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

Raymond Anthony JOAO and Robert Richard Bock,
Plaintiffs.
v.
SLEEPY HOLLOW BANK and Jack Henry & Associates, Inc,
Defendants.

No. 03 Civ. 10199(CM)(MDF)

June 15, 2006.

John Walter Fried, Fried and Epstein, New York, NY, for Plaintiff.

Richard Paul Stitt, Russell S. Jones, Jr., Shughart Thomson & Kilroy, LLC, Kansas City, MO, Oliver J. Armas, Thacher Profitt and Wood LLP, New York, NY, for Defendants.

AMENDED SUPPLEMENT TO SECOND MARKMAN DECISION

McMAHON**, J.:**

In accordance with the directive in the Court's decision of March 3, 2006, the parties have submitted extrinsic evidence (none of it in the form of expert affidavits) to support their respective constructions of the term "network computer" as used in the patent-in-suit. After reviewing the materials submitted, I adopt defendants' definition, which is: "A term of art used throughout the computer industry in the mid-to-late 1990's that referred to a computing device capable of running its operating system but reliant upon an outside network for software, data storage, and data processing."

Plaintiffs' argument has not changed since the original briefing on this second Markman motion, and its addition of technical dictionaries and internet citations to the record does nothing to convince the Court of any error in its original conclusion-namely, that plaintiffs' proposed definition, which it creates by combining the definitions of the separate words "network" and "computer"-was overbroad and/or superfluous in view of the other language in the patent claims.

Defendants urge that I adopt their definition, as stated above, which is a refinement on its prior proposed definition. The exhibits attached to defendants' proposed definition demonstrate that in 1995-which happens to be only one year prior to the submission of the application that led to the issuance of the patent-in-suit-Lawrence Ellison, the Chief Executive Officer of Oracle, made a widely publicized proposal to develop a computer that did not require hardware upgrades or software installation. Programs to be used would be loaded directly onto the network from a file server. The product was called the "network computer."

The use of the term "network computer" in the claims-in-suit to describe this particular product makes a

great deal of sense. As noted in the March 3 decision, the words "network computer" never appear alone in the claims. Rather, they are always part of a list of possible client-end communications devices: "facsimile (fax) machine, personal computer, telephone, telephone answering machine, alternate telephone, alternate telephone answering machine, network computer, and/or beeper or pager." The inclusion of the terms "network computer" and "personal computer" suggests today, as it did in March, that these are different devices. Defendants' submission explains how those two types of computers differ, and also explains the currency of the term "network computer" at or about the time the patent-in-suit was drafted. Apparently, the product never caught on, so the term is something of an anachronism at present.

Interestingly, several of the documents submitted by plaintiffs support the adoption of defendants' "term of art" definition. Exhibits G, H, I, J, K and L all define the term "network computer" as either "a computer in a network" (which, given the rest of the claim, is far too broad, for reasons set out in my March 3 decision) *or* as exactly what defendant says the term means: a failed approach for managing personal computers by creating a machine that downloaded all applications and data from networks and stored all updated data on a server. Sun and Oracle were identified as the major proponents of this unpopular "thin client" approach to keeping computer maintenance costs in check. For example, plaintiffs' Exhibit K, a definition of "network computer" prepared by the Alliance for Telecommunications Industrial Solutions (ATIS Committee), identifies "thin client" as a "synonym" for "network computer."

In the absence of any expert testimony tending to demonstrate that, in the late 1990s, the phrase "network computer," when used as part of a list of specifically identified devices, would have been accorded the broad meaning assigned by plaintiffs-and plaintiffs have offered no such testimony-I concur with defendants' suggestion that "network computer" was a term of art in the industry, describing the (apparently extinct) "thin" computer.

All Markman determinations have now been made. The parties are directed to attend a conference on Monday, June 26, 2006 at 10:00 a.m. so that we can set a schedule for the final resolution of this matter.

This constitutes the decision and order of the Court.

S.D.N.Y.,2006.
Joao v. Sleepy Hollow Bank

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