patent** Applications and Proceedings

Patents 🔑 Construction and Operation of **Patents**

Court of Appeals reviews the district court's subsidiary factual findings during claim construction on the scope of the reexamined and original claims for clear error, but the ultimate conclusion regarding the scope of the claims is reviewed de novo.

[11 Cases that cite this headnote](#)

[4] **Patents** 🔑 Elements, measure, and amount

Amended claim in **patent** related to an improved method of consolidating freight into trailers to optimize delivery efficiencies for the loads in each trailer was not “substantially identical” to original claim in **patent**, and thus **patent** owner was not entitled to infringement damages prior to issuance of reexamination certificate for **patent**; **patent** owner amended “loading manifest” to claim an “advance loading manifest document for another transporting vehicle” during reexamination after **Patent** and Trademark Office (PTO) rejected original claim over various pieces of prior art, and process of preparing a loading manifest “for the current shipping vehicle” was covered by original claim but not amended claim. 35 U.S.C.A. § 252.

[3 Cases that cite this headnote](#)

[5] **Patents** 🔑 In general;utility

US **Patent** 6,401,078. Cited.

[Cases that cite this headnote](#)

Attorneys and Law Firms

***1347** **Anthony C. White**, Thompson Hine LLP, Columbus, OH, and **Megan Dortenzo**, Cleveland, OH, argued for plaintiff-appellant. Also represented by **Arthur P. Licygiewicz**, Cleveland, OH; **Philip B. Sineneng**, Columbus, OH; **Stephen Butler, Sr.**, Cincinnati, OH.

J. Derek Vandenburg, Carlson, Caspers, Vandenburg, Lindquist & Schuman, P.A., Minneapolis, MN, argued for defendant-appellee. Also represented by Douglas J. Williams; **Jonathan S. Franklin**, Norton Rose Fulbright U.S. LLP, Washington, DC; **Richard Stephen Zembek**, Houston, TX; **Sheila C. Kadura**, Austin, TX.

Before **NEWMAN**, **O'MALLEY**, and **WALLACH**, Circuit Judges.

Opinion

O'MALLEY, Circuit Judge.

R+L Carriers, Inc. (“R+L”) brought suit against, *inter alia*, Qualcomm, Inc. (“Qualcomm”), asserting infringement of the claims of U.S. **Patent** No. 6,401,078 (“the #078 **patent**”). While the case was pending, R+L filed for ex parte reexamination of the #078 **patent**. Although the **patent** survived, R+L added language to all of the claims at issue. Because the district court determined that the new claims were not substantially identical to the initial claims of the #078 **patent**, and because there was no dispute that Qualcomm ceased its allegedly infringing activity before the reexamination certificate issued, R+L stipulated to final judgment, dismissing its infringement claim against Qualcomm. R+L appeals the district court's determination that the amendments made during reexamination resulted in a substantive change in claim scope. For the reasons set forth below, we *affirm*, albeit on slightly different grounds than those relied upon by the district court.

I. BACKGROUND

A. The #078 Patent

The #078 patent generally relates to an improved method of consolidating freight into trailers to optimize delivery efficiencies for the loads in each trailer. According to the #078 patent, prior art shipping practices would evaluate the contents of each incoming trailer by reviewing bills of lading for the packages when they arrived at a central terminal. The patent explains that the freight on each trailer was then consolidated with freight going in the same direction and hauled away from the central terminal. The patent explains that the purpose of consolidation was to deliver all of the freight on time, while using the fewest number of trailers to do so. Although load planning software at the time could help perform this task more efficiently, the patent asserts that the prior art software could not account for unscheduled freight that was not entered into the computer.

To solve this alleged deficiency in the prior art, the #078 patent discloses a system *1348 for transmitting the contents of a trailer to the central terminal so that load planning can occur while the trailer is en route. The system contemplates the scanning of bills of lading, transmitting those documents once scanned, and receiving the data where it can be extracted for load planning and billing purposes. The patent appears to describe two alternative methods for extracting the load planning information from the transmission and preparing loading manifests therefrom: (1) a computerized system automatically interpreting the data; and (2) a data entry clerk manually reviewing the information. The U.S. Patent and Trademark Office (“PTO”) initially issued the patent on June 4, 2002, containing only one independent claim (“original claim 1”).

On June 28, 2013, R+L filed for ex parte reexamination of the #078 patent based on prior art identified by a third party. In the first office action, the PTO rejected original claim 1, *inter alia*, as anticipated by a key prior art reference—a publication from the N & M Transfer Company that “teaches a method for transferring shipping documentation data for a package from a transporting vehicle to a remote processing center.” Joint Appendix (“J.A.”) 2925. To overcome the PTO's rejection, R+L modified original claim 1 as follows:

1. A method for transferring shipping documentation data for a package from a transporting vehicle to a remote processing center *comprising the steps of:*

placing a package on the transporting vehicle;

using a portable document scanner to scan an image of the documentation data for the package, said image including shipping details of the package;

providing a portable image processor capable of wirelessly transferring the image from the transporting vehicle;

wirelessly sending the image to a remote processing center;

receiving the image at said remote processing center; and

prior to the package being removed from the transporting vehicle, utilizing said documentation data at said remote processing center to prepare [a] *an advance loading manifest document for another transporting vehicle* which includes said package for further transport of the package on another transporting vehicle.

#078 Patent Reexamination Certificate col. 2 ll. 1–18 (deletion in brackets; additions in italics) (“amended claim 1”). In allowing amended claim 1, the PTO explained that the key prior art reference only discussed loading a “manifest for the *current* shipping vehicle and not an advance loading manifest document for *another* transporting vehicle.” J.A. 3088. The PTO issued the reexamination certificate on March 21, 2014, with amended claim 1 replacing original claim 1.

B. Procedural History

R+L filed suit against Qualcomm on June 25, 2009, alleging, *inter alia*, induced infringement of the #078 patent. R+L's case against Qualcomm was consolidated into a multidistrict litigation ("MDL") in the United States District Court for the Southern District of Ohio. *In re Bill of Lading Transmissions & Processing Sys. Patent Litig.*, MDL Docket No. 1:09-md-2050 (S.D. Ohio). In a prior appeal, on June 7, 2012, this court held that R+L's induced infringement claims survived Qualcomm's motion to dismiss. *In re Bill of Lading Transmission & Processing Sys. Patent Litig.*, 681 F.3d 1323, 1346–47 (Fed. Cir. 2012).

We remanded the case against Qualcomm for further proceedings. After the PTO issued the reexamination certificate *1349 on March 21, 2014, the district court *sua sponte* ordered all of the parties in the MDL to brief the effect of the claim amendments made during reexamination. On May 19, 2014, the district court determined that R+L's amendment to original claim 1 substantively narrowed the claim, thereby precluding recovery of damages for infringement prior to the date the PTO issued the reexamination certificate. The district court agreed with the accused infringers in the MDL that, although original claim 1 covered both manual and computer-prepared loading manifests, amended claim 1 covered only computer-prepared loading manifests. The district court reasoned that the specification of the #078 patent disclosed both manual and computerized extraction of information from bills of lading and preparation of loading manifests, the language in original claim 1 did not limit methods for preparing loading manifests to only computerized systems, and the term "advance" in amended claim 1 was added to get around the N & M prior art, which, among other things, disclosed manual entry of the loading manifest. For these reasons, the district court concluded that amended claim 1 must encompass only the preparation of computer-generated loading manifests.

Because Qualcomm sold its allegedly infringing business unit before the PTO issued the reexamination certificate for the #078 patent, R+L conceded that it could not recover any damages against Qualcomm based on the district court's determination that claim 1 was substantively narrowed during reexamination. Accordingly, R+L stipulated to entry of final judgment, dismissing its infringement claims against Qualcomm. R+L timely appealed. We have jurisdiction under 28 U.S.C. § 1295(a)(1) (2012).

II. DISCUSSION

[1] [2] A patentee of a patent that survives reexamination is only entitled to infringement damages for the time period between the date of issuance of the original claims and the date of issuance of the reexamined claims if the original and the reexamined claims are "substantially identical." 35 U.S.C. § 252 (2012) (stating that a reissued patent shall have the same effect as the original patent "in so far as the claims of the original and reissued patents are substantially identical" (emphasis added)); see 35 U.S.C. § 307(b) (stating that "a reexamination proceeding will have the same effect as that specified in section 252 for reissued patents"); *Laitram Corp. v. NEC Corp.*, 163 F.3d 1342, 1346 (Fed. Cir. 1998) (citing 35 U.S.C. §§ 252, 307(b)). If, on the other hand, a substantive change has been made to the original claims during reexamination, the patentee is entitled to infringement damages only for the time period following issuance of the reexamination certificate. *Bloom Eng'g Co. v. N. Am. Mfg. Co.*, 129 F.3d 1247, 1250 (Fed. Cir. 1997) (" 'Identical' does not mean verbatim, but means at most without substantive change." (emphasis added)). To determine whether substantive changes have been made, we consider "whether the scope of the claims are identical, not merely whether different words are used." *Laitram*, 163 F.3d at 1346; *Bloom Eng'g*, 129 F.3d at 1250.

[3] We have held previously that we review de novo a district court's conclusion regarding whether the scope of reexamined claims are "substantively identical" to the scope of the original claims. *Laitram*, 163 F.3d at 1346–47. In *Teva Pharmaceuticals USA, Inc. v. Sandoz, Inc.*, — U.S. —, 135 S.Ct. 831, — L.Ed.2d — (2015), however, the Supreme

Court held that we must review the district court's resolution of subsidiary factual matters during claim construction for clear error. *Id.* at 841–42. Because we are reviewing the scope of the reexamined and original *1350 claims, this is a matter of claim construction. See *Lairtram*, 163 F.3d at 1346–47 (“This rule flows from the general principle that ‘the interpretation and construction of patent claims, which define the scope of the patentee's rights under the patent, is a matter of law, exclusively for the court.’” (quoting *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 970–71 (Fed.Cir.1995) (en banc), *aff'd*, 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996))). Accordingly, we must review the district court's subsidiary factual findings on the scope of the reexamined and original claims for clear error, but the ultimate conclusion regarding the scope of the claims de novo. See *Teva*, 135 S.Ct. at 841–42.

It is undisputed that R+L cannot recover damages for infringement from Qualcomm unless amended claim 1 is “substantially identical” to original claim 1. 35 U.S.C. § 252. Accordingly, this case turns on our review of the district court's determination that amended claim 1 is substantively narrower than original claim 1. See *Bloom Eng'g*, 129 F.3d at 1250. Qualcomm argues that it is clear that, although original claim 1 encompassed computer *and* manual loading manifests, amended claim 1 is limited to computer-generated loading manifests because, it says, that limitation was necessary to overcome the N & M reference. R+L argues, to the contrary, that it is clear that “loading manifests” in original claim 1 was always limited to computer-generated or computer-assisted documents and that the only amendment necessary to overcome the N & M reference was the clarification that the loading manifest must be a document for another transporting vehicle, rather than the current vehicle. Thus, R+L contends that the narrowing on which the district court relied for its judgment actually never occurred.

As an initial matter, we disagree with *both* Qualcomm and R+L on the primary premises of their arguments. As for Qualcomm, we do not agree that claim 1 was substantively narrowed in reexamination because insertion of the term “advance” into the claims limited claim 1 to only computer-generated loading manifests. Qualcomm reads too much into the term “advance,” which, as discussed below, was added to the claim for reasons unrelated to the format for preparing the loading manifests. Speculation about what R+L was attempting to accomplish vis-à-vis the N & M reference does not change our view.

Under the statute and our prior case law, it is irrelevant *why* an amended claim is narrowed during reexamination, or even whether the patentee intended to narrow the claim in a particular way. If the scope of the amended claim is not “substantially identical” to the scope of the original claim—based on a normal claim construction analysis—per § 252, that fact affects intervening rights. See 35 U.S.C. § 307(b). The fact that the reason for the amendment during reexamination might not have been for the purpose of narrowing the claim in a particular way does not matter. And, the court is not charged with assessing why a claim might have been narrowed as a predicate to determining whether it has been narrowed. Indeed, we explained in the analogous context of considering whether a claim was *broadened* on reexamination that we consider “whether any conceivable process would infringe the amended claim, but not infringe the original claim.” *Predicate Logic, Inc. v. Distributive Software, Inc.*, 544 F.3d 1298, 1303 (Fed.Cir.2008). Similarly, in determining whether an amended claim is *narrower*, we determine whether there is any product or process that would infringe the original claim, but not infringe the amended claim. See *id.* The purpose of the amendment is irrelevant to this *1351 inquiry. We do not agree, accordingly, that, simply because it may have made sense to narrow claim 1 to exclude manual operations in order to overcome the N & M reference, that form of narrowing necessarily occurred.

[4] Having said that, we do not agree with R+L that “loading manifest” in claim 1 always encompassed only manifests generated using load planning software. We agree with the district court's thorough claim construction analysis of original claim 1 and its conclusion that the term “loading manifest” is broad enough to encompass both manual and computer generated documentation. We find that, under a proper claim construction analysis, both original claim 1 and amended claim 1 are similarly broad in that respect. Whatever R+L's reason for adding the word “advance” into claim 1, the district court's conclusion as to the scope of original claim 1 under traditional claim construction principles is not affected.

That conclusion does not expose Qualcomm to damages for infringement of amended claim 1, however, because we find that claim 1 was narrowed in other ways during reexamination and is, thus, not substantially identical to original claim 1 in the #078 patent. R+L amended “loading manifest” to claim an “*advance loading manifest document for another transporting vehicle.*” #078 Patent Reexamination Certificate col. 2 ll. 15–16 (additions in italics). R+L made this amendment after the PTO rejected original claim 1 over various pieces of prior art, not just N & M. The examiner expressly stated he was allowing amended claim 1 because “the manifest discussed by [the prior art] is a manifest for the *current* shipping vehicle and not an advance loading manifest document for *another* transporting vehicle.” J.A. 3088. In other words, the examiner's focus in allowing the claims was not on whether a computer produced the loading manifest, but on the additional limitation that the advance loading manifest be “for *another* transporting vehicle.” *Id.* Although the amendment may not have limited amended claim 1 to computer-produced loading manifests, the examiner's commentary reveals a method that would be covered by original claim 1 but not amended claim 1: the process of preparing a loading manifest “for the *current* shipping vehicle.” J.A. 3088.

R+L's own argument that “advance” did not alter the scope of the claims as it relates to the method for preparing the manifests further supports this conclusion. In its briefing, R+L acknowledges that the claims were allowed over the prior art because it agreed to add the “for *another* transporting vehicle” limitation. Appellant's Br. 11. As R+L stated in its interview summary during reexamination, addition of “loading manifest document for another transportation vehicle” resulted in a tentative agreement that the amendment would overcome the rejections over the prior art. J.A. 3194–95. Even if the word “advance” was only added to “provide clarity,” as R+L argues, R+L clearly understood that it was limiting the scope of its claims in another way to get around the prior art. *See* Appellant's Br. 11; J.A. 3194–95.¹ Thus, amended claim 1 is not “substantially identical” to original claim 1 because original claim 1 encompassed scope that amended claim 1 does not. *See* 35 U.S.C. § 252.

Accordingly, we conclude that amended claim 1 is not “substantially identical” to *1352 original claim 1. 35 U.S.C. § 252. R+L is, thus, not entitled to infringement damages prior to issuance of the reexamination certificate for the #078 patent. Since R+L concedes that Qualcomm did not perform any allegedly infringing conduct after the PTO issued the reexamination certificate, the district court properly entered judgment dismissing the case against Qualcomm.

III. CONCLUSION

For the foregoing reasons, we affirm the judgment of the district court dismissing R+L's infringement claims against Qualcomm.

AFFIRMED

All Citations

801 F.3d 1346, 116 U.S.P.Q.2d 1150

Footnotes

- ¹ Notably, R+L itself suggested adding the term “advance” to further emphasize the “for another transporting vehicle limitation.” Thus, even if the term “advance” did not alter the method for preparing the loading manifests covered by claim 1, it does appear that the term “advance” assisted in narrowing the claim in other ways.