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ADASA INC.

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF OREGON**

Eugene Division

ADASA INC.,

Plaintiff,

v.

AVERY DENNISON CORPORATION,

Defendant.

Case No.: 6:17-CV-01685-TC

**PLAINTIFF'S OPENING CLAIM
CONSTRUCTION BRIEF**

Hearing: November 6, 2018 at 10:00am

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I. INTRODUCTION

Plaintiff ADASA Inc. (“Plaintiff” or “ADASA”) submits this opening brief in support of its proposed constructions of certain terms within asserted claims 1-6, 8, 10-15 of U.S. Patent No. 9,798,967 C1 (“the ‘967 Patent”), entitled “System, Methods, and Devices for Commissioning Wireless Sensors.”¹ The asserted independent claims 1 and 13 were confirmed as amended during *ex parte* reexamination as reflected in the *ex parte* reexamination certificate. ‘967 Patent at 41-42.

II. OVERVIEW OF THE TECHNOLOGY

The ‘967 Patent discloses and claims improvements to RFID systems “that enable point-of-use and on-demand commissioning² of RFID transponder-equipped wireless sensors” which solved a problem faced in the industry while accommodating improvements in RFID transponder commissioning efficiency. ‘967 Patent at 1:27-31. Use of RFID transponders accommodates specific identification of items to which it they are affixed. Dkt. No. 20 at ¶5. Due to the item-specific nature of RFID tagging, a critical aspect to proper function of RFID systems, therefore, is ensuring that each RFID transponder is encoded with a unique object number (or Electronic Product Code (“EPC”)). Dkt. No. 20 at ¶5. EPCs comprise object class information identifying the brand owner and class of item combined with a serial number for a specific item. Dkt. No. 20 at ¶5-7.

¹ See Declaration of Brett M. Pinkus (“Pinkus Decl.”) at Exh. A, submitted herewith. Exh. A of the Pinkus Decl. is referred to herein as “‘967 Patent”.

² Commissioning, the process of encoding specific information (for example, data representing an object identifier, the date-code, batch, customer name, origin, destination, quantity, and items) associated with an object (for example, a shipping container), associates a specific object with a unique RFID transponder. ‘967 Patent at 1:45-50.

The inventions claimed in the asserted claims of the '967 Patent implement a hardware-based solution for ensuring that all serial numbers assigned within a particular object class and for a particular brand owner are unique. '967 Patent at 3:27-35; Dkt. No. 20 at ¶8-9, 22. This hardware-based solution utilizes a partitioned serial number space comprising a first portion of most significant bits and a second portion comprising serially assigned bits of lesser significance. '967 Patent at 8:4-15, 8:21-32, 33:20-23; Dkt. No. 20 at ¶22. Through use of this partitioned serial number structure, a brand owner can ensure uniqueness across its many operations through, for example, allocation of a block of serial numbers comprising a unique sequence of most significant bits to each product line or operation of the brand owner. Lower level assigning databases or encoders corresponding to each product line or operation can then freely generate and assign serial numbers comprising the assigned most significant bits combined with on-demand generated bits of lesser significance with no risk of inadvertently assigning a duplicate serial number. '967 Patent at 8:32-37; Dkt. No. 20 at ¶22.

The '967 Patent discusses several advantages accommodated by implementation of the partitioned serial number space within RFID transponders, including avoiding complete reliance on a central assigning authority or database in continuous communication with all lower level assigning authorities and encoders of a brand owner, among others, to ensure uniqueness of the EPC. '967 Patent at 8:11-15, 8:23-37, 48-51; Dkt. No. 20 at ¶22, 24.

Prior art approaches to ensuring uniqueness relied entirely on a central database to generate and assign entire EPCs in decimal form directly to individual encoders to commission a transponder on demand. Dkt. No. 20 at ¶11-13. This scheme ensured that no redundant serial numbers were assigned because all serial numbers were assigned sequentially by the database and upon request. Dkt. No. 20 at ¶12. Disadvantageously, this scheme solely relied on the constant

communication between the encoder devices commissioning RFID transponders on the product lines with the database to ensure uniqueness of the EPC. Dkt. No. 20 at ¶15.

The inventions disclosed and claimed in the ‘967 Patent improved the operation of RFID systems to address this potential vulnerability, among others, by adding a further layer for ensuring uniqueness of the serial number of the EPC at the machine level of the encoding. Dkt. No. 20 at ¶15. The benefits of this additional layer of ensuring uniqueness can apply to batch (or block) encoding by decentralized systems which would only need to be in communication with the central database to obtain a batch of serial numbers to use for subsequent encoding, but would also apply to systems that rely on a central database to assign each individual serial number or EPC. In both sequential and batch encoding systems, the encoder or local computer must connect to the central database at some point during the process of commissioning of tags to get the next serial number or batch of serial numbers to use for encoding.

Validity of the claims of the ‘967 Patent was affirmed during *Ex Parte* Reexamination No. 90/014,052 following entry of a clarifying amendment in each of the independent claims of the patent, including asserted claims 1 and 13. ‘967 Patent at 41-42. The clarifying amendment made during the reexamination overcame the Examiner’s prior assertion that certain limitations of the claims were directed merely to the process by which the claimed RFID transponders were made and therefore could not be relied on to distinguish from prior art RFID transponders. ADASA successfully argued that the purported process limitations relating to encoding the RFID transponder with “one serial number instance” comprising a “limited number of most significant bits uniquely corresponding to the limited number of most significant bits of the allocated block” connote structural limitations of the claimed apparatus and, thus, may be relied upon to distinguish the prior art. No other limitations in the claims were asserted to relate to or implicate product-by-

process limitations by either the Examiner or ADASA during the Reexamination proceedings, and Avery's attempts to import process limitations at various places within these apparatus claims are improper.

Independent claim 1 of the '967 Patent as presented in the Reexamination Certificate, which is also representative of independent claim 13, is reproduced below with the disputed terms highlighted in bold:

1. An RFID transponder comprising:

a substrate;

an antenna structure formed on the substrate; and

an RFID integrated circuit chip which is electrically coupled to the antenna structure,

wherein the RFID integrated circuit chip is encoded with a unique object number, the unique object number comprising an object class information space and a unique serial number space,

wherein the unique serial number space is encoded with **one serial number instance** from **an allocated block of serial numbers**, the allocated block being assigned a limited number of most significant bits, and

wherein the unique serial number space comprises the limited number of most significant bits **uniquely corresponding** to the limited number of most significant bits of the allocated block and of remaining bits of lesser significance that together comprise the one serial number instance.

III. LEGAL STANDARD

Claim construction is an issue of law for the court to decide. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 987 (Fed. Cir. 1995) (en banc), *aff'd*, 517 U.S. 370 (1996). Claim construction starts with the claims. A claim in a patent "provides the metes and bounds of the right which the patent confers on the patentee to exclude others from making, using or selling the protected invention." *Corning Glass Works v. Sumitomo Elec. U.S.A., Inc.*, 868 F.2d 1251, 1257 (Fed. Cir. 1989). "It is a bedrock principle of patent law that the claims of a patent define the

invention to which the patentee is entitled the right to exclude.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (internal quotations omitted). As the foundation, “the claims themselves provide substantial guidance as to the meaning of particular claim terms (*Id.* at 1314) and the purpose of claim construction is therefore to “understand and explain, but not the change, the scope of the claims.” *Embrex, Inc. v. Serv. Eng’g Corp.*, 216 F.3d 1343, 1347 (Fed. Cir. 2000). A construction which renders other portions of a claim superfluous or inconsistent, therefore, should be rejected. See e.g. *Gen Am. Transp. Corp. v. Cryo-Trans, Inc.*, 93 F.3d 766, 770 (Fed. Cir. 1996) (rejecting claim construction that was “inconsistent” and “rendered superfluous” other claim requirements).

Claim terms are “generally given their ordinary and customary meaning” which is “the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention” (*Phillips*, 415 F.3d at 1312-13) unless a patentee gives a term a different meaning than would otherwise be the customary meaning in the field. See *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994). See also *Digital-Vending Servs. Int’l, LLC v. Univ. of Phoenix, Inc.*, 672 F.3d 1270, 1280 (Fed. Cir. 2012) (“Our case law is clear that a claim term should be accorded the full breadth of its plain and ordinary meaning as understood by a person of ordinary skill in the art when read in the context of the specification and prosecution history.”).

In interpreting the meaning of words in a claim, a court first looks to the intrinsic evidence of record, i.e., the claims, the specification, and the prosecution history. *Phillips* at 1312-17. Claims are “read in view of the specification, of which they are a part ... [but] particular embodiments and examples appearing in the specification will not generally be read into the claims.” *Id.* at 1314-15, 1323. Although the specification may indicate that certain embodiments are preferred, particular embodiments should not be read into the claims when the claim language

is broader than those embodiments. *Electro Med. Sys., S.A. v. Cooper Life Sciences, Inc.*, 34 F.3d 1048, 1054 (Fed. Cir. 1994). This is so even if there is only a single embodiment depicted in a specification, because “persons of ordinary skill in the art rarely would confine their definitions of terms to the exact representations depicted in the embodiments.” *Phillips*, 415 F.3d at 1323; *Va. Panel Corp. v. MAC Panel Co.*, 133 F.3d 860, 866 (Fed. Cir. 1997) (“Device claims are not limited to devices which operate precisely as the embodiments described in detail in the patent.”).

Claims should only be interpreted in such a restricted manner if patentee has demonstrated a clear intention to limit the claim scope using “words or expressions of manifest exclusion or restriction.” *Liebel-Flarsheim v. Medrad, Inc.*, 358 F.3d 898, 906 (Fed. Cir. 2004). This is again because the claims themselves sets forth the limits of the invention, not the specification, which teaches and gives context. See *SRI Int’l v. Matsushita Elec. Corp.*, 775 F.2d 1107, 1121 (Fed. Cir. 1985). “The prosecution history may not be used to infer the intentional narrowing of a claim absent the applicant’s clear disavowal of claim coverage,” rather “[t]o be given effect, such a disclaimer must be made with ‘reasonable clarity and deliberateness.’” *SuperGuide Corp. v. DirecTV Enterprises, Inc.*, 358 F.3d 870, 874-75 (Fed. Cir. 2004).

For limitations relating to a process by which a claimed apparatus is made, “words of a limitation that can connote with equal force a structural characteristic of the product or a process of manufacture are commonly and by default interpreted in their structural sense...” *In re Nordt Dev. Co., LLC*, 881 F.3d 1371 at 1374-75 (Fed. Cir. 2018) (citing *3M Innovative Props. Co. v. Avery Dennison Corp.*, 350 F.3d 1365, 1371-72 (Fed. Cir. 2003)).

The construction that stays true to the claim language and most naturally aligns with the patent’s description of the invention will be the correct construction. *Phillips* at 1316. The court, if necessary, may resort to extrinsic evidence, such as expert testimony or technical dictionaries,

to confirm a particular construction consistent with the intrinsic evidence. *See Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 980; *Phillips* at 1317.

IV. AGREED CONSTRUCTIONS

The parties have agreed to constructions for the following terms:

<u>Claim Term</u>	<u>Agreed Construction</u>	<u>Intrinsic Support</u>
Object class information space	Data field within a memory of the RFID integrated circuit chip for information identifying the class of an object, such as a company prefix, item reference code, partition value, and/or filter value	'967 Patent at 3:42-49; 9:10-15; 9:46-51; and 30:53-66
Unique serial number space	Data field within the memory of the RFID integrated circuit for information identifying a unique serial number	'967 Patent at 2:33-36; 2:48-54; 8:16-26; 9:10-15; and, 33:18-20
Being assigned a limited number of most significant bits	Includes a limited, pre-defined sequence of higher order bits at the leading end	'967 Patent at 7:60-8:51; 33:14-24; and, 34:6-24
Limited number of significant bits ³	A limited, pre-defined sequence of higher order bits at the leading end	'967 Patent at 7:60-8:51; 33:14-24; and, 34:6-24
Remaining bits of lesser significance	Remaining lower order bits at the trailing end	'967 Patent at 8:21-31

The parties contend that these constructions are supported by the intrinsic record and these constructions clarify, but do not change, the scope of the claims. The parties therefore request that the Court adopt these agreed constructions.

³ The term “limited number of most significant bits” appears in two places in the asserted claims. The parties have agreed that the construction of both recitations of this term corresponds to that presented in the table but do not intend for the terms to be duplicative. The constructions for both recitations of this term are presented for clarity.

V. CONSTRUCTION OF DISPUTED CLAIM TERMS

There remain three disputed claim terms requiring construction by the Court, which are as follows:

<u>Claim Term</u>	<u>Plaintiff's Proposed Construction</u>	<u>Avery's Proposed Construction</u>
Is encoded with one serial number instance	Has stored within it one serial number instance	Has stored within it one serial number instance <u>by an encoder that does not need to communicate with a central database to ensure that the serial number is unique</u>
An allocated block of serial numbers	A pre-authorized range of serial numbers	A pre-authorized range of serial numbers <u>that has been assigned to an encoder.</u> An "encoder" is a device that encodes RFID tags with serial numbers.
Uniquely corresponding	Plain and ordinary meaning. In the alternative: Uniquely and directly correlated	Each and every serial number in the allocated block and only serial numbers in the allocated block contains the most significant bits

Plaintiff proposes simple constructions for the disputed terms supported by the specification and file history of the '967 Patent which will aid this Court and jury in the understanding of the true scope of the claims. Conversely, Avery proposes unsupported constructions for each disputed term which make the claim more confusing, while also repeatedly seeking to improperly add limitations to the claim. Further, the additional limitations present in Avery's proposed constructions (underlined above) focus on the process by which the claimed invention is made, rather than on characteristics of the claimed RFID transponder, itself. As such, Avery's proposed constructions represent a second attempt by Avery to argue that the claims

include product-by-process limitations, arguments that were raised and then rejected during reexamination of the asserted claims, in order to manufacture otherwise nonexistent non-infringement positions. As discussed below, the Court should, instead, adopt Plaintiff's constructions which are supported by the intrinsic record and clarify the true meaning and scope of each disputed term.

A. “is encoded with one serial number instance”

<u>Claim Term</u>	<u>Plaintiff's Proposed Construction</u>	<u>Avery's Proposed Construction</u>
Is encoded with one serial number instance	has stored within it one serial number instance	Has stored within it one serial number instance <u>by an encoder that does not need to communicate with a central database to ensure that the serial number is unique</u>

In their respective proposals for the present term, both parties initially propose similar constructions for the terms actually present in the disputed terms, recognizing that “is encoded” should be construed to mean “has stored within it” and that the information stored within encoding must include “one serial number instance.” However, Avery's construction then goes further to add a limitation that the encoding must be done “by an encoder that does not need to communicate with a central database to ensure that the serial number is unique.” This additional limitation improperly narrows the scope of the claim by attempting to incorporate a step from the process by which the claimed transponder is encoded, rather than focusing on characteristics of the encoded transponder itself.

The asserted claims are apparatus claims directed to an RFID transponder encoded with a serial number instance comprising a limited number of most significant bits along with remaining bits of lesser significance. '967 Patent at 42 (claims 1 and 13). Blocks of serial numbers are

delineated from a pool of available serial numbers by assigning a sequence of most significant bits within the serial number field to a particular block. ‘967 Patent at 8:11-36. The serial numbers in the block will thus include all serial numbers beginning with the same sequence of most significant bits. *Id.* When the block is allocated, it ensures that all serial numbers from that allocated block are reserved out of the larger pool of available serial numbers and are encoded only once, and therefore each serial number is unique. *Id.* An RFID transponder is then encoded with one serial number from the allocated block (a serial number instance), which contains this same sequence of most significant bits as in the allocated block. As such, the most significant bits of the serial number encoded in the transponder uniquely correspond to those of the allocated block.

The object of this disputed term “is encoded with one serial number instance” is the one serial number that has already been encoded in the serial number space of the RFID transponder. In other words, this particular claim term addresses the encoded serial number, not the process for how it is encoded or even the additional characteristics for how the serial number is partitioned which are set forth later in the claim (and which are discussed further herein with regard to those respective limitations). Quite simply, this is as far as the scope of this present term goes.

Avery attempts to incorporate into this straightforward term a process limitation that the encoding of the serial number is performed by an encoder that does not connect to a central database during the commissioning process. While use of the novel partitioned serial number subsequently claimed is described in the specification of the ‘967 Patent as advantageously ensuring uniqueness of serial numbers assigned, this is an insufficient basis for including the additional process related limitation proposed by Avery to only situations in which the encoder does not communicate with a central database. It is certainly one stated potential advantage of an RFID transponder that has been encoded with this partitioned serial number that the encoder does

not need to be continuously connected to a central database. However, the ‘967 Patent discloses several other advantages over prior art transponders and encoding systems resulting from this novel encoded transponder, such as improvements in efficiency and reliability, commissioning without requiring continuous use of a screen or keypad, and accommodating systems capable of operating without a continuous wireless connection to a higher-level serial number assigning authority. ‘967 Patent at 3:13-35. There is no requirement in the claim language nor is there any disclaimer in the specification or the prosecution history that would limit the claimed invention to the one potential advantage highlighted by Avery. That an invention may accommodate certain functionality in an embodiment, however, in insufficient basis to include limitations directed to that functionality in the claims of the patent. *Phillips*, 415 F.3d at 1314-15, 1323; *Electro Med. Sys., S.A. v. Cooper Life Sciences, Inc.*, 34 F.3d 1048, 1054 (Fed. Cir. 1994). Claims should only be interpreted in such a restricted manner if patentee has demonstrated a clear intention to limit the claim scope using “words or expressions of manifest exclusion or restriction,” which is not the case here. *Liebel-Flarsheim v. Medrad, Inc.*, 358 F.3d 898, 906 (Fed. Cir. 2004).

Further, Avery’s proposed construction must be rejected because it reads out certain embodiments of the invention described in the ‘967 Patent. For example, the embodiments depicted in Fig. 1 (reproduced below) and Fig. 17 depict systems for encoding a transponder which contemplate continuous communication between an encoder device and a host computer storing a database during commissioning.

Fig. 1 is a block diagram of the system and environment according to one embodiment of the inventions disclosed in the ‘967 Patent which comprises a mobile encoder (30) that “is in wireless communication with a remotely located host computer” (11). ‘967 Patent at 6:66-7:1. As seen in the figure, this system unmistakably shows an encoder comprising transponder

commissioning means that is connected to host or network computer which includes a central database.

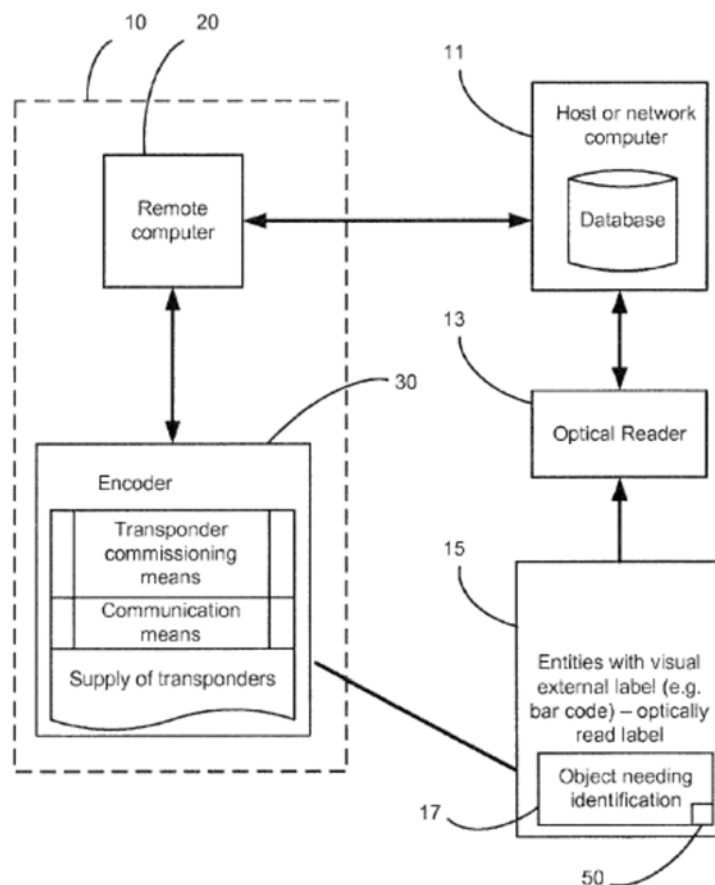


Fig. 1 of '967 Patent

Several embodiments of the system such as shown in Fig. 1 are disclosed which contemplate various schemes for effecting communication between the encoder (30), remote computer (20), and a host or network computer (11) that includes a serial number database. '967 Patent at 7:14-30.

visual external label. Information from the external, visual label is correlated to information stored in a centralized location, represented by a network computer **11** having a database. The information taken by the optical reader **13** is transmitted to the network computer **11**. System **10** includes a wireless connection between the remote computer **20** and the mobile encoder **30** either directly or through a common wireless access point. Additionally, a wireless connection could occur between the remote computer **20** and the host computer **11**, and in this embodiment, the remote computer **20** is in physical connection with the mobile encoder. In yet another embodiment, the remote computer **20** wirelessly connects to both the mobile encoder **30** and the host computer **11**. Optionally, the optical reader **13** can be incorporated in the encoder **30**.

The system of Fig. 1 can be configured to allocate blocks of serial numbers delineated from the available serial numbers by assigning a sequence of most significant bits within the serial number field from the higher-level database to a lower-level assigning authority or directly to encoder. For example, the lower level authority can be one or more intermediary database maintained throughout an enterprise. '967 Patent at 7:60-8:3, 8:31-36.

RFID tags such as those using EPCglobal numbers requires uniqueness of the numbers that are encoded. GS1 is a central authority that prescribes a set of hierarchies for each key type (type of identity such as an SGTIN) whereby GS1 designates itself as the central issuing authority for each key type. Authority is passed down in a hierarchical manner to member companies. Each member company has the authority to further allocate numbers from its upper level database to as many lower database levels as it deems necessary to distribute number authority throughout its enterprise.

values. Once a sector is allocated to a lower level within an authority hierarchy, it is referred to as a block. Each allocated block of serial numbers represents authority for encoding objects of an object class that can either be used by an encoder for encoding transponders, or allocated to a lower level in the authority hierarchy.

Notably, even when operated in this manner, the encoder must communicate directly or indirectly with the higher-level database (central database) at some point prior to commissioning transponder to receive authorization for use of numbers within an allocated block. '967 Patent at 8:52-60.

Authorizations for one or more classes of objects are preferably loaded into encoder 175, 30, or 220 from an external authority where such authorizations include data
 55 fields such as manufacturer ID, item reference, manufacturer code lengths, filter values (that designate packaging levels such as item, case, pallet, etc.), serial number starting point for a block, and other pre-determined parameters. Such information is preferably loaded into the memory of the
 60 encoder in advance of tag commissioning operations. Thus

In another embodiment, the disclosed encoding process requires use of an intermediary computer, which may be a smartphone, as a lower level database functioning as a go-between for communication between and encoder and an upper level database. The lower level authority is communicatively coupled to an encoder and continuously or regularly accesses an upper level database to obtain authorizations for serial numbers for the allocated block. '967 Patent at 10:15-42, reproduced below.

15 A preferred embodiment uses a computer, preferably a smartphone such as an iPhone from Apple Inc. of Cupertino, Calif. as a lower database level to transfer encoding authorizations from upper level database authorities to RFID encoders. A smartphone such as the iPhone or an Android
 20 phone using software from Google would be a preferred embodiment of a lower database level and or an encoder using an antenna or near field coupler similar to near field coupler 224A2 of FIG. 21 or 238a or 238b of FIG. 22 to couple with RFID transponders for encoding and verifica-
 25 tion. The iPhone also has cellular data transmission radios and software stack to enable the iPhone to access remotely located servers in a cloud computing architecture.

The smartphone establishes a connection with a cloud-based server using JavaScript, ASP, JSP, PHP, Perl, Tcl or
 30 Python scripts to access a database such as mySQL that is available from Oracle Corporation of Redwood Shores, Calif. Using structured query language, SQL database tables are preferably used to store tag commissioning data, configuration information, and serial number block allocation
 35 records. SQL queries provide information from database tables to the script, passing the result over the Internet, to the smartphone, which also then routes information to designated RFID encoders. Encoders are preferably identified by their media access control (MAC) address or a UUID which
 40 is guaranteed to be unique and is used by the smartphone as a lower database level to transfer encoding authorization to a specific encoder.

The specification of the '967 Patent therefore contemplates communication of encoders with both lower level assigning authorities and with a higher-level authority (or central database) to obtain serial numbers or blocks of serial numbers during tagging operations. Avery's proposed construction would disregard that each block that has been allocated from the higher-level authority must also must be unique. The uniqueness of the blocks of serial numbers obtained throughout the commissioning process would contribute to the overall scheme for ensuring uniqueness of the serial numbers.⁴ The claimed partitioned serial number within the encoded transponder affords an additional level for ensuring uniqueness beyond that of other encoded transponders and commissioning systems. Thus, while a continuous connection to a higher-level

⁴ Plaintiff notes, however, that the process of how the blocks are allocated is outside of the scope of the claims. The parties agreed constructions and proposed constructions for the disputed terms solidify this conclusion. The parties have agreed that within the construction of this term, that the phrase "is encoded" should be construed to mean "has stored within." The parties also have agreed to the construction of "being assigned a limited number of most significant bits," in which the phrase "being assigned" is construed to mean "includes." These constructions center the context of the claim around a commissioned transponder that has already been encoded with serial number. Therefore, what matters for the scope of the claim is that the blocks have been allocated so that a unique, partitioned serial number can be used in the encoding, not the process for how the blocks are allocated.

authority (such as a central database) during the commissioning process is not required to practice the claimed invention, the claim must not be construed to exclude commissioned transponders which were encoded when the encoder was connected to a central database or a lower level database throughout or at various points during the commissioning process. Ultimately, Avery's additional proposed process limitation is of no significance whatsoever to the serial number encoded within the claimed transponder at issue, and its attempt to import this extraneous process limitation into this claim term must be rejected.

B. “an allocated block of serial numbers”

<u>Claim Term</u>	<u>Plaintiff's Proposed Construction</u>	<u>Avery's Proposed Construction</u>
An allocated block of serial numbers	A pre-authorized range of serial numbers	A pre-authorized range of serial numbers <u>that has been assigned to an encoder</u> (with an “encoder” being a device that encodes RFID tags with serial numbers)

Here, again, the parties initially propose the same construction for “an allocated block of serial numbers” as meaning “a pre-authorized range of serial numbers,” but Avery appends to it the additional limitation “that has been assigned to an encoder” which is addressed to an aspect of the commissioning process rather than to a feature of the claimed RFID transponder. This appended portion of Avery's proposed construction must be rejected for similar reasons to those of the preceding section. Namely, Avery seeks to import a limitation manifest in only certain disclosed embodiments of the invention into the claims thereby reading out other embodiment of the invention from being covered by the asserted claim.

Referring to the specification of the '967 Patent, an allocated block of serial numbers is described:

values. Once a sector is allocated to a lower level within an authority hierarchy, it is referred to as a block. Each allocated block of serial numbers represents authority for encoding objects of an object class that can either be used by an encoder for encoding transponders, or allocated to a lower level in the authority hierarchy.

‘967 Patent at 8:31-36. The additional limitation included in Avery’s construction requiring that the allocated block be assigned to an “encoder” (*i.e.*, the device used to do the encoding) runs counter to this explicit language of the specification.

While at some point in the commissioning process a serial number must be provided to an encoder to be encoded to a tag, an entire block of serial number does not necessarily need to be allocated to a specific encoder. The excerpt above notes that an allocated block may be allocated to an encoder for encoding transponders or to a lower level in the authority hierarchy. For example, this may include assigning a block from an upper level database maintained on a central database to a lower level database maintained on a local computer or on a smartphone. This may also include assigning a block from an upper level authority to a lower level encoding authority, such as from GS1 to a brand owner or a brand owner to a third-party encoding company, global service bureau, manufacturing or distribution facility, or manufacturing or assembly line. These lower level authorities could then provide individual serial numbers to the encoder or partition the serial number further to identify assign sub-blocks to an encoder or another lower level in the hierarchy.

Thus, adoption of Avery’s overly limiting construction that the blocks are allocated “to an encoder” improperly limits the scope of claims to only covering some of the embodiments contemplated by patentee and therefore must be rejected.

C. “uniquely corresponding”

<u>Claim Term</u>	<u>Plaintiff’s Proposed Construction</u>	<u>Avery’s Proposed Construction</u>
Uniquely corresponding	Plain and ordinary meaning. In the alternative: uniquely and directly correlated	Each and every serial number in the allocated block and only serial numbers in the allocated block contains the most significant bits

Plaintiff does not believe this term needs construction by the Court and the plain and ordinary meaning should apply.

This claim term was amended during *ex parte* reexamination of the ‘967 Patent to add the word “uniquely.” Patentee added this term as a clarifying amendment to make clear that the serial number encoded within the claimed RFID transponder utilizes the same most significant bits of the allocated block. For example, when making this amendment to claim 1 in the *ex parte* reexamination, Patentee plainly explained the rationale and meaning of this disputed term and forms the basis for Plaintiff’s alternatively proposed construction that:

... claim 1 should be interpreted to include a **structural limitation** that the encoded serial number space must include a serial number instance that was selected from an allocated block that was specifically assigned (or allocated) based on a limited number of most significant bits... The patent owner has amended this element to make it clear that the limited number of most significant bits that are encoded in the serial number space **uniquely correspond** to the limited number of most significant bits of the allocated block. That is, there is a **direct correlation** between the encoded bits and the allocated bits.”

Amendment in Response to Final Office Action Dated May 14, 2018 (Exh. B to Pinkus Decl.) at 10. As such, the use of a partitioned serial number in an encoded RFID transponder which includes these same most significant bits that were assigned to the allocated block constitutes a structural characteristic of the commissioned RFID transponder. This correspondence is a characteristic that is determinable after the serial number has been encoded, rather than being a parameter of the

process of encoding. In other words, the most significant bits of the serial number encoded in the transponder are correlated to and can be tracked back to the most significant bits of a particular unique allocated block, which would constitute a unique and direct correlation.

Avery's proposed construction, on the other hand, is unsupported by the intrinsic record and makes little sense in the context of the claim. Proper claim construction aims to construe the terms at issue in the context of the patent. *V-Formation, Inc. v. Benetton Group SpA*, 401 F.3d 1307, 1310 (Fed. Cir. 2005) (explaining how the "technological and temporal context enable the court to ascertain the meaning of a claim term to [a person of ordinary skill in the art] at the time of the invention."). The preamble of a claim can help to provide this necessary context. *Gerber Garment*, 916 F.2d at 688. The preamble can give "an understanding of what the inventors actually invented and intended to encompass by the claim." *Corning Glass Works*, 868 F.3d at 1257.

Here, the preamble of the asserted claims informs that the claim is directed to a single RFID transponder which has been encoded with one unique serial number instance comprising a limited number of most significant bits. The specific limitation in which the "uniquely corresponding" term is found is likewise presented in the context of one unique serial number instance that has been encoded within the RFID transponder. Avery's proposed construction ignores this and includes limitations directed to additional serial numbers aside from the one serial number instance and which are otherwise not mentioned in the claim. Characteristics of other serial number instances aside from the one serial number instance claimed are irrelevant in the context of an apparatus claim directed to a single RFID transponder.

The apparent intent of Defendant's construction that only the serial numbers in the allocated block contain the same most significant bits, and no other serial numbers, is not necessarily incorrect. It is, however, unnecessary and confusing. The term "unique," in and of

itself, conveys that the correlation between the most significant bits of the allocated block and the encoded serial numbers ensure uniqueness and avoid duplication of serial numbers.

To illustrate the unnecessary confusion and redundancy that would be caused by Avery's proposed construction, inserting Avery's proposed construction within the language of the claim 1 (and similarly for claim 13) produces the following nonsensical limitation:

wherein the unique serial number space comprises the limited number of most significant bits **[each and every serial number in the allocated block and only serial numbers in the allocated block contains the most significant bits]** to the limited number of most significant bits of the allocated block and of remaining bits of lesser significance that comprise the one serial number instance.

Adoption of Avery's construction yields a confusing string of circular language that ultimately places limits on elements that are otherwise not part of the claim – other serial numbers within the allocated block. Because the asserted claims are not directed to a plurality of RFID transponders and a corresponding plurality of serial numbers instances, Avery's construction is inapposite and must be rejected.

VI. CONCLUSION

Improper importation of cherry-picked limitations to manufacture non-infringement is a common theme among Avery's proposed constructions. Avery has made this transparent attempt almost across the board despite the well-established principles of claim construction forbidding the practice. ADASA's proposed constructions, on the other hand, stay true to the law of claim construction and accurately capture the intent of the patentee in drafting the claims as written, and how they are understood by a person of ordinary skill in the art. As such, ADASA's proposed constructions should be adopted.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on the 27th day of September, 2018, I electronically filed the foregoing document with the clerk of the court for the U.S. District Court, District of Oregon, Eugene Division using the electronic case filing system of the court. The electronic case filing system sent a “Notice of Electronic Filing” to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means.

/s/ Brett M. Pinkus