

No. 03-1549

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*United States Court of Appeals  
for the Federal Circuit*

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DATABURST, LLC

*Plaintiff-Appellant,*

v.

CHECKFREE CORPORATION

*Defendant-Appellee*

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Appeal from the United States District Court  
for the Northern District of Illinois  
in case No. 00-CV-7944, Judge Joan B. Gottschall

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**BRIEF FOR DEFENDANT-APPELLEE**

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## **CERTIFICATE OF INTEREST**

Counsel for the Defendant-Appellee certifies the following:

1. The full name of every party represented by me is CheckFree Corporation.
2. The name of the real parties in interest (if the parties named in the caption are not the real party in interest) represented by me is: None.
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the parties represented by me are: None.
4. The names of all law firms and the partners or associates that appeared for the parties now represented by me in the trial court or agency or are expected to appear in this court are:

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## **STATEMENT OF RELATED CASES**

No other appeal in or from the civil action below has been before this  
or any other appellate court.



## **STATEMENT OF THE ISSUES**

1. Whether the district court correctly interpreted the claim term “billing information,” as the term is used in the intrinsic and extrinsic evidence, as meaning information relating to bills for a plurality of users of the patented system, not merely information for only one particular user.

## **STATEMENT OF JURISDICTION**

Defendant-Appellee CheckFree Corporation (“CheckFree”) disagrees with Plaintiff-Appellant Databurst, LLC’s (“Databurst”) Statement of Jurisdiction as incomplete, and therefore supplements it under Rule 28(b), Fed. Cir. R.

This Court has appellate jurisdiction under 28 U.S.C. § 1295 because this appeal is from a final judgment of the United States District Court for the Northern District of Illinois. This final judgment terminated the entire case in the district court, including CheckFree’s counterclaim, which the district court dismissed as moot.

## **STATEMENT OF THE CASE**

CheckFree disagrees with Databurst's Statement of the Case as incomplete and inaccurate, and therefore supplements it under Rule 28(b), Fed. Cir. R.

On December 20, 2000, Databurst, a Nevada company, filed this class-action patent infringement case in the United States District Court for the Northern District of Illinois against CheckFree and all persons and entities who allegedly infringed U.S. Patent No. 5,007,084 ("the '084 patent"). (A27; Complaint pp. 1-2.) The '084 patent relates to a "Payment and Information Device" (A38) – not a method or process – for receiving billing information that is broadcasted, or "pushed," to users of the patented device.

The parties ultimately agreed to an order that focused discovery efforts on non-infringement issues.<sup>1</sup> (A29.) Consistent with that order, on July 29, 2002, CheckFree filed a "Motion for Construction of the Disputed Claim Terms of the '084 Patent." (A34; A45-47.) In its submission, CheckFree asked the district court to construe six disputed claim limitations

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<sup>1</sup> The district court denied Databurst's motion for class certification without prejudice on April 4, 2001. (A29.)

found in independent claims 1 and 8 of the '084 patent. (A45.) CheckFree informed the district court that its construction of one of more of these claims likely would be outcome determinative of the non-infringement issue. (A45.)

One of the disputed claim terms CheckFree asked the district court to construe is the term “billing information,” which is found in independent claim 1. (A44.) CheckFree urged that “billing information” means bills for all users, not bills for an individual user. (A46.) In particular, CheckFree argued that “billing information” is synonymous with “billing data” and means information regarding bills for all users, including, for each user: (1) information about the transactions that are to be billed to that user; and (2) identification information for that user. (A74.)

CheckFree also provided summary information regarding its accused products to provide the district court with contextual information for its claim construction analysis. (A326-31.) Importantly, CheckFree did not ask the district court to make any findings of fact regarding its technology, nor did the district court make any such findings of fact regarding the structure, function, and operation of the CheckFree system. CheckFree explained that it provides its electronic bill presentment and payment services via the

Internet and does not sell any devices or equipment. (A328.) The CheckFree system does not “push” all billing information for all subscribers to everyone. Instead, the CheckFree system utilizes “pull” technology – technology where an individual user “pulls” his or her billing information, and only his or her billing information, from the system. (A330.) Databurst did not dispute that CheckFree’s system functions in this manner.

In its response to CheckFree’s motion, Databurst asserted that the patent applicants served as their own lexicographers and expressly defined “billing information” in the written description to mean the specific unit of information for one customer, and not information for all users. (A353.) In essence, Databurst told the district court that “billing information” should be defined in the singular, and not in the plural.

On March 17, 2003, the district court issued its “Memorandum Opinion and Order” (A13-22) construing a single limitation – “billing information” – to mean “the billing data for all customers, and includ[ing] for each user: (1) information about the transactions that are to be billed to that user, and (2) identification information for that user.” (A22.) The district court made no findings regarding the accused CheckFree system. However, the district court concluded that its construction of “billing

information” “would not cover any equipment that telecommunicates only an individual user’s bill(s) from the supplier to the user.” (A22.)

As a result of this claim construction, Databurst stipulated to CheckFree’s non-literal infringement of the ‘084 patent and dropped all remaining infringement claims, including its allegations of infringement of independent claim 8 and infringement of any claim under the doctrine of equivalents. Indeed, Databurst’s own counsel submitted the agreed motion for entry of judgment, and the proposed Judgment that ended this case at the district court. (A36; Agreed Motion of June 24, 2003.) Based on the stipulation, the district court granted summary judgment, dismissed CheckFree’s counterclaims without prejudice as moot, and entered the stipulated final judgment dismissing Databurst’s case in its entirety. (A12.)

On July 29, 2003, Databurst appealed to this Court the district court’s claim construction order and the stipulated final judgment entered on July 2, 2003. (A36-37.)

## **STATEMENT OF THE FACTS**

Databurst's Statement of the Facts is deficient because it fails to alert the Court to the intrinsic and extrinsic evidence that would support the district court's construction of the disputed claim limitation. Accordingly, CheckFree supplements the Statement of the Facts under Rule 28(b), Fed. Cir. R.

### **I. NATURE OF THE CASE**

In this appeal, Databurst appeals from the district court's construction of the claim term "billing information." (Blue Br. 1.) Databurst attacks the district court's construction of the term "billing information" by urging, for the first time on this appeal, an entirely new claim construction not urged in the district court. Despite arguing to the district court that "billing information" is part of a 35 U.S.C. § 112, ¶ 6 limitation and should be construed only in the singular as expressly defined in the specification (A 352-53), Databurst now asserts that § 112, ¶ 6 does not apply and that "billing information" should be construed to refer to the singular and the plural, and not merely in the plural, as the district court so held (Blue Br. 14, 16-17).

As will be discussed, Databurst's argument is both legally and factually flawed. The district court's construction is fully supported by both the intrinsic and extrinsic evidence, including the structure of the claims themselves, the prosecution history, and the deposition testimony of one of the named inventors, whose testimony was against his interest. Moreover, the doctrine of waiver bars Databurst from arguing this broader claim construction on appeal.

## **II. THE '084 PATENT – IN ALL EMBODIMENTS THE SYSTEM BROADCASTS EVERYONE'S BILLS TO EACH END USER**

The '084 patent discloses a very specific system for broadcasting bills to users and allowing users to pay their bills. The system of the '084 patent consists of three distinct components: (1) broadcast equipment that prepares and broadcasts bills; (2) a Payment Authorization and Information Device ("PAID") at a user's location; and (3) an Information Center that receives and processes payment instructions from a user. The first two components are relevant to this appeal and discussed below.

### **A. THE BROADCAST EQUIPMENT "PUSHES" EVERYONE'S BILLS**

The broadcast equipment in the '084 patent receives "billing data" from suppliers, processes that information, and then broadcasts that

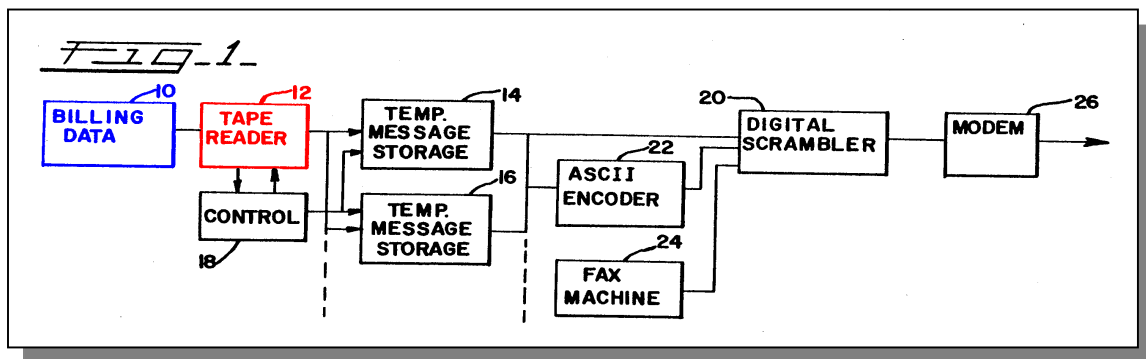
processed information out to all users of the system. The '084 patent defines “billing data” as follows:

In FIG. 1, a block 10 contains billing data for the customers. This includes customer identification information and information about the transactions that are to be billed to the customer. This would normally be supplied on tape by a credit-card issuer, a public utility, a department store, or any other installation that sends bills regularly to consumers. This information might also be supplied by telephone modem.

(A42 at col. 2, lines 38-46 (emphasis added).)

In the preferred embodiment of the '084 patent, billing data is broadcast to end users by embedding it within a television broadcast signal.

(A42 at col. 1, lines 55-59; A343.) For example, FIG. 1 of the '084 patent (reproduced below (A39 (color added))) schematically depicts the broadcast

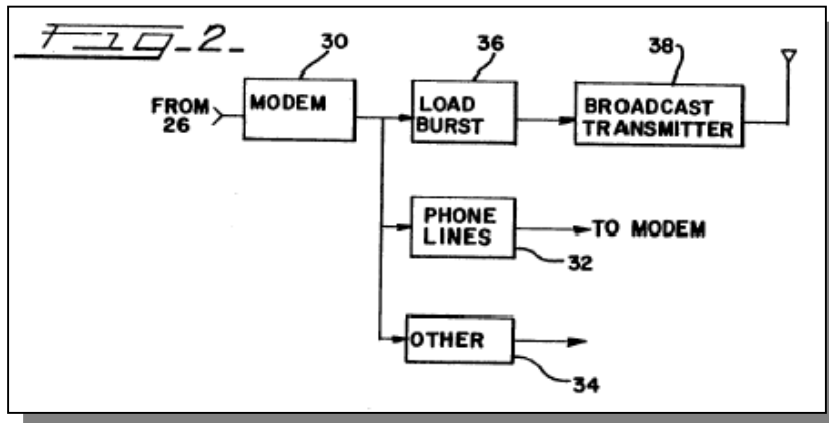


**FIG. 1 of the '084 Patent**



equipment.<sup>2</sup> (A39.) The billing data received from suppliers is depicted as “**billing data**” 10 (shown in blue) and includes, for each of the supplier’s customers, “customer identification information and information about the transactions that are to be billed to the customer.” (A42 at col. 2, lines 39-41.) The broadcast equipment reads the billing data using a tape reader 12, scrambles the billing data using a digital scrambler 20 and, optionally, encodes the billing data using an ASCII encoder 22. (A42 at col. 2, lines 46-57.) The broadcast equipment then directs the processed billing data via a modem 26 to a transmitting site. (A42 at col. 2, lines 59-66.)

FIG. 2 of the '084 patent (reproduced below (A39)) depicts the transmitting site, from which all of the billing data is broadcast to each



**FIG. 2 of the '084 patent**

<sup>2</sup> The '084 patents describes FIG 1 as being “a block diagram of the equipment that prepares billing data to be sent.” (A42 at col. 2, lines 22-23 (emphasis added).)

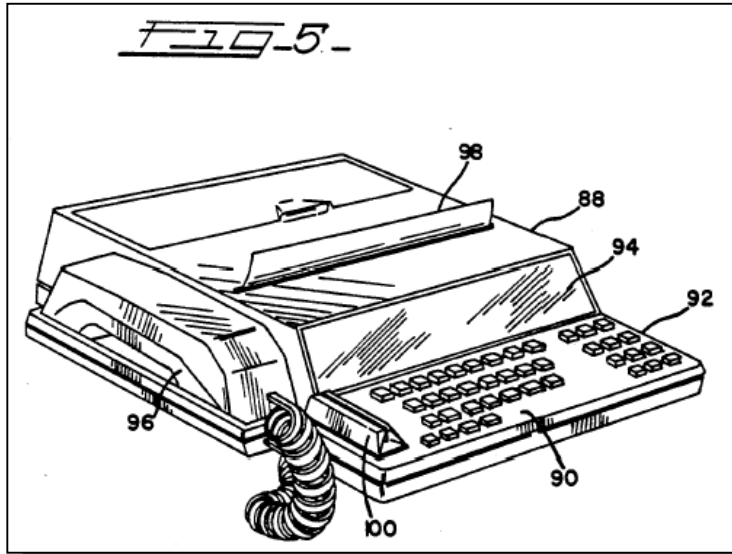
and every user.<sup>3</sup> (A39.) The transmitting site receives the billing data from the equipment of FIG. 1 via a modem 30. (A43 at col. 3, lines 4-6.) The transmitting site then broadcasts the billing data to all users in one of three ways: (i) loading it within a standard television video signal; (ii) sending it over a telephone line using a modem; or (iii) sending it using some “other” means of communicating data (such as direct radio broadcast, cable television, a fiber-optic link, or the like). (A43 at col. 3, lines 6-21.) The transmitting site transmits the same information irrespective of the telecommunications medium utilized.

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<sup>3</sup> The ‘084 patents describes FIG. 2 as being “a block diagram of the equipment that originates data transmission.” (A42 at col. 2, lines 21-25 (emphasis added).)

**B. THE USER'S SITE RECEIVES THE BROADCASTED INFORMATION  
AND SELECTS ONLY THE PORTION ADDRESSED TO THE USER**

Each user of the system of the '084 patent has a device, called a PAID (depicted in FIG. 5, reproduced on the right (A41)), that receives the billing data broadcasted from the transmitting site of FIG. 2 and selects only that portion which belongs to the user associated with that particular PAID. The user may then use the PAID to send instructions to pay a bill.



**FIG. 5 of the '084 patent**

The '084 patent discloses only one embodiment of the PAID that receives the bills for all users. FIG. 3 of the '084 patent (reproduced below (A40 (color added))) depicts the PAID in more detail. The PAID has a receiver 44 that receives the billing data from the transmitting site of FIG. 2 in a vertical blanking interval of a TV signal. (A43 at col. 3, lines 25-27.) A

signal recovery unit 48 extracts the billing data from the vertical blanking interval of the received TV signal, and converts the recovered data into a 9.6-kilobit signal. (A43 at col. 3, lines 29-32.) The PAID also has a modem 46 that can receive billing data over a telephone line. (A43 at col. 3, lines 28-29.) The PAID processes the billing data the same way irrespective of how the billing data is received. (A40.)

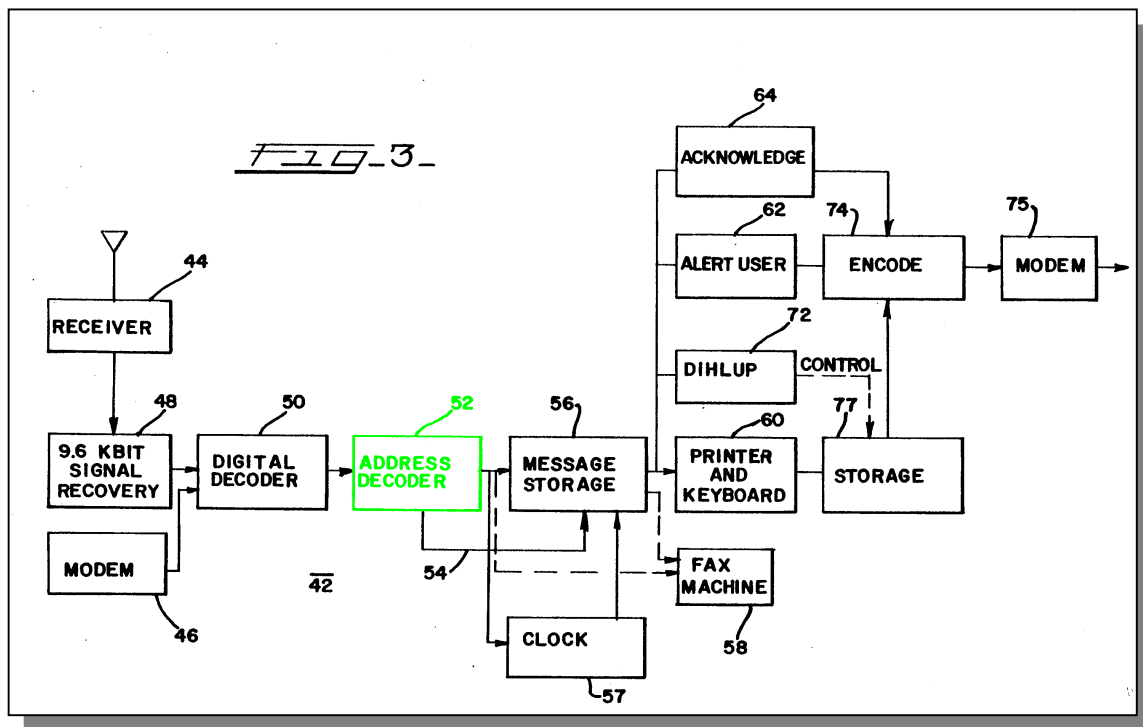


FIG. 3 of the '084 Patent

After the PAID unscrambles (*i.e.* decrypts) the received billing data, an “address decoder” 52 (shown in green) determines whether the received billing data contains a bill that is addressed to the particular user of the

PAID. (A43 at col. 3, lines 39-42.) The PAID does this by using an address decoder that scans the received billing data (which includes the bills of a plurality of users) for a signal that corresponds to that particular user's PAID. (A43 at col. 3, lines 39-48.)

If the billing data contains information indicating the user of the particular PAID, the address decoder extracts that portion of the billing data associated with that PAID. The address decoder also enables a message storage unit 56, which stores the portion of the billing data corresponding to the ID of the user's PAID (*e.g.*, the bill for that user). (A43 at col. 3, lines 42-46.) The PAID ignores all portions of the received billing data that do not correspond to the particular user's PAID (*i.e.*, the received bills of other users). Thus, the PAID filters out the portion of the billing data that is not directed to its user (*i.e.*, the received bills for other users) and selects and stores only that portion of the billing data that is directed to its user (*i.e.*, the received bills for its user). The address decoder 52 is therefore an essential element of the PAID that performs this filtering and selecting functionality and enables the storage of only the selected portion of the billing data. (A43 at col. 3, lines 39-48.)

**C. THE SYSTEM TRANSMITS AND RECEIVES THE SAME  
INFORMATION REGARDLESS OF THE TRANSMISSION MEDIUM**

The only system shown and claimed in the '084 patent is one that “broadcasts” or “pushes” every user’s bills regardless of the transmission medium being used. Similarly, this system is one that receives every user’s bills regardless of the transmission medium being used.

In particular, as shown in the above FIG. 2, the transmitting site transmits the same billing data irrespective of the telecommunications medium utilized, whether it be TV broadcast, telephone line, or some other means. (A39.) For example, if the information is transmitted via the vertical blanking interval, the transmitting site transfers the information from the modem 30 to the broadcast transmitter 38 via the load burst device 36.<sup>4</sup> (A43 at col. 3, lines 13-21.) If telephone lines are to be used, the transmitting site transfers the information from modem 30 to the user’s modem (modem 46 of FIG. 3 (A40)) via phone lines 32, however, it is the same information that is transmitted as in the first example. (A43 at col. 3, lines 6-21.)

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<sup>4</sup> Databurst admits that this embodiment sends “every user’s billing information.” (Blue Br. 5.)

Similarly, as shown in the above FIG. 3, the PAID receives the same billing data irrespective of the telecommunications medium utilized, whether it be TV broadcast or telephone modem. In either case, the billing data that the PAID passes to the digital decoder 50 is the same because it is the same information that is received from the transmitting site of FIG. 2. The '084 patent expressly states in this regard: "In the alternative, a modem 46 may receive a corresponding signal over telephone lines." (A43 at col. 3, lines 28-29 (emphasis added).)

### **III. THE DISTRICT COURT'S CLAIM CONSTRUCTION**

The district court concluded that the '084 patent is directed to technology that "pushes" everyone's bills to all users rather than allowing a given individual to "pull" his or her bills, and only his or her bills, from the system. In its March 17, 2003 Memorandum Opinion and Order, the district court construed the term "billing information" as a matter of law to mean "the billing data for all customers, and includes for each user: (1) information about the transactions that are to be billed to that user, and (2) identification information for that user." (A22.)

The limitation containing this claim term reads: "means for telecommunicating the read billing information." (A44.) The district court

began its analysis by following this Court’s claim construction precedents. It looked “to the language of the patent itself, including the claims, the specification, and the prosecution history, as the primary source for construing patent claims.” (A15.) Because the parties had agreed that this claim limitation is written in means-plus-function format, the district court construed the limitation pursuant to 35 U.S.C. § 112, ¶ 6.<sup>5</sup> (A17.)

In addition to relying on the intrinsic evidence, the district court attempted to gain insight into the ordinary and accustomed meaning of “billing information” by looking to dictionary definitions. The district court recognized that “[j]udges . . . may rely on dictionary definitions as the ordinary and accustomed meaning of a term, as long as that definition does not contradict any definition found in the patent itself.” (A16 (citing *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1584 n.6 (Fed. Cir. 1996)).)

Here, however, the district court found dictionaries to be of no value. The district court was only able to locate a definition for “information” – not

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<sup>5</sup> Databurst has changed its argument on appeal and now argues that “billing information” is not part of a limitation that should be construed consistent with 35 U.S.C. § 112, ¶ 6. (*See Blue Br. 15-17.*)



“billing information.” Furthermore, the district court noted that “the ordinary and accustomed meaning of ‘information’ does not provide . . . any guidance as ‘information’ may be either singular or plural. *See Webster’s Ninth New College Dictionary* 620 (9th ed. 1985) (defining ‘information’ as ‘the communication or reception of knowledge or intelligence’).” (A20.) Significantly, however, the district court did not determine that “information” can be both singular and plural at the same time, as Databurst now urges in this appeal.

The district court also properly evaluated and relied on the specification, and particularly the written description. It determined that, contrary to Databurst’s contention, the written description does not contain an express definition of “billing information.” (A19.) The district court nonetheless relied on the written description for general guidance. The written description, according to the district court, shows that the applicants used “billing data” – bills and customer information for all users – and “billing information,” interchangeably. (A20-21.)

While the district court did find one instance where the term “billing information” was seemingly used in the singular, it determined that this single inconsistent use of “billing information” in the written description

“does not withstand scrutiny in light of the filtering process included within the patent.” (A22.) This filtering process is described in the written description and is the claim 1 limitation: “means located at the site of the user for selecting read billing information addressed to the user.” (A44.) According to the district court, “the [‘084] patent contemplates that data would be received by the user, run through an address decoder, and then an individual user’s bill would be delivered into the PAID. If the supplier sends the user’s receiver only the individual user’s bill, there would be no need to have any filtering mechanism.” (A22.)

The district court also found support for its claim construction in the prosecution history. In particular, the district court noted that the applicants changed “billing data” to “billing information” during prosecution. (A21.) The district court then stated that the applicants likely failed to make this same change to the written description through inadvertence. (A21-22.)

Finally, the district court noted that, although its claim construction is fully supported by the intrinsic evidence, its construction also is supported by the testimony of one of the named inventors, Mr. Richard Linse. During deposition, Mr. Linse testified that “billing information” is “the same as ‘billing data’ at the ‘block 10’ stage.” (A19.)

In sum, the district court looked to dictionary definitions to determine that there was no ordinary and accustomed meaning of “billing information.” It ultimately looked to the intrinsic evidence in its analysis to determine the meaning of “billing information” from this evidence. The district court also acknowledged that extrinsic evidence, namely the testimony of one of the named inventors, supports its construction.

## **SUMMARY OF THE ARGUMENT**

The district court properly construed the claim term “billing information,” as a matter of law, to mean the billing data for all customers, including for each user: (1) information about the transactions that are being billed to that user, and (2) identification information for that user. This construction is supported by both the intrinsic and extrinsic evidence, including the structure of the claims themselves, the prosecution history, and the deposition testimony of one of the named inventors, whose testimony was against his interest.

The district court’s interpretation is entirely consistent with the plain language of the claim itself, and its structure and organization. Claim 1 includes the terms “read billing information” and “selected read billing information.” From the structure of the claim itself, “read billing information” includes bills and customer identification information for all customers that is provided by a supplier, such as a credit card company, and is broadcast to all users. The adjective “selected” is used to modify “read billing information” to identify the bill for an individual after it has been “selected” from all users’ bills after going through a filter, such as an address decoder, at the user’s site. As the district court noted, “If the

supplier sends the user's receiver only the individual user's bill, there would be no need to have any filtering mechanism." (A22.) Thus, under Databurst's construction of "billing information," which includes the singular, the "means for selecting read billing information" would be unnecessary, and the term "selected" in "selected read billing information" would be rendered meaningless.

The written description also supports the district court's construction. Although the applicants did not define "billing information" in the written description, the written description, as the district court stated, provides insightful guidance. Specifically, by tracing the use of the terms "billing data" and "billing information," as the district court did in its analysis, it is readily apparent that "billing information" means the same thing as "billing data," and includes the bills for all customers. Importantly, one of the named inventors, Richard Linse, admitted this fact during his deposition. Thus, the extrinsic evidence supports the district court's construction as well.

Moreover, the claims as filed and the prosecution history support the district court's construction. As filed, claim 1 included the terms "billing data," "read billing data," and "billing information." "Billing data" is

defined in the written description as customer identification information and bills for all users. The examiner understood “billing data” to mean the same thing as “billing information,” because he did not reject claim 1, as filed, under 35 U.S.C. § 112, ¶ 2 for failure to provide an antecedent basis for the term “billing information.” In essence, the examiner ostensibly believed “billing data” provided the antecedent basis for “billing information,” thus confirming that those terms are synonymous. Importantly, the applicants affirmed this fact by voluntarily amending the term “billing data” to “billing information.” Contrary to Databurst’s assertion, this amendment merely clarified, and did not broaden, the claim.

Additionally, the doctrine of waiver precludes Databurst from urging a definition that includes the plural and the singular. Databurst’s proposed construction on appeal is broader than the construction it urged to the district court, and therefore Databurst waived its right to pursue this newfound construction on appeal.

Finally, contrary to Databurst’s assertions, the district court did not make any findings of fact with respect to CheckFree’s accused device. Rather, the district court used appropriate claim construction tools to interpret the claims within the context of the parties’ dispute, which is

permissible under this Court's precedents. Moreover, if the district court's understanding of the structure, function, and operation of the CheckFree system was incorrect, Databurst certainly would not have stipulated to entry of summary judgment of non-infringement.

For all of these reasons, the district court's claim construction and resulting summary judgment of non-infringement should be affirmed in all respects.

## ARGUMENT

### **I. THE FEDERAL CIRCUIT APPLIES A *DE NOVO* STANDARD OF REVIEW ON ISSUES OF CLAIM CONSTRUCTION**

Databurst's statement of the standard of review is improper because it interjects arguments and issues that are irrelevant to this section. Accordingly, CheckFree provides the appropriate standard of review and responds to the issues raised by Databurst in this section of its brief.

An analysis of patent infringement involves a two-step determination: “[1] the proper construction of the asserted claims and [2] a determination whether the claim as properly construed reads on the accused product or method.” *Laitram Corp. v. Morehouse Indus., Inc.*, 143 F.3d 1456, 1461 (Fed. Cir. 1998). Step one, claim construction, is a purely legal question that is reviewed *de novo* on appeal. *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1455-56 (Fed. Cir. 1998) (en banc) (stating that questions of construction are questions of law for the judge, not questions of fact for the jury).

In addition to seeking reversal of the district court's claim interpretation, Databurst improperly seeks remand for further proceedings to allow additional construction of claim elements of independent claim 8.



(Blue Br. 14.) Databurst, however, voluntarily stipulated to dismissal of this action based on the district court's construction of a limitation found only in independent claim 1. Relying on Databurst's dismissal, CheckFree also voluntarily dismissed its counterclaim. Databurst's agreement to dismiss this case through entry of a final judgment necessarily resulted in final adjudication of infringement under claim 8 and any claim for infringement under the doctrine of equivalents. The only claim construction issues in this appeal involve independent claim 1. There is no basis for this Court to remand an issue that has been finally adjudicated and which is not the subject of this appeal. *See Coopers & Lybrand v. Livesay*, 437 U.S. 463, 467 (1978) (An appealable final judgment is "a decision by the District Court that ends the litigation on the merits and leaves nothing for the court to do but execute the judgment."); *CAE Screenplates Inc. v. Heinrich Fiedler GmbH & Co. KG*, 224 F.3d 1308, 1314 (Fed. Cir. 2000) ("An order . . . is not a final appealable order under section 1291 [where] it does not dispose of all claims raised.").

## **II. THE DISTRICT COURT PROPERLY CONSTRUED THE CLAIM TERM “BILLING INFORMATION”**

Having unsuccessfully argued to the district court that the ‘084 patent expressly defines “billing information” as the bill of a single user, Databurst now attacks the district court’s construction based on a new claim construction and new claim construction arguments. Specifically, Databurst now argues that “billing information” can refer to the singular and the plural. (Blue Br. 14, 16-17.)

Databurst offers three primary attacks on the district court’s construction of the term “billing information.” First, Databurst argues for the first time that there is an ordinary meaning for the term “billing information.” (Blue Br. 17-18.) Second, Databurst argues, albeit inconsistently, that the ‘084 patent specification uses the term “billing information” only in the singular, despite arguing that the term is defined to cover the singular and the plural. (Blue Br. 18-21.) Third, Databurst argues that the prosecution history reveals that the applicants broadened claim 1 by amendment despite there being an express reason for the amendment to the contrary – namely, to simply provide a missing antecedent basis. (Blue Br. 21-22.)

As will be discussed, Databurst's attacks are nothing more than an after-the-fact effort to redraft its otherwise narrow patent claims and breathe life into its meritless class-action patent infringement case. The doctrine of waiver precludes Databurst from presenting its new claim construction on appeal. Even if this Court were to consider Databurst's new construction, this construction is without merit because the intrinsic and extrinsic evidence support the district court's construction.

**A. DATABURST WAIVED ITS RIGHT TO URGE THAT “BILLING INFORMATION” REFERS TO THE SINGULAR AND THE PLURAL**

The doctrine of waiver as applied to claim construction prevents a party from offering a new claim construction on appeal. *See Interactive Gift Express, Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1346 (Fed. Cir. 2001).

In the present case, Databurst not only makes new claim construction arguments, but more importantly, it urges a completely new claim construction. In particular, while Databurst told the district court that 35 U.S.C. § 112, ¶ 6 applies to the limitation at issue (A352), it now disavows that § 112, ¶ 6 applies (Blue Br. 15-17). Additionally, for the first time in this appeal, Databurst alleges that the term “billing information” has an ordinary meaning. (Blue Br. 17-23.) Databurst did not make this “ordinary

meaning” argument to the district court. Instead, Databurst argued that the ‘084 patent’s written description expressly defines “billing information” to mean a bill for a single user. (A19; A353.)

This, however, is not merely a case where a party is presenting new or additional arguments in support of the claim construction it urged at the district court. This is a case where Databurst significantly altered the scope of its claim construction on appeal and has designed new arguments to support that construction. Databurst urged the district court to adopt a singular definition of “billing information” (A19; A353) but nevertheless now accuses the district court of committing legal error for not construing “billing information” to refer to the bills of a single user and the bills of a plurality of users. (Blue Br. 14, 16-17.) The doctrine of waiver applies because Databurst is urging a new claim construction on appeal, and not simply a new argument supporting its earlier construction.

**B. “BILLING INFORMATION” HAS NO ORDINARY MEANING**

Should the Court decide to consider Databurst’s new claim construction, Databurst’s reliance on an ordinary meaning for this term is without merit. Unable to find any dictionary definition for the term “billing information,” the district court resorted to one of the dictionary definitions

of “information” as being “the communication or reception of knowledge or intelligence.” (A20.) The district court then properly concluded that this definition provides no insight as to the ordinary meaning of the claim term “billing information.”<sup>6</sup>

Databurst, however, relies on this definition to somehow conclude that the ordinary meaning of term “billing information” refers to the bills of a single user and a plurality of users. (Blue Br. 23.) Databurst’s misreads the district court’s opinion because the district court did not, as Databurst

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<sup>6</sup> Equally unavailing are the remaining dictionary definitions for “information”:

**2 a** (1): knowledge obtained from investigation, study, or instruction (2): INTELLIGENCE NEWS (3): FACTS DATA **b** : the attribute inherent in and communicated by one of two or more alternative sequences or arrangements of something (as nucleotides in DNA or binary digits in a computer program) that produces specific effects **c** (1) : a signal or character (as in a communication system or computer) representing data (2) : something (as a message, experimental data, or a picture) which justifies change in a construct (as a plan or theory) that represents physical or mental experience or another construct **d** : a quantitative measure of the content of information; *specif* : a numerical quantity that measures the uncertainty in the outcome of an experiment to be performed **3** : the act of informing against a person **4** : a formal accusation of a crime made by a prosecuting officer as distinguished from an indictment presented by a grand jury.

*Webster’s Ninth New Collegiate Dictionary* 620 (1988).

argues, conclude that “information” has both a singular and plural definition in the same context. It merely recognized that sometimes “information” can be singular, and sometimes its can be plural. (A20.) That is why the district court proceeded to look at the intrinsic evidence to determine how “billing information” is used in the ‘084 patent. (A20-22.)

Moreover, in line with the district court’s reasoning, this dictionary definition of such a common and generic term provides no insight as to a possible ordinary meaning of the claim term “billing information” as would be understood by a person experienced in the technology of the invention. *See Toro Co. v. White Consol. Indus., Inc.*, 199 F.3d 1295, 1299-1300 (Fed. Cir. 1999) (“In judicial ‘claim construction’ the court must achieve the same understanding of the patent, as a document whose meaning and scope have legal consequences, as would a person experienced in the technology of the invention.”), *further appeal*, 266 F.3d 1367 (Fed. Cir. 2001). As recognized by this Court, “dictionary definitions of common words are often less useful than the patent documents themselves in establishing the usage of ordinary words in connection with the claimed subject matter.” *Id.* (parties each relying on dictionary definitions of words “cover,” “attachment,” “removable,” and “included” that favored their respective positions).

As such, “dictionary definitions of ordinary words are rarely dispositive of their meaning in a technological context.” *Anderson v. Int’l Eng’g & Mfg., Inc.*, 160 F.3d 1345, 1348 (Fed. Cir. 1998). In construing a claim term of general linguistic usage, the term must be understood in light of the intrinsic record. *Toro Co.*, 199 F.3d at 1299; *Bell Atl. Network Servs., Inc. v. Covad Communications Group, Inc.*, 262 F.3d 1258, 1269-70 (Fed. Cir. 2001) (“[T]he ordinary meaning of the non-technical term ‘mode’ is sufficiently broad and amorphous that the scope of the claim language can be reconciled only with recourse to the written description.”). This is particularly the case here where no legitimate ordinary meaning for the term “billing information” can be ascertained. Nor is the ordinary meaning of this term clear from a plain reading of the claim.

Other than relying on the dictionary definition of the common term “information,” Databurst offers no other evidence or showing that there is any ordinary meaning for the technical claim term “billing information.”<sup>7</sup>

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<sup>7</sup> To the extent any ordinary meaning can be extracted from the dictionary definition of “information,” it is that the term “information” is synonymous with the term “data”:

factual information (as measurements or statistics) used as a basis for reasoning, discussion, or calculation <the ~ is plentiful

Databurst chooses to ignore, however, the testimony of one of the inventors of the '084 patent, Mr. John Linse, who acknowledged that the term “billing information” refers to the bills of a plurality of users:

Q: In the patent billing data and billing information are the same?

A: Yes, as it – specifically as it relates to box 10 it is.

(A188.) An inventor’s testimony against his own interest is indeed a reliable form of extrinsic evidence. *Jonsson v. The Stanley Works*, 903 F.2d 812, 820-21 (Fed. Cir. 1990); *Evans Med. Ltd. v. Am. Cyanamid Co.*, 11 F. Supp. 2d 338, 350-51 (S.D.N.Y. 1998) (“If there were any doubt about this conclusion, resort to the most persuasive extrinsic evidence – the testimony of the patentee . . . against his own interest – would only narrow the definition further in favor of the defendants.”), *aff’d* 215 F.3d 1347 (Fed.

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and easily available – H.A. Gleason, Jr.> <comprehensive ~ on economic growth have been published – N.H. Jacoby>

**usage** Although still occas. marked with a disapproving [sic], *data* is well established both as a singular and a plural noun. The singular *data* is regularly used as a mass noun denoting a collection of material; it is almost never used as a count noun equivalent to *datum*. Our evidence shows plural use to be considerably more common than singular use.

*Webster’s Ninth New Collegiate Dictionary* 325 (1988). Read in the context of the '084 patent specification, the term “billing information” would therefore be synonymous with the term “billing data” which covers the bills for a plurality of users.



Cir. 1999); *Moll v. N. Telecom, Inc.*, 37 USPQ2d 1839, 1847 (E.D. Pa. 1995), *aff'd* 119 F.3d 17 (Fed. Cir. 1997). Databurst's reliance on the dictionary definition of "information" to establish an ordinary meaning for "billing information" is therefore misplaced and contrary to the testimony of an inventor of the '084 patent.

The district court therefore correctly determined that the term "billing information" does not have an ordinary meaning. *See, e.g., Telemac Cellular Corp. v. Topp Telecom, Inc.*, 247 F.3d 1316, 1326 (Fed. Cir. 2001) (finding the term "complex billing algorithm" not to have an ordinary meaning). Moreover, the district court properly turned to the intrinsic record (*i.e.*, the patent specification and prosecution history) to aid in its construction of this term. *See Texas Digital Sys., Inc. v. Telegenix, Inc.*, 308 F.3d 1193, 1204 (Fed. Cir. 2002) ("[T]he intrinsic record . . . must be examined in every case to determine whether the presumption of ordinary and customary meaning is rebutted."), *cert. denied*, 123 S. Ct. 2230 (2003). As demonstrated below, the intrinsic record demonstrates that the district court properly construed "billing information" as meaning the bills of a plurality of users.

**C. THE SPECIFICATION USES “BILLING INFORMATION” TO  
DESCRIBE THE BILLS OF A PLURALITY OF USERS**

Databurst next attacks the district court’s ruling in its analysis of the ‘084 patent specification. (Blue Br. 23-25.) The district court determined that the specification was inconclusive in defining “billing information” because it makes conflicting uses of the term. (A20-21.) Databurst argues that the specification consistently uses the term “billing information” to refer to a single user’s bill. (Blue Br. 18.) Databurst’s analysis of the specification is faulty on several grounds.

First, Databurst’s analysis virtually ignores the words of the claims of the ‘084 patent themselves. In any claim construction analysis, the “focus must begin with and remain centered on the language of the claims themselves, for it is that language that the patentee chose to use to ‘particularly point[ ] out and distinctly claim[ ] the subject matter which the patentee regards as his invention.’” *Texas Dig. Sys.*, 308 F.3d at 1201-02 (alterations in original). As shown below, analysis of the claim language demonstrates the use of distinct terms when referring to bills in the singular or in the plural, and “billing information” refers to bills of a plurality of users.

Second, Databurst quotes the various portions of the '084 patent where “billing information” is used;<sup>8</sup> however, Databurst argues without support that these uses are somehow in the singular. A proper analysis of the '084 patent specification in its entirety and its use of the term “billing information” demonstrates that “billing information” refers to the bills of a plurality of users.

**1. Analysis of Independent Claims 1 and 9 Reveals that  
Billing Information Covers Only the Plural**

Claims 1 and 9 recite different types of “billing information” and “billing data,” respectively. Analysis of the structure and organization of these claims in conjunction with the prosecution history for these claim terms reveals that “read billing information” is identical to “read billing data,” referring to the bills of a plurality of users, while “selected read billing information” is identical to “selected read billing data,” referring to the bill of a single user.

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<sup>8</sup> At least in one such instance, Databurst misquotes the specification. (Blue Br. 19.) Although this quote includes the term “identification information,” the word “billing” does not precede it, as was misquoted by Databurst. (A42.)

***a. The structure and organization of claim 1 reveals that billing information refers to bills of a plurality of users***

A plain reading of claim 1, along with an analysis of its structure and organization, reveals an evolution of “billing information” as it progresses through the various claimed components of the billing system of the ‘084 patent. Claim 1 starts with “billing information” and ends with “selected read billing information.” (A44.) Any time a claimed component alters the billing information that it receives, the claim terminology changes. These differences in the various types of “billing information” recited in claim 1 correspond to distinct meanings for each of these terms. *See Epcon Gas Sys., Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1031 (Fed. Cir. 2002). A comparison of the various types of “billing information” reveals that the term “billing information” refers to the bills for a plurality of users, while other terms within claim 1 refer to the bills of an individual user, namely “bill” and “selected read billing information.”

Claim 1 begins with a preamble that introduces two distinct terms: “billing information” and “his bill.” (A44.) The latter term (“his bill”) refers to the bill of an individual user. This supports the district court’s

construction that “billing information” is not an individual user’s bill but instead refers to the bills of a plurality of users.

The body of claim 1 begins with limitation (a) which requires a “means for reading the billing information.” (A44 (emphasis added).) It is without dispute that this structure is a tape reader. (A347-52.) As its only embodiment, the ‘084 patent specification discloses billing data (*i.e.*, everyone’s bills) as being read by a tape reader: “A tape reader 12 reads the billing data from the block 10 and directs the data to the temporary message storage units 14 and 16.” (A42 at col. 2, lines 46-48.) Once the billing information has been processed by a tape reader, the information is subsequently referred to as “read billing information.” So far, this “read billing information” refers to the bills of a plurality of users, not that of a single user.

Continuing in the claimed structure, limitation (b) of the claim 1 requires a “means for scrambling the read billing information.” (A44 (emphasis added).) It is without dispute that this structure includes at least a digital scrambler. (A42 at col. 2, lines 55-65; A383.) Once again, as its only embodiment, the ‘084 patent specification discloses that the scrambling is done on the entirety of the billing data (*i.e.*, everyone’s bills): “The output

of the temporary message storage units 14 and 16 will be directed through a digital scrambler 20 . . . .” (A42 at col. 2, lines 55-56.)

Limitation (c) of claim 1, which was the focus of the district court’s analysis, requires a “means for telecommunicating the read billing information to a user.” (A44.) As discussed in the Statement of the Facts, § II.C above, the transmitting site transmits the same data irrespective of the telecommunication medium utilized.

Limitation (d) requires a “means located at the site of the user for selecting read billing information addressed to the user.” (A44.) It is without dispute that this structure is an address decoder that “determines whether its particular user is being addressed.” (A43 at col. 3, lines 40-42; A359-60.) In particular, the address decoder selects only that portion of the now scrambled and transmitted “read billing information” (*i.e.*, bills of all users) that is for the particular user. This “selecting” means filters out all other portions of the billing information. *See* Statement of the Facts, § II.B above. Once the address decoder performs its filtering function, this new information is subsequently referred to as “selected read billing information.” Now, as a result of the filtering operation, the “selected read billing information” refers to the bills of a single user.

Limitations (e) and (f) require a “means for storing the selected read billing information” and a “means for providing the user with a visible indication of the selected read billing information,” respectively. (A44 (emphasis added).) Significantly, in response to the “selecting” function performed in limitation (d) above, these limitations store and display, respectively, only the selected (*i.e.*, filtered) portion of the billing information.

Limitation (g) requires a “means for authorizing a transfer of funds to the supplier to pay the bill.” (A44.) Significantly, the authorization function occurs relative to “the bill” (*i.e.*, the individual user’s bill) and not the billing information (*i.e.*, the bills of all users) as a whole.<sup>9</sup>

In sum, a plan reading of claim 1, along with an analysis of its structure and organization, reveals that “billing information” refers to the bills for a plurality of users while “selected read billing information” refers to the bill of the individual user only.

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<sup>9</sup> This is in contrast with the language of limitation (d) in claim 8, which “direct[s] a transfer of funds ... in response to the directed information.” (A44.)

***b. Claim 9 recites “billing data” identical to claim 1’s use of “billing information”***

Databurst admits, as it must under the precedent of this Court, that claim terms “cannot be interpreted differently in different claims because claim terms must be interpreted consistently.” (Blue Br. 29 (citing *Southwall Tech., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1579 (Fed. Cir. 1995))).) This legal principle makes plain that “billing information” must be construed to include the information for a plurality of users.

In particular, claim 9 has a limitation (d) that reads “means located at the site of the user for selecting read billing data address to the user.” Databurst admits in its brief that “billing data” refers to the data for a plurality of users. Hence, the “means . . . for selecting” of claim 9 acts as the “filter” that selects the particular bill for the user, just as the district court concluded. That same “means . . . for selecting” language is also used in claim 1. *See* Argument, § II.C.1.a above. Because Databurst admits that the “means located at the site of the user for selecting” must, under this Court’s precedent, mean the same thing in claim 9 as claim 1, and because Databurst admits that it is a means for filtering out a particular user’s data from among all users’ data in claim 9, it must mean the same thing in claim 1. Therefore



the “billing information” on which the “means . . . for selecting” operates must, by operation of law, be the information of all users, not a single user and a plurality of users as Databurst now argues.<sup>10</sup>

## **2. The Written Description Describes a System That Only Transmits Every User’s Bills**

The district court correctly observed that the written description for the ‘084 patent imparts conflicting meanings for the term “billing information.” (A20-21.) Although this conflict can be readily reconciled, as discussed below, Databurst disputes the district court’s determination by summarily asserting that billing information is used consistently in the singular. Databurst’s reading of the written description, however, is belied by three important details about the written description: (1) it uses “billing information” interchangeably with “billing data”; (2) it discloses only one embodiment of the transmitting site which transmits every user’s bills; and (3)

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<sup>10</sup> Databurst’s argument that claim 6 and claim 9 cannot mean the same thing because 37 C.F.R. § 1.75(b) prohibits it (Blue Br. 29-30) ignores the differences in the specific language of the claims as well as the fact that, from time to time, claims of indistinguishable scope are, in fact, issued. The technical requirements of 37 C.F.R. § 1.75(b) do not overcome the plain and obvious meaning of the claim terms as used in the claims of the patent. *See* Argument, § II.D.3 below.

it discloses an address decoder at the user's site that filters out the received bills of other users.

*a. The written description uses "billing information" interchangeably with "billing data"*

The written description in many instances utilizes billing information interchangeably with billing data, which the parties agree refers to the bills of all users. For example, when describing the bills of all users that a supplier provides, the '084 patent refers to these bills as either "bill data" or "billing information":

In FIG. 1, a block 10 contains billing data for the customers. This includes customer identification information and information about the transactions that are to be billed to the customer. This would normally be supplied on tape by a credit-card issuer, a public utility, a department store, or any other installation that sends bills regularly to consumers. This information might also be supplied by telephone modem.

(A42 at col. 2, lines 38-46 (emphasis added).) The pronoun "this" refers to the antecedent billing data in "block 10" identified three sentences before. Reading these sentences together demonstrates that "billing information" is synonymous with "billing data."<sup>11</sup> The '084 patent continues even further to

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<sup>11</sup> This is also consistent with the dictionary definition of "information" which defines the term as being synonymous with the term "data." See Argument, § II.B above.

provide that it is the “billing data” (received from the credit providers) that the system stores, processes, and outputs:

Each unit 14 and 16 is part of a data processing area consisting of computing equipment capable of storing, processing and outputting the information collected from the credit providers.

(A42 at col. 2, lines 48-51 (emphasis added).) Thus, the “information” is used in the plural sense, just as is the word “data,” which, by definition, is plural.

The Abstract recites similar language regarding the bills of many users that are provided by the supplier, except that the Abstract refers to these bills as “billing information”:

A Payment Authorization and Information Device for users of credit cards and other forms of credit receives billing information by tape or the like from the provider of the credit cards or from any such provider of credit.

(A38 (emphasis added).)

Similarly, the Summary of the Invention recites “billing information” to refer to the bills of many users that are provided by the supplier:

A payment authorization and information system for users of credit cards and other forms of credit receives billing information or the like from the provider of the credit cards or from any such provider of credit. In the preferred embodiment, such information, encoded and identified as to the particular

user, is broadcast during the vertical blanking interval of a television broadcast signal.

(A42 at col. 1, lines 52-59 (emphasis added).) The use of billing information in these examples is identical to the '084 patent specification's use of billing data, which refers to the bills of a plurality of users.

The '084 patent also uses the terms "information" interchangeably with "data" when describing the information that is received by the transmitting site of FIG. 2:

FIG. 2 is a functional block diagram of a transmitting site that receives information from the modem 26. In FIG. 2, a modem 30 receives and demodulates the data received from the modem 26 of FIG. 1.

(A43 at col. 3, lines 3-5 (emphasis added).) It is this "data" received from modem 26 that the transmitting site prepares to send to end users. (A43 at col. 3, lines 6-21.)

Similarly, when describing the preferred transmission scheme of using a TV broadcast to transmit bills, which Databurst admits broadcasts the bills of many users (A343; Blue Br. 5, 21), the '084 patent specification utilizes the term billing information to refer to the bills of many users:

The preferred apparatus for transmitting billing information to a user is to take the information from the modem 30 to a load burst device 36.

(A43 at col. 3, lines 13-16.)

As the district court properly observed, the only instance where the term “billing information” may take on a different meaning is when the ‘084 patent describes the billing information as being stored in memory in the message storage unit of the end user’s PAID. (A43 at col. 3, lines 44-45; A20-21.) This perceived conflict, however, can be readily reconciled by analysis of claims 1 and 9, which refer to the information that is stored in the end user’s PAID as the “selected read billing information” and the “selected read billing data,” respectively. *See* Argument, § II.C.1 above. This distinction in the claims clarifies the perceived conflict in the written description by showing that the PAID stores only the selected (*i.e.*, filtered) portion of the billing information/data.

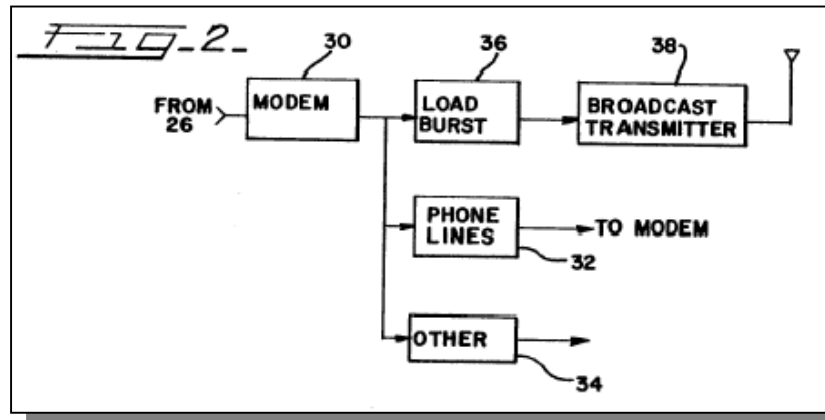
***b. The ‘084 patent only discloses one embodiment of the transmitting site***

That the district court properly construed the claim language is further illustrated by an admission in Databurst’s brief. Databurst purports to describe two embodiments of the invention, the first of which “utilizes the vertical blanking interval [and] broadcasts every user’s billing information, called billing data.” (Blue Br. 5.) The second purported embodiment uses

“a device that telecommunicates a user’s billing information utilizing phone lines and modems,” with reference to the ‘084 patent at column 3, lines 6-13. (Blue Br. 5.) The very portion of the ‘084 patent cited and relied on by Databurst, and the few lines that follow (A43 at col. 3, lines 14-21), negate Databurst’s arguments and establish the correctness of the district court’s decision. That portion of the ‘084 patent describes FIG. 2 and shows unequivocally that exactly the same information is sent to the user whether the “vertical blanking interval” system of transmission is used, the “phone lines to modem” system of transmission is used, or the “other” system of transmission is used. (A43 at col. 3, lines 6-7.) As the specification states, the output of the modem 30 may be sent to the user through any of the three methods of transmission, and the makeup of the data does not change from every user’s data (for the “vertical blanking interval” broadcast transmitter method) to a single user’s data (for the “phone lines” or the “other” methods). These are not separate embodiments of the invention but rather alternate means of transmission of billing information, as described in the specification. *See* Statement of the Facts, § II.C above.

As shown in FIG. 2 reproduced on the right (A39), the billing information comes out of modem 30 and is transmitted one of three ways without modification.

Stated differently, the transmitting site of FIG. 2 transmits information without distinguishing



between the means of **FIG. 2 of the '084 patent**

transmission (vertical blanking interval, phone lines, or “other”). Thus, because the transmitting site uses the vertical blanking interval to transmit “every user’s information,” as Databurst admits, the transmitting site transmits “every user’s information” in the other methods of transmission. The system does not distinguish between the means of transmission and would transmit that same information using any of the other transmission means. This is exactly what the district court concluded in its claim interpretation, and is the only conclusion that comports with the language of the claims, specification, and drawings.

Databurst's admission that "every user's billing information" is sent from the modem 30 to the system of transmission utilizing the vertical blanking interval (the top-most option in FIG. 2) is an admission that the district court was correct in determining that every user's information is sent no matter what system of sending is used.<sup>12</sup>

***c. The PAID utilizes an address decoder regardless of how the billing information is received***

Databurst's reading of the written description is also belied by the fact that the PAID device at the user's site utilizes an address decoder to select (*i.e.*, filter) only that portion of the received information intended for the user. *See* Statement of the Facts, § II.B above. Significantly, the PAID utilizes its address decoder regardless of how the PAID receives information, whether by TV signal or telephone line. Thus, in the embodiment where information is sent via modem, if "billing information" were merely the bill of single user as Databurst incorrectly contends, there

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<sup>12</sup> This admission also exemplifies the inherent inconsistency in Databurst's argument. While acknowledging that the preferred embodiment of the '084 patent telecommunicates the bills of all users, Databurst argues that "billing information" is somehow consistently used in the singular. (A343; Blue Br. 5, 21.) Databurst cannot reconcile how the '084 patent specification can refer to billing information in the singular while at the same time disclose a preferred embodiment that transmits the bills of all users.



would be no need for an address decoder. The fact that the PAID utilizes an address decoder for all embodiments, however, demonstrates that the received information must be the bills of a plurality of users, even in instances where a telephone line is used. The district court correctly recognized this fact in rejecting Databurst's construction. (A21.)

### **3. The Drawings Depict a System That Transmits “Billing Data” to the Users**

Consistent with the above description, the drawings also demonstrate that it is “billing data” that is transmitted to the end users. The following are ‘084 patent’s descriptions of its figures:

FIG. 1 is a block diagram of the equipment that prepares billing data to be sent.

FIG. 2 is a block diagram of the equipment that originates data transmission.

(A42 at col. 2, lines 21-25 (emphasis added).)

Similarly, FIG. 2 and FIG. 3 illustrate that regardless of how the information is delivered from the transmitting site to the end user (*e.g.*, TV broadcast, telephone line, or other medium), the system processes the information the same way. This includes a process for selecting (*i.e.*,

filtering) only that portion of the received billing information addressed to the user. *See* Statement of the Facts, § II.C above.

In sum, the evidence overwhelmingly contradicts Databurst's reading of the '084 patent as using "billing information" consistently in the singular. Rather, as shown above, the '084 patent contemplates and discloses a system that transmits only the bills of a plurality of users. The district court therefore correctly construed "billing information" to mean the bills for a plurality of users. *See, e.g., Genentech, Inc. v. The Wellcome Foundation, Ltd.*, 29 F.3d 1555, 1564 (Fed. Cir. 1994) (where specification contained four definitions of the claimed substance, adopting the narrowest structural definition "to avoid those definitions upon which the PTO could not reasonably have relied when it issued the patent.").

**D. THE PROSECUTION HISTORY REVEALS THAT BILLING  
INFORMATION REFERS TO BILLS OF A PLURALITY OF USERS**

The prosecution history must also be considered as part of the claim construction analysis. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 980 (Fed. Cir. 1995) (en banc), *aff'd*, 517 U.S. 370 (1996). "This 'undisputed public record' of proceedings in the Patent and Trademark Office is of primary significance in understanding the claims." *Id.* This

undisputed public record for the '084 patent reveals that the applicants intended “billing information” to refer to the bills of a plurality of users.

Databurst’s third and final criticism of the district court’s decision is that it determined that the substitution of “information” for “data” had no effect on the scope of the claims. (Blue Br. 25-26.) Databurst, however, infers too much from the prosecution history. As will be shown below, claim 1 was not broadened but merely amended for clarification. Moreover, because the examiner did not find any antecedent basis problem with the interchangeable use of “information” and “data” in claim 1 as filed, the terms are synonymous and there was no need for the amendment. Finally, Databurst ignores other portions of the prosecution history relating to claims 6 and 9 that confirm the district court’s claim construction but contradict Databurst’s construction.

### **1. The Applicants Did Not Broaden Claim 1 During Prosecution**

Databurst is wrong when it argues that the prosecution history shows that claim 1 was broadened when the word “information” was substituted for the word “data.” (Blue Br. 27-29.) There simply is no support for Databurst's argument that these amendments had the effect of broadening the

scope of the claims. (Blue Br. 28.) Indeed, the applicants never informed the Patent Office that they were seeking to broaden the claimed invention. Rather, the applicants essentially represented to the Patent Office that the amendments were technical in nature. *See DeMarini Sports, Inc. v. Worth, Inc.*, 239 F.3d 1314, 1326 (Fed. Cir. 2001) (“[J]ust as we can draw no inference from what the examiner did not say, we can draw no inference from what [the applicant] did not argue.”). The applicants’ remarks to the Patent Office also suggested that the terms “billing information” and “billing data” were interchangeable:

Applicants traverse the rejection of claims 1-5, 7 and 8 under either of the sections of the statute. Schlafly teaches a method and system for enabling a large number of consumers to place orders for good or services with a data terminal. Applicants disclose and claim an apparatus for delivering billing data or information from a supplier to a user, a direction opposite to that of Schlafly.

(A143 (emphasis added).) Significantly, the above statement from the applicant refers to claims 1-5, 7 and 8, none of which as amended use the term “data.”<sup>13</sup> Had the applicants actually intended to broaden the scope of claim 1, as Databurst incorrectly suggests, they should have stated as such.

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<sup>13</sup> The only exception is claim 4, which refers to a “Data Encryption Standard” where the use of the word “data” is not relevant to this appeal.

Instead, the applicants represented to the Patent Office that claims 1-5, 7 and 8 as amended by that response are directed to “delivering billing data or information from a supplier to a user.” (A143 (emphasis added).) The only reasonable conclusion that can be made from this representation is that “billing information” is the same as “billing data.”

## **2. Claim 1 As Filed Did Not Suffer From An Antecedent Basis Problem**

Databurst also argues that the amendment to replace “data” with “information” served to remedy an internal inconsistency by removing any potential antecedent basis problems. (Blue Br. 28.) This argument is premised on the point that the terms “billing information” and “billing data” somehow have different meanings. The prosecution history, however, reveals that there was no internal inconsistency or antecedent basis problem with the interchangeable use of “billing information” and “billing data.”

The only rejection of claim 1 under 35 U.S.C. § 112, ¶ 2 related to the lack of clarity about the “payment step” as filed. (A115, A131.) The examiner indicated it appeared that the claims would allow an extension of further credit to satisfy the “payment step” as opposed to an actual transfer of funds. (A131.)

The examiner did not make any objection or rejection relating to the interchangeable use of “billing information” and “billing data” in claim 1 as filed. (A131-34.) Had the examiner not considered the use of the words “billing data” and “billing information” to be interchangeable in claim 1, he would have raised an antecedent basis objection for “billing information” the first time it appeared. The examiner, however, did not reject the claim on this basis. *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359 (Fed. Cir. 1984) (The Patent Office is “presumed to have properly done its job, which includes one or more examiners . . . whose duty it is to issue only valid patents.”). The examiner therefore understood that the terms “billing information” and “billing data” were identical in meaning and that the scope of the claim would be reasonably ascertainable by those skilled in the art and, therefore, would not be indefinite. *Ex parte Porter*, 25 USPQ2d 1144, 1145 (Bd. Pat. App. & Inter. 1992) (“‘[C]ontrolled stream of fluid’ provided reasonable antecedent basis for ‘the controlled fluid.’”); *see Manual of Patent Examining Procedure* § 2173.05(e) (8th ed. Feb. 2003).

Thus, although the applicants replaced “data” with “information” in claim 1, this amendment was unnecessary as the examiner did not reject the

claim 1 for having an antecedent basis problem and therefore understood these terms to be synonymous with each other.

### **3. Claim 9 Is the Independent Form of Claim 6**

Databurst also compares claims 6 and 9 to incorrectly argue that billing information is somehow different than billing data. (Blue Br. 29-30.) Here, the prosecution history firmly establishes that the applicants added claim 9 to be nothing more than claim 6 but in independent form. Claim 9 therefore cannot be considered any broader or narrower than claim 6.

Particularly, during prosecution, the examiner rejected claim 6 but stated: “Claim 6 would be allowable if rewritten to overcome the rejection under 35 U.S.C. 112 and to include all of the limitations of the base claim and any intervening claims.” (A133.) In response, the applicants added claim 9 and twice recognized that claim 9 is identical in scope to claim 6:

Applicants have added new claim 9 to incorporate the limits [sic] of amended claim 6 in amended claim 1, and believe that this new claim [9] includes all of the limitations of claims 1 and 6 and is responsive to the rejection under 35 U.S.C. 112.

(A141 (emphasis added).)<sup>14</sup> Later in that same response to the examiner, the applicants reaffirmed that claim 9 is nothing more than a restatement of claim 6 but in independent form:

The Examiner has rejected all of the claims except claim 6 under 35 U.S.C. 102 or 103 over Schlafly, U.S. Patent 4,734,858. Claim 6 was indicated as allowable if placed in independent form and if rendered patentable under 35 U.S.C. 112, which actions applicants believe they have taken. New claim 9 is believed to be responsive to this indication.

(A143 (emphasis added).)

In view of the above prosecution history, which expressly establishes that claims 6 and 9 are identical in scope, Databurst's reliance on 37 C.F.R. § 1.75(b) is simply a red herring.<sup>15</sup> (Blue Br. 30.) This requirement that the claims be materially different is analogous to the doctrine of claim differentiation, which this Court has repeatedly recognized is not a "hard and fast" rule of construction. *See, e.g., Bristol-Meyers Squibb Co. v. Ben Venue Labs., Inc.*, 246 F.3d 1368, 1376 (Fed. Cir. 2001). For example, "the

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<sup>14</sup> The above statement from the prosecution history reveals that the applicants added claim 9 to incorporate the limitations of claims 1 and 6 as amended. It therefore cannot be argued that the applicant added claim 9 to incorporate only the limitations of claims 1 and 6 as originally filed.

<sup>15</sup> From time to time, claims of indistinguishable scope are, in fact, issued. The technical requirements of 37 CFR § 1.75(b) do not overcome the plain and obvious meaning of the claim terms as used in the claims of the patent.



doctrine of claim differentiation can not broaden claims beyond their correct scope, determined in light of the specification and the prosecution history and any relevant extrinsic evidence.” *Multiform Dessicants, Inc. v. Medzam, Ltd.*, 133 F.3d 1473, 1480 (Fed. Cir. 1998); *accord Tandon Corp. v. United States Int’l Trade Comm’n*, 831 F.2d 1017, 1028 (Fed. Cir. 1987). Indeed, as shown above, the unmistakable prosecution history trumps any alleged technical violation 37 C.F.R. § 1.75(b).<sup>16</sup>

Databurst’s attempt to differentiate the terms “billing information” and “billing data” based on a comparison of claims 6 and 9 is simply unavailing. Instead, the prosecution history relating to claims 6 and 9 reveals the exact opposite of what Databurst is urging – that the terms “billing information” and “billing data” are identical in scope. *See also* Argument, § II.C.1 above.

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<sup>16</sup> In any event, there is some difference between claims 6 and 9 in that claim 1 uses the phrase “from a supplier” in the preamble while claim 9 does not. Thus, although this difference in the preambles may demonstrate a difference in scope between the claims, the claims are not different in scope due to any alleged differences in the use of “billing information” versus “billing data,” for the reasons discussed above. The prosecution history and a plain reading of these claims firmly established that these terms are used interchangeably.

### **III. THE DISTRICT COURT DID NOT BASE ITS CLAIM CONSTRUCTION ON A FINDING OF FACT**

Databurst's assertion that the district court erred by first making a finding of fact with regard to the accused CheckFree device and "clearly performed its claim construction in light of its finding" is without merit. (Blue Br. 31.) The district court utilized the claim construction tools authorized by this Court. (*See* A17-22.) The record is devoid of any evidence that the court interpreted the asserted claims with reference to the accused CheckFree process.

Databurst's argument is based on a misunderstanding of the applicable law. The district court was not, as Databurst asserts, obligated to resolve each and every claim construction issue in dispute. Rather, the court was obligated to resolve only those claim construction issues necessary to resolve the controversy between the parties. *See Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.* 200 F.3d 795, 803 (Fed. Cir. 1999); *United States Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1568 (Fed. Cir. 1997) (Claim construction is for "resolution of disputed meanings.").

Databurst's citation to this Court's decision in *Scripps Clinic & Research Found. v. Genentech, Inc.*, 927 F.2d 1565, 1580 (Fed. Cir. 1991),

is instructive on this very point. Databurst quotes *Scripps* for the proposition that a court may keep in mind “the particular accused product (or process) . . . for it is efficient to focus on the construction of only the disputed elements or limitations of the claims.” (Blue Br. 31.) That is exactly what the district court did in this case. It considered the contextual information provided by CheckFree regarding its accused system and then construed only those limitations it considered necessary to resolve the parties’ dispute.

Databurst’s argument not only is legally flawed, but also is factually flawed. In particular, Databurst’s assertion that it did not have an opportunity to address how CheckFree’s accused system works is nonsense. Databurst could have, but did not, challenge CheckFree’s description in its opposition brief to the district court. More importantly, Databurst stipulated to summary judgment of non-infringement solely on the basis of the district court’s construction of the term “billing information.” This stipulation is all telling because it resolved the entire case, thus confirming that the district court was correct in construing this single term, rather than all disputed claim terms. *See Scripps*, 927 F.2d at 1580. Moreover, if there was any legitimate dispute regarding the structure, function and operation of the

CheckFree system, Databurst would have pursued its case through trial, rather than stipulating to summary judgment of non-infringement. Based on these facts, Databurst's "finding of fact" argument rings hollow.

**IV. THE DISTRICT COURT PROPERLY CONSTRUED THE FUNCTION OF  
LIMITATION 1(D) AS REQUIRING A "FILTERING PROCESS"**

Databurst criticizes without legal support the district court for construing claim 1 to require a filtering mechanism. Databurst cannot legitimately dispute that the district court was entirely within its purview in construing this limitation. *Brookhill-Wilk 1, LLC v. Intuitive Surgical, Inc.*, 334 F.3d 1294, 1299 (Fed. Cir. 2003) ("While certain terms may be at the center of the claim construction debate, the context of the surrounding words of the claim also must be considered in determining the ordinary and customary meaning of those terms.').

Claim limitation 1(d) expressly recites a "means located at the site of the user for selecting read billing information addressed to the user." (A44.) Databurst does not dispute that this limitation is a means-plus-function limitation wherein the corresponding structure is an address decoder 52. (A358-60.) Similarly, Databurst does not dispute that the claimed function expressly requires "selecting read billing information addressed to the user."

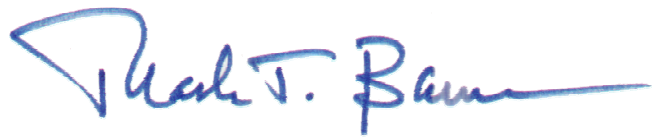
(A44.) Even Databurst’s proposed definition for the ordinary meaning of the term “selecting” establishes that this claim limitation requires to a filtering process: “1. choos[ing] in preference to others.” (A359 (quoting *Random House Webster’s College Dictionary* 1215 (1991)).)

The district court, therefore, correctly recognized that “[i]f the supplier sends the user’s receiver only the individual user’s bill, there would be no need to have any filtering mechanism.” (A22.) Thus, the district court’s undisputed construction of this claim limitation supports the district court’s determination that billing information must necessarily cover bills for a plurality of users.

## **CONCLUSION**

The district court correctly interpreted the “billing information” claim term of the ‘084 patent with reference to the intrinsic evidence and concluded that this information is “the billing data for all customers, and includ[ing] for each user: (1) information about the transactions that are to be billed to that user, and (2) identification information for that user.” (A22.) Databurst failed to provide any evidence that the district court committed legal error in reaching these conclusions. Consequently, the judgment should be affirmed in all respects.

Respectfully submitted,



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## **CERTIFICATE OF SERVICE**

I hereby certify that on this 3rd day of December, 2003, copies of the foregoing Brief for Defendant-Appellee was served by overnight courier on:

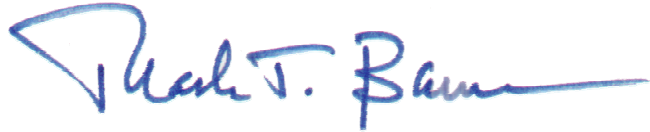
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## **CERTIFICATE OF COMPLIANCE**

I hereby certify, pursuant to Rule 32(a)(7)(C) of the Federal Rules of Appellate Procedure, that the pertinent portions of the foregoing Brief for Defendants-Appellants, as counted by the word processing program used to prepare the brief, contains 11,788 words.



December 3, 2003

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