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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. 14-CV-2061-H (BGS)
**CLAIM CONSTRUCTION
ORDER**

On September 2, 2014, Plaintiff Presidio Components, Inc. (“Presidio”) filed a complaint against Defendant American Technical Ceramics Corp. (“ATC”) asserting a claim for patent infringement. (Doc. No. 1.) Presidio claims that ATC’s 550 line of ceramic capacitors infringes U.S. Patent 6,816,356 (“the ’356 patent”). (Id.)

On May 28, 2015, Presidio and ATC filed a joint hearing statement identifying two disputed claim terms from the ’356 patent. (Doc. No. 83.) On June 26, 2015, Presidio and ATC each filed its opening claim construction brief. (Doc. Nos. 90; 93.) On July 10, 2015, Presidio and ATC each filed its responsive claim construction brief. (Doc. Nos. 97; 98.) On July 14, 2015, ATC filed a notice of evidence in support of its claim construction brief. (Doc. No. 99.)

1 On July 22, 2015, the Court held a claim construction hearing. Attorneys Brett
2 A. Schatz and Gregory F. Ahrens appeared for Presidio. Attorneys Marvin S. Gittes,
3 Peter F. Snell, and Ronald E. Cahill appeared for ATC. ATC called Dr. Leonard
4 Schaper as an expert witness at the claim construction hearing. After considering the
5 parties' briefs and all relevant information, the Court construes the disputed terms.

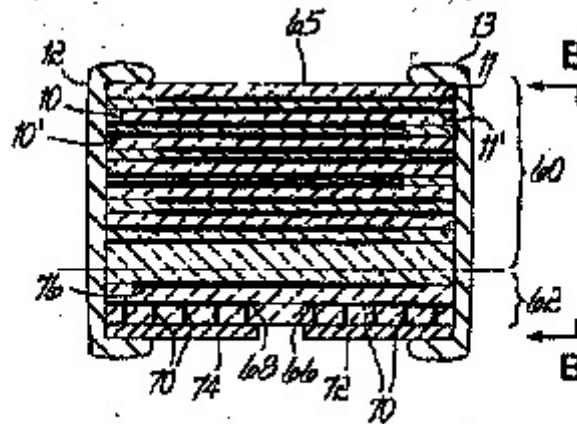
6 **Background**

7 On September 2, 2014, Presidio filed a complaint against ATC alleging that
8 ATC's 550 line of ceramic capacitors infringes claims 1, 3, 5, 16, 18, and 19 of the
9 '356 patent. (Doc. No. 1.)

10 The '356 patent is titled "Integrated Broadband Ceramic Capacitor Array."
11 (Doc. No. 93-6 at 2-20, "Patent 6,816,356".) A capacitor is a passive electrical
12 component that stores and releases energy and is used in a variety of electrical devices.
13 Presidio Components, Inc. v. American Technical Ceramics Corp., 702 F.3d 1351,
14 1355 (Fed. Cir. 2012). Generally, a capacitor comprises two parallel metal plates
15 separated by a non-conductive material, known as a dielectric. Id. When a capacitor
16 is connected to a power source, electricity passes through the metal plates, but not the
17 dielectric, causing a positive charge to accumulate on one plate and a negative charge
18 on the other. Id. To release this stored energy, the two plates are connected through
19 a conductive path that closes the circuit. Id. Multiple capacitors may be combined to
20 create a "multilayer capacitor." Id. A multilayer capacitor is made of several layers of
21 conductive and non-conductive materials stacked together. Id. Each layer in the
22 multilayer capacitor has its own electrical properties affecting the overall performance
23 of the capacitor. Id.

24 The '356 patent claims a multilayer capacitor design and teaches a multilayer,
25 integrated network of capacitors electrically connected in series and in parallel. Id.;
26 Presidio Components, Inc. v. American Technical Ceramics Corp., 723 F. Supp. 2d
27 1284, 1289 (S.D. Cal. 2010), vacated on other grounds, 702 F.3d 1351 (Fed. Cir.
28 2012); Patent 6,816,356. The network of capacitors is disposed within a "substantially

1 monolithic dielectric body,” as shown below in Figure 10A. The claimed multilayer
2 capacitor creates capacitance between the internal parallel plate combinations 10 and
3 11 while simultaneously creating fringe-effect capacitance between the external
4 contacts 72 and 74. Presidio Components, Inc., 702 F.3d at 1355; Patent 6,816,356.



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12 **FIG. 10A**

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15 This case is not the first time that Presidio and ATC have litigated the '356
16 patent. See Presidio Components, Inc. v. American Technical Ceramics Corp., 08-cv-
17 335 (S.D. Cal. filed 2008). In February 2008, Presidio filed a complaint against ATC
18 asserting that ATC's 545L ceramic capacitor infringed the '356 patent. (08-cv-335,
19 Doc. No. 1.) ATC did not prevail before the jury or the Federal Circuit on appeal.
20 Presidio Components, Inc., 702 F.3d 1351.

21 Nor is this the first time that a court has construed the two terms the parties now
22 dispute. On June 11, 2008, the court issued a claim construction order construing,
23 among other terms, the two terms at issue in the present litigation. (08-cv-335, Doc.
24 No. 24.) In its claim construction order, the court accepted ATC's construction of the
25 two disputed terms and rejected Presidio's construction. (See id.) The court construed
26 the independent claim term “the second contact being located sufficiently close to the
27 first contact to form a first fringe-effect capacitance with the first contact” to mean “an
28 end of the first conductive contact and an end of the second conductive contact are

1 positioned in an edge-to-edge relationship in such proximity as to form a determinable
2 capacitance.” (Id. at 14.) The court construed the dependant claim term “the second
3 contact being located sufficiently close to the first contact on the second side of the
4 dielectric body to form a second fringe-effect capacitance with the first contact” as
5 “another end of the first conductive contact and another end of the second conductive
6 contact are present on the second side of the substantially monolithic dielectric body
7 and are positioned in an edge-to-edge relationship in such proximity as to form a
8 determinable capacitance.” (Id.)

9 On July 30, 2009, the court granted ATC’s motion to resolve a dispute over
10 claim scope. (08-cv-335, Doc. No. 194.) The court accepted ATC’s construction,
11 rejected Presidio’s, and found “determinable capacitance” to mean “a capacity that is
12 capable of being determined in terms of a standard unit.” (Id. at 5.)

13 Following an eight-day jury trial, the jury returned a verdict finding that ATC’s
14 545L capacitor infringed claims 1-5, 16, 18, and 19 of Presidio’s ’356 patent. (08-cv-
15 335, Doc. No. 298.) After trial, ATC moved for a new trial and for judgment as a
16 matter of law. See Presidio Components, Inc., 723 F. Supp. 2d 1284. ATC argued the
17 ’356 patent was invalid as a matter of law because, among other reasons, it was
18 anticipated by prior art and lacked enabling information with respect to the claim term
19 “sufficiently close . . . to form a first fringe-effect capacitance.” Id. at 1294-95, 1303.
20 The court rejected ATC’s arguments and denied ATC’s motion for judgment as a
21 matter of law. Id. After addressing post-trial motions, the Court entered judgment in
22 favor of Presidio and against ATC on October 26, 2010. (08-cv-335, Doc. No. 387.)
23 On December 19, 2012, the Federal Circuit affirmed the district court’s order denying
24 ATC’s motion for a new trial and motion for judgment as a matter of law. Presidio
25 Components, Inc., 702 F.3d 1351.

26 In addition to challenging the ’356 patent’s validity in the first case, on July 23,
27 2009, ATC filed a request for ex parte reexamination of the ’356 patent with the United
28 States Patent and Trademark Office (“PTO”) seeking review of claims 1-5, 16, 18, and

1 19. (Doc. No. 66-1 at 9-99.) On July 2, 2010, ATC filed a second request for ex parte
2 reexamination of the '356 patent with the PTO seeking review of the same claims.
3 (Doc. No. 66-2 at 4-71.) After reviewing ATC's requests for reexamination, the PTO
4 confirmed the patentability of claims 1-5, 16, 18, and 19. (Doc. No. 66-3 at 20.)

5 Discussion

6 **I. Legal Standards for Claim Construction**

7 Claim construction is an issue of law for the court to decide. Markman v.
8 Westview Instruments, Inc., 52 F.3d 967, 970-71 (Fed. Cir. 1995) (en banc), aff'd, 517
9 U.S. 370 (1996). "The purpose of claim construction is to 'determin[e] the meaning and
10 scope of the patent claims asserted to be infringed.'" O2 Micro Int'l Ltd. v. Beyond
11 Innovation Tech. Co., 521 F.3d 1351, 1360 (Fed. Cir. 2008). "It is a 'bedrock
12 principle' of patent law that the 'claims of a patent define the invention to which the
13 patentee is entitled the right to exclude.'" Phillips v. AWH Corp., 415 F.3d 1303, 1312
14 (Fed. Cir. 2005) (en banc).

15 Claim terms are generally given their ordinary and customary meaning.
16 Vitronics Corp. v. Conceptronc, Inc., 90 F.3d 1576, 1582 (Fed. Cir. 1996). In patent
17 law, the ordinary and customary meaning of a claim term is the meaning that the term
18 would have to a person having ordinary skill in the art ("PHOSITA") at the time of the
19 invention. Phillips, 415 F.3d at 1313. In determining the meaning of a term, the
20 PHOSITA is deemed "to read the claim term not only in the context of the particular
21 claim in which the disputed term appears, but in the context of the entire patent,
22 including the specification." Id. This test provides an objective baseline from which
23 to begin claim interpretation. Id.

24 "In some cases, the ordinary meaning of claim language as understood by a
25 [PHOSITA] may be readily apparent even to lay judges, and claim construction in such
26 cases involves little more than the application of the widely accepted meaning of
27 commonly understood words." Id. at 1314. "However, in many cases, the meaning of
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1 a claim term as understood by persons of skill in the art is not readily apparent.” O2
2 Micro, 521 F.3d at 1360. If the meaning of the term is not readily apparent, the court
3 must look to “those sources available to the public that show what a person of skill in
4 the art would have understood disputed claim language to mean,” including intrinsic
5 and extrinsic evidence. See Phillips, 415 F.3d at 1314. A court should begin with the
6 intrinsic record, which consists of the language of the claims, the patent specification,
7 and, if in evidence, the prosecution history of the asserted patent. Id.

8 In determining the proper construction of a claim, a court should first look to the
9 language of the claims. See Vitronics, 90 F.3d at 1582; see also Comark Commc’ns
10 v. Harris Corp., 156 F.3d 1182, 1186 (Fed. Cir. 1998) (“The appropriate starting point
11 . . . is always with the language of the asserted claim itself.”). The context in which a
12 disputed term is used in the asserted claim may provide substantial guidance as to the
13 meaning of the term. See Phillips, 415 F.3d at 1314. In addition, the context in which
14 the disputed term is used in other claims, both asserted and unasserted, may provide
15 guidance because “the usage of a term in one claim can often illuminate the meaning
16 of the same term in other claims.” Id. Furthermore, a disputed term must be construed
17 “consistently with its appearance in other places in the same claim or in other claims
18 of the same patent.” Rexnord Corp. v. Laitram Corp., 274 F.3d 1336, 1342 (Fed. Cir.
19 2001); see also Callicrate v. Wadsworth Mfg., Inc., 427 F.3d 1361, 1371 (Fed. Cir.
20 2005) (“this court interprets claim terms consistently throughout various claims of the
21 same patent”). Moreover, “[a] claim construction that gives meaning to all the terms
22 of the claim is preferred over one that does not do so.” Merck & Co. v. TevaPharms.
23 USA, Inc., 395 F.3d 1364, 1372 (Fed. Cir. 2005).

24 A court must also read claims “in view of the specification, of which they are a
25 part.” Markman, 52 F.3d at 979; see 35 U.S.C. § 112(b) (“The specification shall
26 conclude with one or more claims particularly pointing out and distinctly claiming the
27 subject matter which the inventor or a joint inventor regards as the invention.”). The
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1 specification “is the single best guide to the meaning of a disputed term,” and is usually
2 dispositive of the term’s meaning. Vitronics, 90 F.3d at 1582. In addition, “a claim
3 construction that excludes the preferred embodiment is rarely, if ever, correct and
4 would require highly persuasive evidentiary support.” Adams Respiratory
5 Therapeutics, Inc. v. Perrigo Co., 616 F.3d 1283, 1290 (Fed. Cir. 2010) (citations
6 omitted). But “[t]he written description part of the specification does not delimit the
7 right to exclude. That is the function and purpose of claims.” Markman, 52 F.3d at
8 980; Comark, 156 F.3d at 1186 (“[L]imitations from the specification are not to be read
9 into the claims . . .”).

10 In construing the terms of a claim, even though claim terms are “understood
11 in light of the specification, a claim construction must not import limitations from the
12 specification into the claims.” Deere & Co. v. Bush Hog, LLC, 703 F.3d 1349, 1354
13 (Fed. Cir. 2012). Moreover, “[e]ven when the specification describes only a single
14 embodiment, the claims of the patent will not be read restrictively unless the patentee
15 has demonstrated a clear intention to limit the claim scope using words or expressions
16 of manifest exclusion or restriction.” Liebel Flarsheim Co. v. Medrad, Inc., 358 F.3d
17 898, 906 (Fed. Cir. 2004).

18 In most situations, analysis of the intrinsic evidence will resolve claim
19 construction disputes. See Vitronics, 90 F.3d at 1583. However, “because extrinsic
20 evidence can help educate the court regarding the field of the invention and can help
21 the court determine what a person of ordinary skill in the art would understand claim
22 terms to mean, it is permissible for the district court in its sound discretion to admit and
23 use such evidence.” Phillips, 415 F.3d at 1319. Extrinsic evidence “consists of all
24 evidence external to the patent and prosecution history, including expert and inventor
25 testimony, dictionaries, and learned treatises.” Id. at 1317. A court evaluates all
26 extrinsic evidence in light of the intrinsic evidence. Id. at 1319. A court should not
27 rely on extrinsic evidence in construing claims to contradict the meaning of claims
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1 discernable from examination of the claims, the written description, and the
2 prosecution history. See Dow Chem. Co. v. Sumitomo Chem. Co., Ltd., 257 F.3d
3 1364, 1373 (Fed. Cir. 2001); Vitronics, 90 F.3d at 1583. “In cases where those
4 subsidiary facts are in dispute, courts will need to make subsidiary factual findings
5 about that extrinsic evidence.” Teva Pharm. USA v. Sandoz, Inc., 135 S. Ct. 831, 841
6 (2015).

7 “[D]istrict courts are not (and should not be) required to construe every
8 limitation present in a patent’s asserted claims.” O2 Micro, 521 F.3d at 1362. In
9 certain situations, it is appropriate for a court to determine that a claim term needs no
10 construction and its plain and ordinary meaning applies. See id.; Phillips, 415 F.3d at
11 1314. But “[a] determination that a claim term ‘needs no construction’ or has the
12 ‘plain and ordinary meaning’ may be inadequate when a term has more than one
13 ‘ordinary’ meaning or when reliance on a term’s ‘ordinary’ meaning does not resolve
14 the parties’ dispute.” O2 Micro, 521 F.3d at 1361. If the parties dispute the scope of
15 a certain claim term, it is the court’s duty to resolve the dispute. Id. at 1362.

16 **II. Analysis of the Disputed Terms**

17 **A. The Second Contact Being Located Sufficiently Close to the First** 18 **Contact to Form a First Fringe-Effect Capacitance With the First Contact**

19 Claim 1 of the ’356 patent claims “A capacitor comprising: . . . a conductive
20 second contact disposed externally on the dielectric body and electrically connected to
21 the second plate, and the second contact being located sufficiently close to the first
22 contact to form a first fringe-effect capacitance with the first contact.” Patent
23 6,816,356 at 13:1-5. The parties dispute the meaning of the phrase “the second contact
24 being located sufficiently close to the first contact to form a first fringe-effect
25 capacitance with the first contact.” (See Doc. No. 83-1.)

26 In the first case, the court accepted ATC’s construction of the disputed term and
27 construed “the second contact being located sufficiently close to the first contact to
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1 form a first fringe-effect capacitance with the first contact” as “an end of the first
2 conductive contact and an end of the second conductive contact are positioned in an
3 edge-to-edge relationship in such proximity as to form a determinable capacitance.”
4 (08-cv-335, Doc. No. 24.) Additionally, the court in the first case accepted ATC’s
5 further construction of “determinable capacitance” and construed the term to mean “a
6 capacity that is capable of being determined in terms of a standard unit.” (08-cv-335,
7 Doc. No. 194.)

8 ATC now contends that the disputed term should be construed to mean “an end
9 of the first conductive contact and an end of the second conductive contact are
10 positioned in an edge-to-edge relationship in such proximity that the spacing between
11 them is on the order of the same dimension of (i.e., no greater than approximately
12 twice) their individual thickness to generate arcing electric field lines that form a
13 capacity [capacitance]¹ capable of being determined in terms of a standard unit.” (Doc.
14 No. 83-1.)

15 Presidio contends that ATC is judicially and collaterally estopped from arguing
16 for a construction different from that in the first case because the court twice accepted
17 ATC’s construction. (Doc. No. 90 at 11-17.) As a result, Presidio maintains that the
18 term should be construed as “an end of the first conductive contact and an end of the
19 second conductive contact are positioned in an edge-to-edge relationship in such
20 proximity as to form a determinable capacitance.” (Doc. No. 83-1.) Additionally,
21 Presidio asserts that the Court should adopt the first court’s construction of
22 “determinable capacitance,” that is, “a capacity [capacitance] that is capable of being
23 determined in terms of a standard unit.” (Id.)

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26 ¹ In the first case, the court construed “determinable capacitance” to mean “a capacity
27 that is capable of being determined in terms of a standard unit.” (08-cv-335, Doc. No. 194.)
28 But the parties agree that “capacitance” should replace “capacity” because it is less confusing
and more appropriate in the context of the entire claim. (Doc. Nos. 83-1; 93 at 16.) The Court
agrees.

1 ATC contends that “sufficiently close” means “the spacing between the ends of
2 the contacts is on the order of the same dimension of (i.e., no greater than
3 approximately twice) their individual thickness.” (Doc. No. 93 at 21.) As support for
4 this construction, ATC cites to a statement made by Presidio’s expert, Dr. Huebner, at
5 trial in the first case. (Id.) At trial, Dr. Huebner stated that the existence of fringe-
6 effect capacitance between two contacts “depends upon how thick is that external
7 contact and how . . . does that thickness compare to the separation of this distance. It’s
8 only when they become on the order of the same dimension – they have to be close
9 together – do you start to see that these flux lines will appear outside of this parallel-
10 plate configuration.” (Doc. No. 93-6 at 71.) ATC interprets “on the order of the same
11 dimension” to mean the space between the contacts can be “no greater than
12 approximately twice” the individual thickness of the contacts. (Doc. No. 93 at 25-26.)
13 But the court instructed the jury on the claim construction supported by ATC at the
14 Markman hearing and at trial. (08-cv-335, Doc. No. 297 at 21-24.) Based on claim
15 construction supported by ATC and the evidence at trial, the jury found against ATC
16 and the Federal Circuit affirmed. Presidio Components, Inc., 702 F.3d 1351.

17 ATC further argues that in its order denying ATC’s motion for judgment as a
18 matter of law, the court further construed the claim term “sufficiently close” by citing
19 a section of the trial transcript that included Dr. Huebner’s “on the order of the same
20 dimension” testimony. (Doc. No. 93 at 23.) ATC cites to Cordis Corp. v. Boston Sci.
21 Corp., 658 F.3d 1347 (Fed. Cir. 2011) and Mformation Technologies, Inc. v. Research
22 in Motion Ltd., 764 F.3d 1392 (Fed. Cir. 2014) in support of its claim that the first
23 court clarified its construction in its post-trial order. (Id.) The record does support
24 ATC’s argument that the court changed its claim construction in its post-trial order.²

26 ² Additionally, in its appeal of the first court’s post-trial order to the Federal Circuit,
27 ATC did not argue that the court changed its claim construction in the post-trial order. See
28 Presidio Components, Inc., 702 F.3d 1351.

1 In Cordis, the district court construed the term “undulating” to mean “rising and
2 falling in waves, thus having at least a crest and a trough.” 658 F.3d at 1355. After a
3 jury verdict for the plaintiff, the district court granted judgment as a matter of law of
4 non-infringement. Id. In its order granting judgment as a matter of law, the district
5 court stated that although neither party requested the construction to include reference
6 to “a change in direction,” the court’s “use of the plural ‘waves’ implies a change in
7 direction.” Cordis Corp. v. Medtronic Ave, 194 F. Supp. 2d 323, 354 (D. Del. 2002);
8 Cordis, 658 F.3d at 1355. The Federal Circuit held that the district court did not err by
9 clarifying its construction of the term “undulating” because the court merely elaborated
10 on a meaning inherent in the previous construction. Id. at 1356-57.

11 In Mformation Technologies, the district court construed the term “establishing
12 a connection between the wireless device and the server,” but did not determine
13 whether the patent required an order of steps. 764 F.3d at 1395. After the jury found
14 for the plaintiff, the court granted the defendant’s motion for judgment as a matter of
15 law, finding that “establishing a connection” had to be completed before another claim
16 term, “transmitting the contents of the mailbox.” Id. The Federal Circuit affirmed the
17 district court’s ruling, holding that “the district court did not change its claim
18 construction post-verdict. Rather, the district court at most clarified its previous
19 construction that was already present in the jury instructions.” Id. at 1398.

20 Here, unlike the district courts in Cordis and Mformation Technologies, the first
21 court did not modify or clarify its construction of “sufficiently close” in its post-trial
22 order. In Cordis, the district court added the phrase “a change in direction” to its
23 earlier construction of the term “undulating.” 194 F. Supp. 2d at 354. In Mformation
24 Technologies, the district court’s order granting judgment as a matter of law specified
25 a particular order in which the claim terms had to be completed that did not appear in
26 the court’s earlier claim construction. 764 F.3d at 1398. In contrast, the first court, in
27 its order denying ATC’s motion for judgment as a matter of law, did not specify any
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1 ratio for calculating the distance required for the two contacts to be “sufficiently close
2 . . . to form a first fringe-effect capacitance.” See Presidio Components, 723 F. Supp.
3 2d at 1295, 1303-04, 1309. Moreover, the court’s citation to Dr. Huebner’s testimony
4 was used to support the court’s conclusion that there was sufficient evidence
5 supporting the jury’s determination that the ’356 patent was not anticipated, was not
6 invalid due to lack of enablement, and was not indefinite. Id. at 1295 (“For example,
7 Dr. Huebner testified that in order to demonstrate whether this claim limitation is met,
8 one could and should analyze the thickness of the external contacts, the separation
9 distance, and the dielectric. (Trial Tr. Day 4, at 77:14-85:7.)”); Id. at 1303-04, 1309-10.
10 Finally, instead of construing “sufficiently close” to mean a particular ratio of the
11 contacts’ thickness to their distance apart, the court stated, “How ‘sufficiently close’
12 they should be arranged would necessarily depend on the thickness of those external
13 contacts and the type of dielectric used. To specify any particular distance between the
14 contacts . . . would have unnecessarily limited the scope of the claimed invention.”
15 Id. at 1304. ATC’s argument that the post-trial order changed the claim construction
16 is not supported by the record from the first case.

17 Additionally, ATC asserts that the phrase “to generate arcing electric field lines”
18 must be included in its construction to make clear that claim requires fringe-effect
19 capacitance, as opposed to parallel capacitance. (Doc. No. 93 at 16.) In support of its
20 construction, ATC relies on the claim language, expert testimony, and the
21 reexamination history. (Id. at 16-20.) As ATC points out, the ’356 patent describes the
22 creation of “a capacitance between [the external conductive plates] based upon fringe
23 electric field extending to and from the adjacent edges of those plates.” Patent
24 6,816,356 at 7:24-26. ATC argues that the expert testimony demonstrates that a
25 PHOSITA understands fringe electric field lines to mean arcing electric field lines.
26 (Doc. No. 93 at 17, 18-19.) ATC maintains that at trial in the first case, Presidio’s
27 expert witnesses described fringe-effect capacitance as “bent” or “bending” flux lines.
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1 (Id. at 19.) Similarly, ATC’s claim construction expert, Dr. Schaper, stated that bent
2 or arcing electric field lines are characteristic of fringe-effect capacitance . (Id.) ATC
3 also points out that Presidio, in its response to ATC’s PTO reexamination petition,
4 stated that fringe-effect capacitance is “an edge to edge capacitance characterized by
5 fringing field lines.” (Doc. No. 93-9 at 126.)

6 Considering the parties’ briefs and all relevant information, the Court concludes
7 that the first court’s construction of the disputed term in Claim 1 is correct on the
8 merits. Accordingly, the Court construes “the second contact being located sufficiently
9 close to the first contact to form a first fringe-effect capacitance with the first contact”
10 as “an end of the first conductive contact and an end of the second conductive contact
11 are positioned in an edge-to-edge relationship in such proximity as to form a
12 capacitance that is capable of being determined in terms of a standard unit.”

13 Finally, the Court had an opportunity to see, observe, and evaluate the testimony
14 and cross-examination of ATC’s expert witness, Dr. Schaper at the claim construction
15 hearing. Given the expert’s testimony, demeanor, and inconsistent statements, his
16 testimony does not alter the Court’s conclusion.

17 The Court next turns to whether ATC is judicially or collaterally estopped from
18 arguing for a construction different than that accepted by the court in the first case
19 between Presidio and ATC. “Judicial estoppel is an equitable doctrine that prevents
20 a litigant from ‘perverting’ the judicial process by, after urging and prevailing on a
21 particular position in one litigation, urging a contrary position in a subsequent
22 proceeding—or at a later phase of the same proceeding—against one who relied on the
23 earlier position.” Sandisk Corp. v. Memorex Prods., 415 F.3d 1278, 1290 (Fed. Cir.
24 2005); see Hamilton v. State Farm Fire & Cas. Co., 270 F.3d 778, 782 (9th Cir. 2001).
25 The Supreme Court has identified three factors to guide the court’s decision to apply
26 judicial estoppel: (1) the party’s later position must be clearly inconsistent with the
27 earlier position; (2) the party must have succeeded in persuading a court to adopt the
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1 earlier position in the earlier proceeding, such that it would create the perception that
2 either the first or second court was misled; and (3) the courts consider whether the
3 party seeking to assert an inconsistent position would derive an unfair advantage or
4 impose an unfair detriment on the opposing party if not estopped. New Hampshire v.
5 Maine, 532 U.S. 742, 750-51 (2001). In addition, the Ninth Circuit “has restricted the
6 application of judicial estoppel to cases where the court relied on, or ‘accepted,’ the
7 party’s previous inconsistent position.” Hamilton, 270 F.3d at 783. But, the Supreme
8 Court has noted that these factors “do not establish inflexible prerequisites or an
9 exhaustive formula for determining the applicability of judicial estoppel. Additional
10 considerations may inform the doctrine’s application in specific factual contexts.” New
11 Hampshire, 532 U.S. at 751. “It is within the trial court’s discretion to invoke judicial
12 estoppel and preclude an argument.” Sandisk, 415 F.3d at 1290; see also New
13 Hampshire, 532 U.S. at 750 (“[J]udicial estoppel ‘is an equitable doctrine invoked by
14 a court at its discretion.’”).

15 The doctrine of collateral estoppel, also known as issue preclusion, provides that
16 “once a court has decided an issue of fact or law necessary to its judgment, that
17 decision may preclude relitigation of the issue in a suit on a different cause of action
18 involving a party to the first case.” Allen v. McCurry, 449 U.S. 90, 94 (1980).
19 Collateral estoppel applies when “(1) the issue necessarily decided at the previous
20 proceeding is identical to the one which is sought to be relitigated; (2) the first
21 proceeding ended with a final judgment on the merits; and (3) the party against whom
22 collateral estoppel is asserted was a party or in privity with a party at the first
23 proceeding.” United States v. Edwards, 595 F.3d 1004, 1012 (9th Cir. 2010) (quoting
24 Hydranautics v. FilmTec Corp., 204 F.3d 880, 885 (9th Cir. 2000)). Collateral estoppel
25 is a flexible, equitable doctrine that “bend[s] to satisfy its underlying purpose in light
26 of the nature of the proceedings.” Duvall v. Attorney General of the United States, 436
27 F.3d 382, 390 (3d Cir. 2006); see also United States v. Stauffer Chemical Co., 464 U.S.

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1 165, 176 (1984) (White, J., concurring) (describing collateral estoppel as a “flexible,
2 judge-made doctrine”).

3 Here, ATC seeks a claim construction different than the construction it
4 successfully advocated in the lengthy and complex patent case against Presidio.
5 (Compare Doc. No. 83-1 with 08-cv-335, Doc. Nos. 24; 194.) The Court agrees with
6 Presidio that ATC is judicially estopped from seeking a different claim construction in
7 this case. New Hampshire, 532 U.S. at 750-51.

8 **B. The Second Contact Being Located Sufficiently Close to the First**
9 **Contact On the Second Side of the Dielectric Body to Form a Second Fringe-Effect**
10 **Capacitance With the First Contact**

11 Claim 3 of the '356 patent is dependent on Claim 1 and states, “The capacitor
12 of claim 1 wherein the first fringe-effect capacitance is disposed on a first side of the
13 dielectric body and the first contact and the second contact are further disposed on a
14 second side of the dielectric body, and the second contact being located sufficiently
15 close to the first contact on the second side of the dielectric body to form a second
16 fringe-effect capacitance with the first contact.” Patent 6,816,356 at 13.

17 In the first case, the court accepted ATC’s construction and construed “the
18 second contact being located sufficiently close to the first contact on the second side
19 of the dielectric body to form a second fringe-effect capacitance with the first contact”
20 as “another end of the first conductive contact and another end of the second
21 conductive contact are present on the second side of the substantially monolithic
22 dielectric body and are positioned in an edge-to-edge relationship in such proximity as
23 to form a determinable capacitance.” (08-cv-335, Doc. No. 24.) Additionally, the
24 court in the first case accepted ATC’s further construction of “determinable
25 capacitance” and construed the term to mean “a capacity that is capable of being
26 determined in terms of a standard unit.” (08-cv-335, Doc. No. 194.)

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1 ATC now contends that the disputed Claim 3 term should be construed as
2 “another end of the first conductive contact and another end of the second conductive
3 contact are present on the second side of the substantially monolithic dielectric body
4 and are positioned in an edge-to-edge relationship in such proximity that the spacing
5 between them is on the order of the same dimension of (i.e., no greater than
6 approximately twice) their individual thickness to generate arcing electric field lines
7 that form a capacity [capacitance] capable of being determined in terms of a standard
8 unit.” (Doc. No. 83-1.) In support of its construction of the Claim 3 term, ATC relies
9 on the same arguments supporting its Claim 1 term construction. (Doc. No. 93 at 27.)

10 Presidio, like ATC, relies on its estoppel and other Claim 1 term arguments to
11 support its construction of the Claim 3 term. (Doc. No. 90 at 24.) In support, Presidio
12 contends the Court should adopt the first court’s construction of the Claim 3 term as
13 “another end of the first conductive contact and another end of the second conductive
14 contact are present on the second side of the substantially monolithic dielectric body
15 and are positioned in an edge-to-edge relationship in such proximity as to form a
16 determinable capacitance.” (Doc. No. 83-1.) The Court agrees. Moreover, ATC is
17 judicially estopped from seeking a construction of the Claim 3 term that is different
18 than the first court’s construction. New Hampshire, 532 U.S. at 750-51.

19 The first court’s construction of the disputed Claim 3 term is correct on the
20 merits. See Presidio Components, Inc., 702 F.3d 1351. And this Court agrees after
21 considering all the relevant information. As a result, the Court construes the Claim 3
22 term as “another end of the first conductive contact and another end of the second
23 conductive contact are present on the second side of the substantially monolithic
24 dielectric body and are positioned in an edge-to-edge relationship in such proximity as
25 to form a capacitance that is capable of being determined in terms of a standard unit.”

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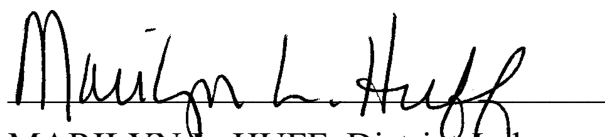
Conclusion

The Court construes “the second contact being located sufficiently close to the first contact to form a first fringe-effect capacitance with the first contact” as “an end of the first conductive contact and an end of the second conductive contact are positioned in an edge-to-edge relationship in such proximity as to form a capacitance that is capable of being determined in terms of a standard unit.”

Additionally, the Court construes “the second contact being located sufficiently close to the first contact on the second side of the dielectric body to form a second fringe-effect capacitance with the first contact” as “another end of the first conductive contact and another end of the second conductive contact are present on the second side of the substantially monolithic dielectric body and are positioned in an edge-to-edge relationship in such proximity as to form a capacitance that is capable of being determined in terms of a standard unit.”

IT IS SO ORDERED.

DATED: July 22, 2015


MARILYN L. HUFF, District Judge
UNITED STATES DISTRICT COURT