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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 IPS GROUP, INC.,

12 Plaintiff,

13 v.

14 DUNCAN SOLUTIONS, INC. and
15 DUNCAN PARKING TECHNOLOGIES,
16 INC.,

17 Defendants.

Case No.: 15-CV-1526-CAB-(MDD)

CLAIM CONSTRUCTION ORDER

18 Plaintiff IPS Group, Inc. (“IPS”) alleges that defendants Duncan Solutions, Inc. and
19 Duncan Parking Technologies (collectively “Duncan”) infringe U.S. Patent No. 8,595,054,
20 for a “Parking Meter and a Device Therefor” and U.S. Patent No. 7,854,310, for a “Parking
21 Meter.” [Doc. No. 34.] In conjunction with their answer, Duncan applied to the Patent
22 Office for *Inter Partes* Review of all the claims of the asserted patents. The Patent Office
23 denied the review request as to the ‘054 patent, and as to claims 6 and 11 of the ‘310 patent.
24 [Doc. No. 45.]

25 Before the Court now are the claim terms and phrases of the ‘054 patent that the
26 parties contend require construction. No construction requests were submitted for claims
27 6 and 11 of the ‘310 patent. The parties briefed their claim construction positions in
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1 accordance with this District’s patent local rules. [Doc. Nos. 61, 62, 63, 65 and 66.] The
2 Court held a claim construction hearing on December 5, 2016. [Doc No. 70.]

3 For the reasons set forth below and discussed more fully at the claim construction
4 hearing, the Court now enters this order construing the following terms and phrases.

5 **1. “Communication means for communicating with the electronic purse”**

6 The parties agree this phrase is subject to 35 U.S.C. §112(6).¹ The structure to
7 perform the function of communicating with the electronic purse is described at Col. 4:23-
8 26² and in figure 8, as *the card reader interface 60 and receiver 62*.

9 **2. “Conventional parking meter housing base”**

10 The parties jointly agreed this phrase is subject to its “plain and ordinary meaning.”
11 The Court finds further clarification of what is “conventional” is required and in light of
12 the specification construes this phrase as *housing base for an existing single bay parking*
13 *meter device that can be retrofitted with the claimed device*, as described at Col. 3:34-43.

14 **3. “Payment facilitating arrangement”**

15 This limitation, an arrangement of the parking meter device, is claimed functionally;
16 it facilitates payment. It is further structurally defined by additional limitations set forth of
17 claim 1 that require the arrangement be operable in cooperation with a non-cash payment
18 medium and be accessible by the user for user manipulation effecting the payment of the
19 monetary amount for the parking period. Col 5:47-48; Col. 6:12-14. The patent
20 specification identifies media for non-cash payments as credit cards, debit/ATM cards or
21 Smart Cards that are inserted by the user. Col. 5:9-16. Structures of the device that are
22 accessible to the user to manipulate to make non-cash payments are identified as the card
23 reader or writer device with an access opening or card slot. Col. 3 46-48; Col. 4:1-5.

24 While the device payment facilitation arrangement may also provide for other
25 medium of non-cash payment, such as a wireless communication to a smart phone or an
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27 ¹ The ‘054 patent was filed Dec. 4, 2006, therefore section 112 Pre-AIA applies.

28 ² See U.S. Patent No. 8,595,054 at Doc. No. 34-1.

1 electronic tag, Col. 1:32-53; Col. 5:22-40, payment by these other non-cash media does not
2 require a structure that is accessible by the user for user manipulation. In those instances
3 payment is facilitated wirelessly and in some instances without any intervention by the user
4 (i.e., an electronic tag on the vehicle that is sensed by the meter device).

5 The Court understands “user manipulation” in light of the specification and
6 prosecution history to mean physical interaction between the user and the device. The
7 Court therefore construes the “payment facilitating arrangement” of the device of claim 1,
8 which specifically requires that said arrangement be structurally accessible to the user for
9 manipulation to make a non-cash payment, as *electronic/ mechanical structures of the*
10 *device that include a card access opening and a card reader or card writer.*

11 **4. “Power management facility”**

12 The parties agreed that the power management facility is comprised of circuitry and
13 software. The facility manages the supply of power. Claim 1 includes the limitation that
14 this facility is charged by a solar panel. *See* Col. 6:1-3, Col. 4:19, and Fig 8. The
15 specification also identifies a rechargeable, replaceable battery in relation to the supply of
16 power but separate from the power management facility. *See* Col. 4:19-21, and Fig. 8. The
17 Court therefore declined Duncan’s proposed construction that incorporated the battery (a
18 rechargeable power storage) as part of the power management facility, and construes
19 “power management facility” as *circuitry and software that directs power to the parking*
20 *meter device as required.*

21 **5. “Wireless communications subsystem configured to receive information**
22 **relating to the non-cash payment medium in respect of the payment**
23 **facilitation arrangement”**

24 The Court construed this as *wireless communication components of the parking*
25 *meter device that receive information for the processing of non-cash payments.*

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