Keywords: **claim construction, patent infringement, prosecution history estoppel, copyright infringement, unfair competition, joint work, notice of appeal**

General: **There is a presumption that the same claim terms within different claims in a patent will be construed in the same manner, unless it is clear from the specification and prosecution history that the terms have different meanings at different portions of the claims. The doctrine of prosecution history estoppel can bar a finding of infringement by equivalents.**

PODS, Inc. v. Porta Stor, Inc
No. 06-1504 (Fed. Cir. 2007)
April 27, 2007

I. Facts

On September 16, 2004, plaintiff-appellee PODS Inc. (PODS) brought suit against defendant-appellant Porta Stor, Inc. (Porta Stor) in the United States District Court for the Middle District of Florida for patent infringement, copyright infringement, and unfair competition. PODS and Porta Stor were moving and storage companies that operated by delivering storage containers to customers. PODS was the assignee of U.S. Patent No. 6,071,062 ('062 patent), which claimed an apparatus and method with a "carrier frame" for lifting a storage container from the ground onto a transport vehicle or vice versa. PODS alleged that Porta Stor infringed this patent, as Porta Stor used a three-sided frame that closely resembled the apparatus clamed in the '062 patent. Moreover, PODS alleged that Porta Stor had infringed its copyright by duplicating a rental agreement. Furthermore, PODS alleged that Porta Stor violated Lanham Act § 1125 and the Florida common law of unfair competition.

Regarding the patent infringement claim, the district court focused upon the meaning of the terms "carrier frame" and "around" in three claims of the '062 patent: claim 1, claim 29, and claim 32. The district court construed these terms differently within the different claims. For claims 1 and 32, the court construed "carrier frame" and "around" to signify an apparatus with a four-sided or rectangular-shaped frame; neither party contested this interpretation. However, for claim 29, the terms were construed to signify an apparatus not limited to a four-sided or rectangular-shaped frame; for this claim, the court determined that the frame of the claimed apparatus could be four sides *or less*. Apparently, the district court agreed with PODS' argument that the omission in claim 29 of the detailed description of a four-sided carrier frame provided in claim 1 rendered claim 29 "less precise and limited" than claim 1.

Regarding the copyright infringement claim, the district court focused upon whether the PODS rental agreement was entitled to copyright protection and, if so, whether Porta Stor had infringed upon such protection.

A jury trial commenced on June 12, 2006. At the close of evidence, the district court granted judgment of infringement as a matter of law ("JMOL") in favor of PODS on the patent infringement and copyright infringement claims. Regarding the patent infringement claim, the court found that claim 29 of the '062 patent was literally infringed by Porta Stor and that claims 1 and 32 were infringed under the doctrine of equivalents. The court rejected Porta Stor's counterclaim that the '062 patent was invalid. The jury found Porta Stor's patent infringement to be willful and awarded $1500 in damages. Regarding the copyright infringement claim, the court found that the PODS rental agreement was entitled to copyright protection and that Porta Stor had infringed upon such protection by using a rental agreement identical to that of PODS. The jury

found that the copyright infringement was not willful and awarded no copyright damages, but the court allowed damages in the statutory minimum amount of $750. Furthermore, the jury found willful violations of Lanham Act § 1125 and the Florida common law of unfair competition. The jury awarded nominal damages of $1 for the Lanham Act claim and $15,000 for the Florida common law claim. On June 16, 2006, the district court entered a judgment ordering Porta Stor to pay PODS $17,251 in damages. On August 25, 2006, the court entered an amended judgment, doubling the patent damages under 35 U.S.C. § 284 and entering a permanent injunction barring Porta Stor from infringing the '062 patent.

Porta Stor filed a notice of appeal on July 3, 2006. It was unclear whether this notice of appeal was valid, as it was filed before the amended judgment was entered on August 25, 2006.

II. Issues

A. Was Porta Stor's notice of appeal valid?

B. Did the district court err in granting JMOL in favor of PODS on the issue of patent infringement?

C. Did the district court err in granting JMOL in favor of PODS on the issue of copyright infringement?

III. Discussion

A. *Yes; the notice of appeal was valid*. Under Federal Rule of Appellate Procedure 4(a)(2), a notice of appeal filed after a court announces a judgment but before the entry of the judgment is treated as filed on the date of and after the entry. The Federal Circuit determined that this case fell within the scope of Rule 4(a)(2). Thus, the court determined that Porta Stor's premature filing was to be treated as filed on August 25, 2006, the entry date of the district court's amended judgment. Accordingly, the court determined that the filing was valid.

B. *Yes; the district court erred in granting JMOL on the issue of patent infringement*. First, the court addressed the claim construction issue. Citing *Fin Control Systems Pty., Ltd. v. OAM, Inc., 265 F.3d 1311 (Fed. Cir. 2001),* the Federal Circuit applied a "presumption that the same terms appearing in different portions of the claims should be given the same meaning unless it is clear from the specification and prosecution history that the terms have different meanings at different portions of the claims." *Id*. at 1318. The court emphasized that PODS had not demonstrated with any evidence in the specification or the prosecution history that the term "carrier frame" in '062 patent claim 29 had any meaning other than the uncontested meaning in claim 1. In fact, the only embodiments disclosed in the '062 specification were four-sided, and in the prosecution history PODS distinguished its invention from cited references on the ground that the '062 patent claimed a rectangular-shaped frame. Accordingly, the court concluded that the term "carrier frame" in claim 29, as in claim 1, required a "four-sided or rectangular shape" and that the term "around" in claim 29 required the frame to be on all sides of the container.

Turning to the infringement issue, the Federal Circuit determined that Porta Stor did not literally infringe any claims of the '062 patent, since Porta Stor used a three-sided frame instead of a four-sided or rectangular frame. Moreover, the court found that Porta Stor did not infringe by equivalents due to the doctrine of prosecution history estoppel. During prosecution of the '062 patent, PODS argued for allowability of its claims over a cited

reference, Dousset (U.S. Patent No. 3,541,598), by arguing that Dousset lacked a rectangular-shaped frame. The Federal Circuit concluded that these arguments for allowability demonstrated that PODS clearly and unmistakably limited its claims to a rectangular-based or four-sided frame and thus surrendered any claim to a frame that was not rectangular or four-sided. PODS contended that its arguments to overcome Dousset could not so limit its claims, since the examiner used another cited reference other than Dousset to contest PODS' rectangular frame limitation. However, the Federal Circuit concluded that clear assertions made during prosecution to overcome cited references, *whether or not actually required to secure allowance of claims*, may create an estoppel. Thus, the court concluded that PODS clearly surrendered any claim to a frame that was not rectangular or four-sided during prosecution and was estopped from claiming that a three-sided frame infringed its patent. Accordingly, the Federal Circuit concluded that the district court acted erroneously in granting JMOL in favor of PODS with respect to patent infringement.

C. *Yes; the district court erred in granting JMOL on the issue of copyright infringement.* The Federal Circuit reiterated the requirements for federal copyright infringement: (1) *ownership* of a copyrighted work and (2) copying of that work by the defendant. The court focused upon the ownership requirement; since an outside attorney contributed significantly to the creation of the rental agreement at issue, it was unclear whether PODS owned copyright in the work. The Federal Circuit concluded that there was no evidence demonstrating that PODS owned copyright in the work under the 17 U.S.C. § 201(b) provision pertaining to works made for hire. The court focused on the joint work provision under 17 U.S.C. § 201(a). Per Section 201(a), "[t]he authors of a joint work are coowners of copyright in the work." While PODS conceded that an outside attorney contributed significantly to its rental agreement, PODS asserted that the work was a joint work, as testimony suggested that both the outside attorney and PODS employees worked together to create the document. However, other testimony implied that PODS employees only reviewed and contributed minor aspects to the work, and the court emphasized that such activity may not be sufficient to create a joint work. The Federal Circuit concluded that the evidence was clearly insufficient to warrant JMOL in favor of PODS with respect to copyright infringement. Accordingly, the court remanded to the district court for a new trial so that a jury could determine whether the contributions of the PODS employees were sufficiently significant to find them joint authors of the rental agreement.

IV. Conclusion

The Federal Circuit *reversed* the district court's JMOL ruling with respect to patent infringement and directed the district court to enter a judgment of non-infringement in favor of Porta Stor. Moreover, the Federal Circuit *reversed* the district court's JMOL ruling with respect to copyright infringement and *remanded* to the district court for a new trial limited to the copyright infringement issue.

The Federal Circuit *affirmed* the jury's $1 verdict on the Lanham Act claim and the jury's $15,000 verdict on the Florida common law claim.