United States District Court,
S.D. New York.

Harry GAUS,
Plaintiff.
v.
CONAIR CORPORATION,
Defendant.

No. 94 CIV. 5693(FM)

Jan. 4, 2002.

Arthur Beeman, Esq., Robert H. Eichenberger, Esq., Counsel for Plaintiff, Brown, Todd & Heyburn, Louisville, KY.

John Triggs, Esq., Counsel for Defendant, Greenberg Traurig, New York.

OPINION AND ORDER

MAAS**, Magistrate J.**

I. *Introduction*

This patent infringement suit is brought by Dr. Harry Gaus ("Gaus"), a German inventor, against the Conair Corporation ("Conair") to recover damages and other relief as a consequence of Conair's alleged infringement of U.S. Patent No. 4,589,047 (the " '047 Patent") through its sale of hair dryers containing a non-resettable device intended to stop the flow of electricity if the dryers become immersed in water. In December 2000, the parties stipulated to my exercise of jurisdiction over this matter for all purposes pursuant to 28 U.S.C. s. 636(c). Thereafter, following the close of many years of discovery and several adjournments, the Court set January 21, 2001 as the trial date.

Conair has now filed a motion asking the Court to conduct a *Markman* hearing with respect to Claim 12 of the '047 Patent, *see* Markman v. Westview Instruments, Inc., 517 U.S. 370, 384, 116 S.Ct. 1384, 1393, 134 L.Ed.2d 577 (1996), and thereafter to grant partial summary judgment with respect to one or more of the limitations contained in the patent under the doctrine of equivalents. As a practical matter, the granting of partial summary judgment in Conair's favor would likely require the dismissal of this suit.

During a telephone conference on July 31, 2001, I advised the parties that Conair's motion would be denied. The reasoning underlying that decision is set forth below.

II. *Background*

A. *The* '047 Patent

The '047 Patent, entitled "Protective Mechanism in Electrically Operated Devices," was issued to Gaus and a co-inventor on May 13, 1986. The patent describes an Immersion Detection Circuit Interrupt device ("IDCI") which protects the users of electrical appliances from electrical shock. The IDCI covered by the '047 Patent is intended to shut off the electric current to an appliance, such as a hair dryer, when it detects the presence of a conductive liquid, such as tap water, through a change in impedance.

Gaus originally applied for two patents for his device in Germany. He and his co-inventor subsequently combined the German applications into a single Patent Cooperation Treaty filing which provided the basis for their United States patent application. *See* 35 U.S.C. s. 351, et seq. According to Gaus, the original United States patent application contained independent Claim 1 and dependent Claims 2-9. (*See* Gaus Opp. Mem. at 14 & Ex. F). Thereafter, those claims were cancelled and Gaus and his co-inventor added new Claims 10-30. (Id. at 14 & Ex. G). Claim 17, which eventually became Claim 12 of the '047 Patent, was an independent claim. (Id. at 14 n. 8)

The parties agree that the outcome of this lawsuit should be determined solely on the basis of Claim 12. (*See* Triggs Aff. Ex. C (Gaus Suppl. Resp. to Conair Doc. Req. 19)). Insofar as relevant, that claim contains limitations which restrict the scope of the patent to a device comprising [1] "a *housing,* [2] said housing ... comprising an electrical operating unit and a *pair* of spaced-apart electrically exposed *conductive probe networks,*" [3] "a thermally actuated normally closed disconnnect switch ... and a *fusible electrically conductive member,*" [4] "a trigger circuit comprising a semiconductor switch," [5] "said semiconductor switch having a first terminal, a second terminal and a gate input," [6] "said gate input being excited only upon a *low impedance between said probe networks* ...." ('047 Patent, Col. 12, ll. 5-55)(emphasis added).

B. *Prior Procedural History*

Over the more than seven-year life of this case, Conair has filed two prior motions for summary judgment. In its first motion, Conair declared that the "first and foremost issue on which [Conair seeks] summary judgment is the preliminary determination of claim interpretation which must be decided before the ultimate issue of infringement is reached." (Conair Mem. of L. in Supp. of Mot. for Summ. J. ("Conair Summ. J. Mem.") at 9). Conair urged the Court to find that its hair dryers did not infringe Claim 12 of the '047 Patent because:

1. the limitation of a "pair of spaced-apart electrically exposed conductive probe networks" excluded and "taught away" from the Conair IDCI device, which uses a single sense wire in conjunction with voltage-carrying portions of the hair dryer to detect the presence of a conductive liquid;

2. the limitation of a "fusible electrically conductive member" described a material that melts, as distinguished from the Conair hair dryers, which use a material that fractures into separate pieces but remain solid; and

3. the patent described a device internal to the housing of the appliance, as distinguished from Conair's hair dryers which use an external IDCI on the line cord. (Id. at 9-10, 15.)

In support of this proposed claim interpretation, Conair submitted the declaration of Dr. Arden Sher, a consulting professor of electrical engineering at Stanford University. (Id. Ex. 1). Based upon Dr. Sher's analysis, Conair urged the court to grant summary judgment because "[a]ll of the tools to interpret Claim 12 of the ['047 P]atent are indisputable." (Id. at 23).

In his Memorandum and Order dated March 3, 1998, Judge Duffy accepted Conair's argument in part and rejected it in part. Judge Duffy noted that the analysis of a patent infringement allegation necessarily involves two steps. As he explained, the first step is claim interpretation, which requires a court "to construe the allegedly infringed patent claim and establish its meaning and scope ." Gaus v. Conair Corp., No. 94 Civ. 5693, 1998 WL 92430, at (S.D.N.Y. Mar 3, 1998)(citing Markman, 517 U.S. at 384, 116 S.Ct. at 1393). At this stage the court may consider both intrinsic evidence (including the claims and prosecution history of the patent) and extrinsic evidence (such as expert testimony concerning how practitioners skilled in the relevant art would interpret the claims). *Id*. (citing Markman v. Westview Instruments, Inc., 52 F.3d 967, 979 (Fed.Cir.1995)(*en banc*)). Any extrinsic evidence used by the court, however, may not vary or contradict the terms of the claims. *Id*.

Judge Duffy noted further that in the second step of an infringement analysis a court must compare the elements of the allegedly infringing device with the limitations of the relevant claim. *Id*. at *3. "Literal infringement" may be found if every limitation of the claim is shown to exist in the accused product. *Id*. In addition, infringement under the "doctrine of equivalents" may be found if the differences between the claimed invention and the accused device are "insubstantial." *Id*. To meet this standard, a patentee must show that the accused product performs "substantially the same function, in substantially the same way, to give substantially the same result." *Id*. (quoting Hormone Res. Found. v. Genentech, Inc., 904 F.2d 1558, 1564 (Fed.Cir.1990)).

Applying these principles, Judge Duffy rejected Conair's narrow reading of the "pair of spaced-apart electrically conductive probe networks" limitation, reasoning that the reference to "a pair" could mean *either* "two corresponding things designed for use together" *or* "a single thing made up of two corresponding parts that are used together," as in "a pair of pants." *Id*. Judge Duffy noted further that a broad reading of this limitation was consistent with the "Summary of the Invention" section of the '047 Patent, which referred to "a probe ... in the form of an open i.e., exposed electrical *double* conductor." Id. (emphasis added). Under this broad interpretation, assuming that the other claim elements are present, Conair's single wire mechanism, which functions in conjunction with voltage-carrying elements of its hair dryers, could literally infringe the '047 Patent. Id.

Turning to the "fusible member" limitation of Claim 12, Judge Duffy again rejected the narrow claim interpretation proposed by Conair, stating that the term "fusible," in context, could refer not only to something that melts, but also to something that fractures or explodes. Id. at 4. Under this interpretation, the accused devices could literally infringe the "fusible member" limitation of the '047 Patent.

Finally, Judge Duffy agreed with Conair that the '047 Patent described a device which was housed inside the appliance it was intended to protect. Id. Because the IDCIs used in Conair's non-resettable hair dryers are part of the line cord rather than the appliance, Judge Duffy concluded that they did not literally infringe the '047 Patent, but might infringe under the doctrine of equivalents. Id. Judge Duffy therefore granted Conair summary judgment as to literal infringement but denied summary judgment as to infringement by equivalents.

Conair's second summary judgment motion contended that Claim 12 of the '047 Patent was invalid because it failed to meet the written description requirement of 35 U.S.C. s. 112, which provides that the written description of an invention must be sufficiently detailed "to enable any person skilled in the art ... to make and use the same." Conair maintained that Gaus' failure to specify in Claim 12 that the device must be

housed inside the electrical appliance was a fatal defect under the statute. Judge Duffy denied Conair's motion, however, on the ground that the evidence before the Court, viewed in the light most favorable to Gaus, suggested "that the location of the invention was not a critical element," or, alternatively, that there was a genuine issue of fact as to whether its location was material. Gaus v. Conair, No. 94 Civ. 5693, 1999 WL 945519, at (S.D.N.Y. Oct. 18, 1999).

Subsequently, by memorandum endorsement, Judge Duffy pointedly stated that Conair's second summary judgment motion "not only must be denied but must be the last in this case ...." (Mem. Endorsement dated May 18, 2000 (Docket No. 67)).

C. ***Conair's Present Motion***

Conair's present motion for a *Markman* hearing and partial summary judgment rests on two basic premises. First, Conair urges the Court to conclude that Judge Duffy's decision regarding its first summary judgment motion was "definitive" with respect to the "housing" limitation, but "dicta" insofar as the Judge discussed the "fusible" and "pair of probe networks" limitations. Conair argues that Judge Duffy, having found literal infringement of the housing limitation impossible, "did what any good judge would do[;] he decided only what he needed to in order to decide the motion before him." (Conair Mem. in Supp. of *Markman* Hr'g and Summ. J. ("Conair Markman Mem.") at 6). In Conair's view, a *Markman* hearing therefore is required to interpret the limitations of Claim 12 of the '047 Patent other than the "housing" limitation. (Id. at 7).

In the second branch of its motion, Conair argues that the Federal Circuit's recent decision in Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 234 F.3d 558, 569, 576 (Fed.Cir.2000) (*en banc*), *cert. granted,* ___ U.S. ___, 121 S.Ct. 2519, 150 L.Ed.2d 692 (2001), has brought about a "sea change in the doctrine of equivalents." (Conair Markman Mem. at 10). Conair contends that this change has narrowed the applicability of the doctrine to such an extent that Gaus will be unable to establish a range of equivalents for several key elements of the accused devices. (*Id*. at 10-16). More specifically, Conair contends that, after a *Markman* hearing, it will be entitled to partial summary judgment with respect to the "pair of probe networks" and "low impedance" limitations of Claim 12. As noted above, partial summary judgment as to these limitations would, in all likelihood, bar any recovery by Gaus in this case.

III. ***Discussion***

A. ***Entitlement to a Markman Hearing***

Conair's constricted view of Judge Duffy's decision regarding its first summary judgment motion is not supported by the record. Indeed, in its papers in support of that motion, Conair expressly asked the Court to "construe the claims asserted to be infringed as a matter of law to establish their meaning and scope." (Conair Summ. J. Mem. at 5). In furtherance of that objective, Conair submitted the declaration of an expert witness who opined as to the proper interpretation of several key limitations of Claim 12. (*Id*. Ex. 1).

It seems clear that Judge Duffy complied with Conair's request by interpreting not just the housing limitation, but each of the three limitations upon which Conair's motion was based. Among other things, Judge Duffy noted in his decision that the first step of an infringement analysis is "claim interpretation," which "requires" a court to construe the patent claim to "establish its meaning and scope." Gaus, 1998 WL 92430, at *2. Similarly, after considering all three of the disputed limitations in Claim 12, Judge Duffy observed that "[t]he *claim interpretation* above mandates summary judgment under only the doctrine of literal infringement ...." *Id*. at (emphasis added).

The only language in Judge Duffy's decision that conceivably could be read to suggest that the Court was engaged in a more limited undertaking is his observation that Conair's interpretation of the term "fusible" could not be sustained "at this juncture." *Id*. Despite this language, however, there is no reason to believe that Judge Duffy was making a less definitive ruling with respect to the term "fusible" (or "pair of probe networks" for that matter) than with respect to the term "housing." Indeed, if Judge Duffy considered any part of his decision tentative, he presumably would not have instructed Conair in a subsequent endorsement that no further pretrial motions were to be filed.

Conair's request for a *Markman* hearing is therefore denied. At trial, the Court will instruct the jury in a manner consistent with Judge Duffy's prior decision concerning the "housing," "pair of probe networks," and "fusible member" limitations of Claim 12.

B. *Festo*

Although the parties have consented to trial before me, Judge Duffy's prior decision regarding the three previously-addressed limitations constitutes the law of this case. *See, e.g.,* Marfia v. T.C. Ziraat Bankasi, 100 F.3d 243, 251 (2d Cir.1996)("It goes without saying" that first district judge's ruling was the law of the case even after case was reassigned to second district judge). The law of the case doctrine "expresses a general reluctance, absent good cause, to reopen rulings that the parties relied upon." Tischmann v. ITT/Sheraton Corp., 145 F.3d 561, 564 (2d Cir.1998)(quoting Doctor's Assocs., Inc. v. Distayo, 107 F.3d 126, 131 (2d Cir.1997)). Here, there is no question that the parties have substantially relied upon Judge Duffy's interpretation since they conducted lengthy fact and expert discovery and prepared their pretrial order after Conair's first summary judgment motion was decided.

Nevertheless, the law of the case doctrine "is discretionary and does not limit a court's power to reconsider its own decisions prior to final judgment." Aramony v. United Way of Am., 254 F.3d 403, 410 (2d Cir.2001)(quoting In re Crysen/ Montenay Energy Co., 226 F.3d 160, 165 n. 5 (2d Cir.2000)). Accordingly, in exceptional circumstances, a court may reconsider its resolution of an issue that would otherwise be law of the case. Litton Sys., Inc. v. Honeywell, Inc., 238 F.3d 1376, 1380 (Fed.Cir.2001). Such an exceptional circumstance exists when there has been an intervening change in the controlling law. *See* Virgin Atl. Airways, Ltd. v. Nat'l Mediation Bd., 956 F.2d 1245, 1255 (2d Cir.1992). In this case, Conair maintains that the recent decision of the Federal Circuit in *Festo* effects such a fundamental change.

Prior to *Festo,* courts often held-as Judge Duffy did here-that patent holders who were unable to establish literal infringement could nevertheless establish infringement if "the differences between the claimed invention and the accused device are shown to be 'insubstantial" ' under the doctrine of equivalents. *See* Gaus, 1998 WL 92430, at *3 (quoting Maxwell v. J. Baker, Inc., 86 F.3d 1098, 1105 (Fed.Cir.1996)); *see also* Mead Johnson & Co. v. Barr Lab., Inc., 38 F.Supp.2d 289, 293-294 (S.D.N.Y.1999)(Sprizzo, J.).

The difficulty that arose under this prior caselaw was that a patent holder might narrow its claims in an effort to secure a patent over prior art but later seek to recapture the lost ground in a suit against a subsequent inventor under the doctrine of equivalents. *See, e.g.,* Victoria Slind-flor, *Doctrine of Equivalents Receives Death Blow in Federal Circuit,* N.Y.L.J. Dec. 14, 2000, at 5. To prevent such abuses, courts often have relied upon the doctrine of "prosecution history estoppel," which precludes a patentee from obtaining coverage under the doctrine of equivalents of subject matter that previously was relinquished during the prosecution of its patent application. Festo, 234 F.3d at 564 (quoting Pharmacia & Upjohn Co, v. Mylan

Pharms., Inc., 170 F3d 1373, 1376-77 (Fed.Cir.1999)). "Therefore, '[t]he doctrine of equivalents is subservient to [prosecution history] estoppel." ' *Id*. (quoting Autogiro Co. v. United States, 384 F.2d 391, 400-01 (Ct.Cl.1967)).

In *Festo,* the Federal Circuit, sitting *en banc,* held that any amendment of a claim, even if not made to overcome or avoid prior art, gives rise to prosecution history estoppel if it was undertaken for "any reason which relates to the statutory requirements for a patent." *Id*. at 566. Accordingly, when an amendment narrows the literal scope of a patent, the patentee may not seek relief under the doctrine of equivalents. *Id*. This broad prosecution history estoppel also applies if the reason for the amendment is not known. *Id*. at 578.

The *Festo* court instructed trial judges to undertake a four-step inquiry to determine whether a patentee may invoke the doctrine of equivalents despite the amendment of its claims:

[1] The first step in a prosecution history estoppel analysis is to determine which claim elements are alleged to be met by equivalents.

[2] Then, the court must determine whether the elements at issue were amended during prosecution of the patent. If they were not, amendment-based estoppel will not bar the application of the doctrine of equivalents.

[3] If the claim elements at issue were amended, the court first must determine whether the amendment narrowed the literal scope of the claim. If so, prosecution history estoppel will apply [4] unless the patent holder establishes that the amendment was made for a purpose unrelated to patentability.

Id. at 586.

Conair contends that the original application for the '047 Patent contained a single independent claim-Claim 1-which was cancelled following a patent examiner's rejection of the patent application and replaced by several other claims, including what eventually became Claim 12. (Conair Markman Mem. at 12). According to Conair, "[a]fter further prosecution, including some further amendments and argument," the patent examiner concluded that the latter claims were "generally allowable over the art of record." (Id. at 14). Conair argues that this creates a presumption that certain amendments leading to the limitations of a "pair of probe networks" and "low impedance" between them were made for reasons of patentability, thereby precluding Gaus from arguing under the doctrine of equivalents that the accused devices infringe Claim 12. (Id. at 14-15).

In advancing its argument, Conair necessarily assumes that the Court will conduct a *Markman* hearing, after which it will find that the limitation of a "pair of spaced-apart electrically exposed ... probe networks" in Claim 12 is narrower than the limitation of "a probe ... in the form of an open (i.e.exposed) electrical double conductor" in Claim 1. (*See id*. at 14-16). Conair similarly expects the Court to find that the limitation of "low impedance between said probe networks" in Claim 12 is narrower than the limitation in former Claim 1 that "the impedance of the probe changes by a predetermined amount" (*Id*.). As Conair candidly concedes, however, "without a *Markman* hearing to nail down the interpretation of [these] remaining disputed elements, the impact of *Festo* on this case cannot be definitively decided." (*Id*. at 10). Thus, unless the Court holds a *Markman* hearing *and* interprets at least one of these two disputed claim limitations in the manner that it urges, Conair will be unable to establish its entitlement to partial summary judgment.

As noted above, the *Festo* decision signals a change in the law only insofar as Gaus seeks relief under the doctrine of equivalents. In this case, however, Judge Duffy previously expressly concluded that the "pair of probe networks" limitation in Claim 12 could be literally infringed by the accused device, which uses a single sense wire in tandem with certain voltage-carrying elements to detect the presence of an electrical current. If so, the "pair of probe networks" limitation in Claim 12 arguably is not narrower than the limitation of a "probe ... in the form of an ... electrical double conductor" in Claim 1. Thus, this aspect of Conair's present motion fails at the first and third steps of the *Festo* analysis because (i) Gaus need not rely upon the doctrine of equivalents with respect to this limitation and (ii) Conair has not shown that Claim 12 necessarily was narrowed as a consequence of an amendment of this limitation.

Turning to the impedance limitation, Conair again has not shown through uncontradicted evidence that the accused devices could not literally infringe the Claim 12 "low impedance" limitation. Indeed, the only expert report before the Court with respect to this issue is that of Gaus' expert, who states that the "low impedance" limitation of Claim 12 is literally infringed by the Conair devices. (Gaus Opp. Mem. Ex. D (Prelim. Rep. by Leroy F. Silva, P.E.) at 20). Conair also has not shown that the "low impedance" limitation in Claim 12 is necessarily narrower than the limitation in Claim 1 that the impedance change by a predetermined amount. Consequently, this aspect of Conair's motion also fails to satisfy steps one and three of the analysis required by *Festo*.

IV. *Conclusion*

For the foregoing reasons, Conair's motion for a *Markman* hearing and partial summary judgment is denied. Trial of this action will commence in Courtroom 11C on Tuesday, January 22, 2001, at 10 a .m.

SO ORDERED.

S.D.N.Y.,2002.
Gaus v. Conair Corp.

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