2020-2313

United States Court of Appeals for the Federal Circuit

GATEARM TECHNOLOGIES, INC.,

Plaintiff-Appellant,

– v. –

ACCESS MASTERS, LLC, BLACKSKY TECHNOLOGIES, INC., GATEARMS.COM, LLC,

Defendants-Appellees.

On Appeal from the United States District Court for the Southern District of Florida in Case No. 0:14-cv-62697-RNS, District Judge Robert N. Scola, Jr. and Magistrate Judge Alicia M. Otazo-Reyes

DEFENDANTS-APPELLEES RESPONSE BRIEF

LORRI LOMNITZER
SPENSYR A. KREBSBACH
THE LOMNITZER LAW FIRM, P.A.
7999 North Federal Highway, Suite 202
Boca Raton, Florida 33487
(866) 413-4452

JEROLD I. SCHNEIDER
SCHNEIDER IP LAW
7127 Corning Circle
Boynton Beach, Florida 33437
(561) 309-5374

Counsel for Defendants-Appellees Access Masters, LLC, Blacksky Technologies, Inc. and Gatearms.Com, LLC

February 12, 2021

U.S. Patent No. 8,845,125,Appx1755:

1. A vehicle barrier system comprising:

a gate arm *formed from a single piece of material* having a top convex member**[**,**]** *and* a bottom convex member**[**,**]** *defining first and second* opposing side surfaces, a distal end and a proximal end defining a longitudinal axis therebetween, said proximal end coupled to a housing having a control system and power supply to selectively pivot said gate arm between a horizontal position and a vertical position, said gate arm including at least **[**one**]***a first* elongated inset *channel centrally disposed in said first side surface defined by said top convex member and said bottom convex member and* formed along said longitudinal axis **[**of one of said side surfaces**]**of said gate arm, said first elongated inset channel having **[**an**]***a first* opening formed by a *first* pair of inset channel sidewalls integrally joined to *a first inset channel backwall, said first side surface having a first upper sidewall including a terminating end and a first lower sidewall including a terminating end which ends terminate partially within said first opening and spaced apart from each other*;

at least **[**one**]** *a first, removable* light strip formed from a plurality of light emitting diodes each electrically connected in parallel and physically disposed adjacent one another in series, and encased within a protective member **[**and including a first electrical cable connect to said plurality of light emitting diodes**]**, *said first light strip cradled entirely within said first elongated inset channel between said backwall and said inset channel sidewalls and retained therein solely by said terminating ends of said upper and lower sidewalls*;

a first electrical cable connected to said plurality of light emitting diodes; and

an electronic connector electrically releaseably connected to said housing power supply and said first electrical cable;

wherein said **[**at least one**]** *first* light strip is removably retained within said **[**at least one **]***first* elongated inset channel *with said plurality of light emitting diodes aligned towards said first opening* such that light from said plurality of light emitting diodes enumerates through said *first* opening *between the terminating ends* when said plurality of diodes are powered from said power supply.

U.S. Patent No. 9,157,200,Appx1768:

1. A vehicle barrier system comprising:

a gate arm formed from a single piece of material that is generally circular shaped having a distal end a proximal end defining a longitudinal axis therebetween, said proximal end coupled to a housing having a control system and a power supply to selectively pivot said gate are between a horizontal position and a vertical position, said gate arm including a first elongated inset channel formed along said longitudinal axis of said circular shaped member, said first elongated inset channel having a first opening formed by a first pair of inset channel sidewalls integrally joined to a first channel backwall, said inset channel walls including a first upper terminating end and a first lower terminating end, said ends terminate partially within said first opening and spaced from each other;

a first light strip formed from a plurality of light emitting diodes each electrically connected in parallel and physically disposed adjacent one another in series, and encased within a protective member, said first light strip cradled entirely within said first elongated inset channel between said backwall and said inset channel sidewalls and retained therein solely by said first upper and said first lower terminating ends;

a first electrical cable connected to said plurality of light emitting diodes; and

an electronic connector electrically releasably connected to said power supply and said first electrical cable;

wherein said first light strip is positioned within said first elongated inset channel with said plurality of light emitting diodes aligned towards said first opening such that light from said plurality of light emitting diodes enumerates through said first opening between the terminating ends when said plurality of diodes are powered from said power supply**.**

CERTIFICATE OF INTEREST

Counsel for the Defendants-Appellees Access Masters LLC, Blacksky Technologies, Inc., and Gatearms.com, LLC, hereby certifies the following:

1. The full name of every party represented by me is:

   Access Masters LLC, Blacksky Technologies, Inc., and Gatearms.com, LLC, GateArm Technologies, Inc.

2. The full name of all real parties in interest for the entities, not including the real parties in interest which are the same as the entities, are:

   None/Not Applicable.

3. The full names of all parent corporations for the entities and all publicly held companies that own 10% or more of stock in the entities are:

   None/Not Applicable.

4. The names of all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency of (b) are expected to appear in this court for the entities, not including those have already entered an appearance in this court, are:

   Allen Frederick Bennett, Robert Charles Kain, Darren Joel Spielman

5. The case title and numbers of any case known to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. *See*, Fed. Cir. R. 47.4(a)(5) and 47.5(b).

   None/Not Applicable.

6. Any information required under Fed. R. App. P. 26.1(b) and 26.1(c). *See*, Fed. Cir. R. 47.4(a)(6).

None/Not Applicable.

February 12, 2021

/s/ *Jerold I. Schneider*

Jerold I. Schneider
Counsel for Defendants-Appellees
Access Masters, LLC,
Blacksky Technologies, Inc. and
Gatearms.com, LLC.

TABLE OF CONTENTS

CERTIFICATE OF INTEREST iii

TABLE OF CONTENTS v

TABLE OF AUTHORITIES ix

STATEMENT OF RELATED CASES xvi

ADDITIONAL STATEMENT OF THE CASE 1

ABBREVIATIONS USED IN THIS BRIEF 2

STATEMENT OF ADDITIONAL FACTS 3

1. Plaintiff's Suit is Followed by Reexamination in which the Claims were Narrowed. 3

2. The Case is Reopened, "Contentions" are Exchanged, but There Were No Adjudications. 5

3. A Mediated Settlement – Including but Not Limited to a Consent Decree. 5

4. Plaintiff Seeks a Finding of Contempt. 6

5. Plaintiff's Improper Use of Pre-Settlement Discovery Contentions During the Contempt Trial After the *Markman* Ruling. 7

6. Plaintiff and its Expert Repeatedly Eschewed Reliance on the DOE. 8

SUMMARY OF THE ARGUMENT 10

ARGUMENT 14

I. ARGUMENTS APPLICABLE TO MORE THAN ONE ISSUE ON APPEAL 14

A. AM May Rely on Anything in the Record to Support the Decision Below. 14

B. Plaintiff's Failure to Meet their Burden of Proof and the Corresponding Lack of Evidence Support Affirmance of the Decision Below. 15

C. Invited Error Bars Many of Plaintiff's Arguments and Claims. 16

D. Judicial Estoppel Bars Many of Plaintiff's Arguments and Claims. 17

II. THE DISTRICT COURT PROPERLY REVIEWED THE OBJECTIONS TO THE MAGISTRATE'S REPORT (PLAINTIFF'S ISSUE No. 1) 18

A. The Judge Followed the Relevant Law in Reviewing the Report. 18

B. The Objections Below and the Issues on Appeal Cannot Support the Claim that the Judge Failed to Conduct a Proper Review Because Plaintiff Improperly and Repeatedly Reversed their Position. 21

1. The Use of the Shorthand Terms "Fins" or "Lips" or "C-Shaped" or "U-Shaped" was Proper. 21

2. The Two Colors on the Demonstrative Exhibit Did Not Relate to the '125 and '200 Patents Separately as Plaintiff Now Argues. 22

C. Plaintiff Did Not Properly Object to the Report. 23

D. Plaintiff's First Issue on Appeal Does Not Justify Reversal. 24

III. PLAINTIFF'S PROOFS DID NOT ESTABLISH CONTEMPT BY THE REQUISITE CLEAR AND CONVINCING EVIDENCE STANDARD

AND THE REPORT WAS NOT CLEARLY ERRONEOUS. (Plaintiff's Issues No. 2 And 5) 25

A. An Overview of These Overlapping Issues. 25

B. Plaintiff Invoked the Settlement Agreement but Failed to Prove that the Prior Accused Product Infringed. 25

C. There was No Prior Infringing Product Under the Applicable Law. 27

D. Plaintiff Mis-Applies *TiVo* – There was No Prior Infringing Device. 28

1. The "Not Colorably Different" Issue Favors Affirmance. 28

2. Plaintiff Failed to Meet the Two-Part *TiVo* Standard. 31

3. *TiVo* – The Requirement of an Actual Adjudication was Not Met. 32

4. Plaintiff Conceded No Prior Adjudication of Infringement. 33

E. "Not Colorably Different" Based on Equivalency was Factually Inadequate and the Argument was Legally Improper. 34

F. "Not Colorably Different" Based on Obviousness was Properly Considered and Rejected. 36

G. The Report Did Not Err in the Use of Shorthand Terms. 38

H. The Report Properly Considered Both Patents Based on the Evidence. 38

I. Plaintiff's Second and Fifth Issues on Appeal Do Not Justify Reversal. 41

IV. THE MAGISTRATE DID NOT ERR IN THE CONSIDERATION AND WEIGHING OF EXPERT AND NON-EXPERT TESTIMONY (Plaintiff's Issue No. 3) 42

A. Overview of this Section. 42

B. The "Battle of the Experts" was Not on Claim Construction. 42

C. The Testimony of Defendants' Principals was Appropriate. 43

D. Plaintiff's Third Issue on Appeal Does Not Justify Reversal. 44

V. THE MAGISTRATE PROPERLY ALLOWED, AND PROPERLY LIMITED, THE SCOPE OF AM'S EXPERT'S TESTIMONY (Plaintiff's Issue No. 4) 44

A. There was No Abuse of Discretion by the Magistrate. 44

B. Plaintiff's *Daubert* Challenge Ignores AM's Expert's Foundation Testimony and the Magistrate's Exclusion of Certain Testimony. 45

C. Plaintiff's Third Issue on Appeal Does Not Justify Reversal. 47

VI. CONCLUSION AND RELIEF SOUGHT 48

PROOF OF SERVICE....50

CERTIFICATE OF COMPLIANCE....51

TABLE OF AUTHORITIES

Cases

Abbott Labs. v. TorPharm, Inc.,

503 F.3d 1372 (Fed. Cir. 2007) 32

Amlong & Amlong, P.A. v. Denny's, Inc.,

500 F.3d 1230 (11th Cir. 2006) 13

Anderson v. Bessemer City,

470 U.S. 564, 105 S. Ct. 1504 (1985) 12, 25

Arlington Indus. v. Bridgeport Fittings, Inc.,

759 F.3d 1333 (Fed. Cir. 2014) 29

Atl. Thermoplastics Co. v. Faytex Corp.,

5 F.3d 1477 (Fed. Cir. 1993) 13

Burrell v. Bd. of Trs.,

125 F.3d 1390 (11th Cir. 1997) 19

Cal. Artificial Stone Paving Co. v. Molitor,

113 U.S. 609 (1885) 32

ClearValue, Inc. v. Pearl River Polymers, Inc.,

668 F.3d 1340 (Fed. Cir. 2012) 44

Crockett v. Uniroyal, Inc.,

772 F.2d 1524 (11th Cir. 1985) 16

Danley v. Allen,

480 F.3d 1090 (11th Cir. 2007).....20

Datascope Corp. v. SMEC, Inc.,

879 F.2d 820 (Fed. Cir. 1989).....14

Daubert v. Merrell Dow Pharm., Inc.,

509 U.S. 579, 113 S. Ct. 2786 (1993).....14, 47

Doe v. Princess Cruise Lines, Ltd.,

657 F.3d 1204 (11th Cir. 2011).....16

Energy Recovery, Inc. v. Hauge,

745 F.3d 1353 (Fed. Cir. 2014).....30, 31

Eurand, Inc. v. Mylan Pharms., Inc. (In re Cyclobenzaprine Hydrochloride Extended-Release Capsule Patent Litig.),

676 F.3d 1063 (Fed. Cir. 2012).....22

Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.,

344 F.3d 1359 (Fed. Cir. 2003).....36

Florida v. Liquid Air Corp.(In re Carbon Dioxide Indus. Antitrust Litig.),

229 F.3d 1321 (11th Cir. 2000).....16

FTC v. Leshin,

618 F.3d 1221 (11th Cir. 2010).....15

Furcron v. Mail Ctrs. Plus, LLC,

843 F.3d 1295 (11th Cir. 2016).....13

Goodman-Gable-Gould Co. v. Tiara Condo. Ass'n,

595 F.3d 1203 (11th Cir. 2010) 45

Graver Tank & Mfg. Co. v. Linde Air Products, Co.,

339 U.S. 605 (1950) 34, 35

Guice v. Postmaster General, U.S. Postal Service,

718 Fed. App'x. 792 (11th Cir. 2017) 20

Heath v. Jones,

863 F.2d 815 (11th Cir. 1989) 24

Holt v. Crist,

233 F. App'x 900 (11th Cir. 2007) 19

Jeffrey S. v. State Bd. of Educ.,

896 F.2d 507 (11th Cir. 1990) 19

KSM Fastening Sys. v. H.A. Jones Co.,

776 F.2d 1522 (Fed. Cir. 1985) .....passim

MAC Corp. of Am. v. Williams Patent Crusher & Pulverizer Co.,

767 F.2d 882 (Fed. Cir. 1985) 32

Macort v. Prem, Inc.,

208 F. App'x 781 (11th Cir. 2006) 24

Markman v. Westview Instruments, Inc.,

52 F.3d 967 (Fed. Cir. 1995)(*en banc*), *aff'd,* 517 U.S. 370 (1996) 6, 44

McGregor v. Chierico,

206 F.3d 1378 (11th Cir. 2000) 15, 18

Merial Ltd. v. Cipla Ltd.,

681 F.3d 1283 (Fed. Cir. 2012) 29

Nazomi Communs., Inc. v. Arm Holdings, PLC,

266 F. App'x 935 (Fed. Cir. 2008) 21

nCUBE Corp. v. SeaChange Int'l Inc.,

732 F.3d 1346 (Fed. Cir. 2013) 29

New Hampshire v. Maine,

532 U.S. 742, 121 S. Ct. 1808 (2001)) 17

O2 Micro Int'l Ltd. v. Beyond Innovation Tech. Co.,

521 F.3d 1351 (Fed. Cir. 2008) 42

Orthopedic Equip. Co. v. United States,

702 F.2d 1005 (Fed. Cir. 1983) 22

Preemption Devices, Inc. v. 3M,

732 F.2d 903 (Fed. Cir. 1984) 40

Proveris Sci. Corp. v. Innovasystems, Inc.,

739 F.3d 1367 (Fed. Cir. 2014) 29, 30, 31

REG Synthetic Fuels, LLC v. Neste Oil Oyj,

841 F.3d 954 (Fed. Cir. 2016) 22

Resolution Tr. Corp. v. Hallmark Builders,

996 F.2d 1144 (11th Cir. 1993).....24

Restigouche, Inc. v. Town of Jupiter,

59 F.3d 1208 (11th Cir. 1995).....40

Robinson v. Tyson Foods, Inc.,

595 F.3d 1269 (11th Cir. 2010).....17

Rosenfeld v. Oceania Cruises, Inc.,

654 F.3d 1190 (11th Cir. 2011).....13, 47

Schaefer Fan Co. v. J&D Mfg.,

265 F.3d 1282 (Fed. Cir. 2001).....18

Scott v. McDonald,

789 F.3d 1375 (Fed. Cir. 2015).....40

Sprint/United Mgmt. Co. v. Mendelsohn,

552 U.S. 379, 128 S. Ct. 1140 (2008).....13

Streamfeeder, LLC v. Sure-Feed Sys.,

175 F.3d 974 (Fed. Cir. 1999).....37

Sulzer Textil A.G. v. Picanol N.V.,

358 F.3d 1356 (Fed. Cir. 2004).....16

Symbol Techs., Inc. v. Opticon, Inc.,

935 F.2d 1569 (Fed. Cir. 1991).....40

Thompson v. RelationServe Media, Inc.,

610 F.3d 628 (11th Cir. 2010) 13

TiVo Inc. v. Echostar Corp.,

646 F.3d 869 (Fed. Cir. 2011) (*en banc*) ..... passim

Turpin v. Kassulke,

26 F.3d 1392 (6th Cir. 1994) 14

UCB, Inc. v. Accord Healthcare, Inc.,

890 F.3d 1313 (Fed. Cir. 2018) 13

United States v. Am. R. Express Co.,

265 U.S. 425, 44 S. Ct. 560 (1924) 14

United States v. Baker,

432 F.3d 1189 (11th Cir. 2005) 16

United States v. Brannan,

562 F.3d 1300 (11th Cir. 2009) 16

United States v. Davis,

Nos. 20-10773, 20-10783-GG, 2020 U.S. App. LEXIS 19154 (11th Cir. June 18, 2020) 20

United States v. Raddatz,

447 U.S. 667, 100 S. Ct. 2406 (1980) 13, 18

United States v. Ramirez-Chilel,

289 F.3d 744 (11th Cir. 2002) 13

United States v. Ross,

131 F.3d 970 (11th Cir. 1997).....16

United States v. Valencia-Trujillo,

462 F. App'x 894 (11th Cir. 2012).....20

Zenith Radio Corp. v. Hazeltine Research, Inc.,

395 U.S. 100, 89 S.Ct. 1562 (1969).....39

Statutes

28 U.S.C. § 636(b)(1).....24

Rules

11th Cir. R. 3-1.....24

Fed.R.Civ.P. 52(a).....13, 39

Fed.R.Civ.P. 55.....29

Fed.R.Evid. 702.....47

Fed.R.Evid. 702(a).....46

Local Patent Rules, Patent Rule 2-4, Admissibility of Disclosures.....5

STATEMENT OF RELATED CASES

Defendants-Appellees Access Masters LLC, Blacksky Technologies, Inc., and Gatearms.com, LLC and their Counsel are not aware of other or related or pending cases that will be directly affect or be affected by this Court's decision in the pending appeal.

ADDITIONAL STATEMENT OF THE CASE

This case had no initial claim construction, no rulings on the merits, and no adjudication on any issues prior to settlement. Rather, after patent reexamination and an exchange of contentions, this case was mediated to a settlement that included an express agreement on a redesigned gate arm product that would not constitute either patent infringement or a violation of the attached Consent Decree. And, as confirmed by Plaintiff's own expert, a redesigned gate arm product complying with that express language in the Settlement Agreement is precisely what is accused by Plaintiff in its contempt proceedings below and on this appeal.

Plaintiff has repeatedly shifted its position. Plaintiff has relied on an incomplete reading of *TiVo* both below and on this appeal. Most of the "errors" complained of, *if they were errors at all*, were either harmless or were invited by Plaintiff's own proposed Findings of Fact and proposed Conclusions. Other "errors" reflect gaps in Plaintiff's proofs.

Plaintiff improperly seeks fact findings, and in effect, a trial in this Court.

ABBREVIATIONS USED IN THIS BRIEF

CL	Conclusions of Law in the Report
DE	Docket Entries in the District Court
DOE	Doctrine of Equivalents
FF	Findings of Fact in the Report
Judge	Honorable Robert N. Scola, Jr, United States District Court Judge
Magistrate	Honorable Alicia M. Otazo-Reyes, United States Magistrate Judge
Markman Order	Order Adopting Markman Report
Markman Report	*Markman* "claim construction" Report and Recommendation by the Magistrate Judge
Order	Order Adopting Report
PCB	Plaintiff/Appellant's Corrected Brief on Appeal
PPF	Plaintiff's Proposed Findings of Fact filed in the District Court
Report	Report and Recommendation of the Magistrate Judge that Motion For Contempt should be denied
'125 patent	U.S. Patent No. 8,845,125
'200 patent	U.S. Patent No. 9,157,200

STATEMENT OF ADDITIONAL FACTS

1. Plaintiff's Suit is Followed by Reexamination in which the Claims were Narrowed.

Gatearm Technologies Inc., ("Plaintiff" because the product itself is a gate arm) filed an original action against Access Masters, LLC, Blacksky Technologies, Inc., and Gatearms.com, LLC (collectively "AM") alleging infringement of the '125 patent.Appx47. Plaintiff's second patent is based on a continuation application.Appx1757. Prior to the grant of that second patent, AM successfully sought reexamination of the '125 patent. The relevant language from claim 1 of the '125 patent prior to reexamination stated:

> a gate arm having a top convex member, a bottom convex member, opposing side surfaces …
>
> said gate arm including at least one elongated inset channel formed along said longitudinal axis of one of said side surfaces of said gate arm, said elongated inset channel having an opening formed by a pair of inset channel sidewalls integrally joined to a channel backwall…Appx1751.

After the '125 patent claims were rejected on prior art during reexamination, claim 1 was amended. As stated in the reexamined '125 patent certificate: "Matter enclosed in heavy brackets **[ ]** appeared in the patent, but has been deleted and is no longer part of the patent; matter printed in *italics* indicates additions made to the patent."Appx1755. The relevant claim language now reads as follows:

> a gate arm *formed from a single piece of material* having a top convex member**[,]** *and* a bottom convex member**[,]** *defining first and second* opposing side surfaces …
>
> said gate arm including at least **[**one**]** *a first* elongated inset channel *centrally disposed in said first side surface defined by said top convex member and said bottom convex member and* formed along said longitudinal axis **[**of one of said side surfaces**]** of said gate arm, said first elongated inset channel having **[**an**]** *a first* opening formed by *a first* pair of inset channel sidewalls integrally joined to a *first inset* channel backwall, ***said first side surface having a first upper sidewall including a terminating end and a first lower sidewall including a terminating end which ends terminate partially within said first opening*** *and spaced from each other*…Appx1755.

(all italics and bold brackets are in the reexamined claim, **bold emphasis added).**[1]

After this language was deemed acceptable during the '125 reexamination, Plaintiff made a similar amendment to the then-pending claims of the second application, which ultimately was allowed as the '200 patent, confirming that those amendments were made "to further define the invention **incorporating terms agreed upon during an Ex Parte Reexamination**…of which this Application is a Continuation", and that the claims "**now track language deemed to be acceptable in the Reexamination**."Appx391-392 (Emphases added).

[1] PCB includes claim 1 of the reexamined '125 patent on the inside front cover, citing the same Appendix page, but did not include any underlining or brackets to show the amendments.

2. The Case is Reopened, "Contentions" are Exchanged, but There Were No Adjudications.

On September 17, 2015, upon completion of reexamination, the case was reopened, a discovery order entered, and then the complaint was amended to add the newly granted '200 Patent.Appx49(DE 20-23). The discovery order required the parties to follow the Court's then-extant Patent Track requirements, including the Patent Rules.Appx73-86. Local Patent Rules, Patent Rule 2-4. Admissibility of Disclosures, states: "The disclosures provided for in these Patent Rules are **inadmissible as evidence on the merits**. A party may use or make reference to these disclosures for any other appropriate purpose."Appx78. The parties then exchanged their contentions.Appx79, Appx81(Emphasis added).

3. A Mediated Settlement – Including but Not Limited to a Consent Decree.

The parties engaged in mediation after exchanging contentions, resulting in a six-page settlement agreement,Appx1611-1615, which included a consent decree.Appx1634-1636. The settlement agreement included the following:

> 4: The Parties acknowledge that Defendants **may re-design** the Accused Product by **not including** a "first upper sidewall including a terminating end and first lower sidewall including a terminating end **which ends terminate partially within** [a] first opening and spaced from each other ... [and] a first light strip ... cradled entirely within [a] first elongate inset channel. .. and retained therein solely by said terminating ends of said upper and lower side walls," as claimed in the Patents-in-Suit, and that **a re-designed product lacking this claim**

> **limitation shall not infringe the Patents-in-Suit or constitute a violation of the Consent Decree or this Agreement.**Appx1612

(Emphases added).[2]

At trial, Plaintiff's expert agreed that the redesigned AM gate arm product did **not** have ends which terminate **partially** within the opening but rather are **completely** within the opening, as confirmed in the Report.Appx19(¶¶60-62)(Emphases added). Plaintiff never challenged those findings in their objections below or on this Appeal.

4. Plaintiff Seeks a Finding of Contempt.

About nine months after settlement, Plaintiff sought to reopen the proceedings and have AM held in contempt for allegedly violating the consent decree and to enforce the settlement agreement.Appx155. Judge Scola confirmed: "Thus, the Court did not have an opportunity to engage in any substantive analysis of the patents, or otherwise determine whether an infringement occurred."Appx784. The case was then set for claim construction (*Markman* proceedings). *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979 (Fed, Cir. 1995)(*en banc*), *aff'd,* 517 U.S. 370 (1996).

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[2] The Settlement Agreement also contained what is colloquially called a "merger and integration clause:" "¶12 - This Agreement constitutes and expresses the **entire understanding of the Parties and supersedes all prior agreements, representations**, and understanding of the Parties with respect to this matter. No supplement, modification waiver or termination of any portion of this Agreement shall be binding unless done so in writing and executed by the Party or Parties to be bound thereby. **Neither Party shall be bound by any definition, condition, warranty, right, duty or covenant other than as expressly stated in this Agreement** or as subsequently set forth in a written document signed by both parties."Appx1611-1615(Emphases added).

The *Markman* proceedings included a joint claim construction chart, briefing, oral argument, a Markman Report, Plaintiff's objections, AM's response, and four months later a Markman Order.Appx55-57.(DE 88-99).

During the *Markman* hearing, Plaintiff expressly and unambiguously explained that the DOE [*sic*] is not at issue in this case.Appx695. Plaintiff inexplicably responded to the Court asserting: "The claims were not narrowed to overcome prior art."Appx695(lines 5-9, 14). This was followed by:

> THE COURT: So you're saying when your patent was re-examined you did not redefine your claims?
>
> MR. COHEN: The scope of the claims was not narrowed Your Honor. Yes."Appx696(lines 5-8).[3]

5. Plaintiff's Improper Use of Pre-Settlement Discovery Contentions During the Contempt Trial After the *Markman* Ruling.

During the post-*Markman* contempt proceedings, after having *successfully* objected to AM's use of Plaintiff's own pre-settlement contentions, Plaintiff improperly cited to and relied on AM's pre-settlement discovery contentions, as part of its evidence of alleged infringement.Appx1778. Plaintiff listed the contentions as an exhibit. AM timely and repeatedly objected,Appx1501-1505(objecting to Plaintiff's proposed exhibit 29) and in AM's Response Trial Brief.Appx1453. AM again repeated their objections in their proposed Findings of Fact and Conclusions of Law that "each of the foregoing

[3] This is difficult to reconcile with the Reexamination certificate itself as to the '125 patent or the representations to the Patent Examiner in connection with amendments to the claims in the pending application that resulted in the '200 patent.

three bases: (a) Plaintiff's own prior objections, (b)Judge Scola's Order, and (3) the merger and integration clause of the Settlement Agreement would be sufficient to sustain the objections and preclude Plaintiff's use of those responses.Appx3227, Appx3247-3247.[4]

The Magistrate disagreed, and overruled the objections,Appx9,fn5, although **expressly limiting** the use of the contentions to two clauses in the claims.Appx35. Plaintiff's objections to the Report did not include an objection to that limited admissibility ruling. Plaintiff did not appeal the limited ruling. Plaintiff has no basis to rely on the contentions beyond the limited ruling. But, Plaintiff cites no testimony in its PCB where witnesses expressly addressed the remaining clauses of any claim of either patent.

6. Plaintiff and its Expert Repeatedly Eschewed Reliance on the DOE.

Plaintiff's complaint did not allege infringement under the DOE nor did its discovery contentions.Appx80. AM raised Prosecution History Estoppel as an affirmative defense,Appx117, and Counterclaimed for a Declaratory judgment that the product did not infringe either literally or under the DOE.Appx141.

When Plaintiff moved to reopen, AM opposed in part because Plaintiff was asserting a thinly veiled DOE argument disguised as "no colorable differences."Appx3382, Appx3388-3389, Appx3392. Plaintiff's Reply in support of

[4] *See*, footnote 2, *supra*.

reopening was unambiguous: the "'new design' continues to 'literally infringe.'"Appx283-284. There was no assertion of infringement under the DOE.

At trial, Plaintiff even objected when its expert was asked on cross-examination about the file history of Plaintiff's '125 patent, arguing: because "counsel is alluding to the [DOE] which is not asserted in this particular case. This is a little [*sic*, literal] infringement case."Appx2270(lines 14-17). The Court then sustained Plaintiff's objection.Appx2275(lines 1 – 5).

Plaintiff's expert never testified on the DOE calling it "an issue I do not address in my report."Appx1426. Previously at deposition he confirmed that the DOE "was never raised" and that he didn't "recall it being mentioned at all," and it was "beyond the scope. I never considered it at all."Appx1308, Appx1352.

Plaintiff's expert clarified at his deposition that his comments were not intended to reflect that the old and new products were equivalent:

> Q. My question again, why did you go into those functions if the doctrine of equivalents was beyond the scope of your engagement?
> A. Doctrine of equivalents was beyond the scope. I never considered it at all. I'm just pointing out the functions of the C-shaped channel.[5]Appx1352 (lines 12-17).

The Report properly concluded that Dr. Rice did not consider prosecution history estoppel in his analysis.Appx18(¶58). Despite this, Plaintiff now erroneously asserts that Dr. Rice testified that the old and new products are functionally equivalent.

[5] Plaintiff's experts' reference to the C-shaped channel, is an example of shorthand terminology about which Plaintiff now complains. *See*, Argument Section III.G. *infra.*

SUMMARY OF THE ARGUMENT

The Report included over 125 pin citations to the testimony and documentary evidence. Plaintiff has not challenged a single one of those citations on its merits.

Plaintiff relies on the "not colorably different" test of *TiVo* as the basis for its contempt allegations. But, Plaintiff ignores three aspects of *TiVo*: first, the redesigned device must be compared to a previously adjudged infringing device (there was no such previously adjudged infringing device); second, the new device was, in fact, more than colorably different when compared to the prior device (notwithstanding the absence of the prior adjudication); third, that the redesigned product must "otherwise infringe." Plaintiff's proofs were lacking on this third aspect since no witness compared the redesigned product to any claim of either patent and the Magistrate limited the use of AM's contentions to only two clauses in the patents.

The parties' experts disagreed on the scope and significance of the changes between the original and new gate arms. The Magistrate, having the opportunity to evaluate credibility and demeanor, accepted AM's expert's explanation. There is no justifiable basis to reverse that determination.

Plaintiff's five issues on appeal overlap. One example is the scope of Dr. Tipton's analysis and testimony relating to Plaintiff's Issues 2, 3 and 4. A second example is Plaintiff's improper characterization of testimony as "admissions" relating to Issues 2 and 5. Before addressing those issues, and to place them in context, this Court should consider the following inconsistencies in, and reversals of, Plaintiff's positions.

Plaintiff:

(a) used shorthand language (fins, lips, U-shaped, C-shaped) repeatedly[6] ***but complains*** about their use in the Report;

(b) questioned its expert about both patents together not separately, *see, e.g.,*Appx2251, ***but complains*** that the Report did not address the patents separately;

(c) said the DOE is not in the case,Appx695, ***but argues*** the DOE below,Appx2395-2396 and on appeal;

(d) used AM's pre-settlement contentions,Appx1778 over AM's objections, ***but*** successfully argues that AM ***cannot*** use Plaintiff's pre-settlement contentionsAppx636, Appx675-676; and,

(e) asserts that the red lines on their demonstrative exhibit relate to the '125 patent and the blue lines relate to the '200 patent, ***but at trial***, according to the witness, the red is the upper side wall and the blue is the inner portion of the side wall.Appx2258, *i.e.,* no distinction was made relative to the two patents.

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[6] The complained of "shorthand" language appears in Plaintiff's own claim construction argument below,Appx639(lines 20, 21), Appx694(line 13); Appx708(lines 4-10, 21), more than a dozen times in PPF, *e.g.*, Nos. 20, 22, 26, 32, 35, 37, 43, 44, 50-53Appx3273-3277, and then in Plaintiff's proposed (not numbered) Conclusions of Law.Appx3289-3292, Appx3295. Plaintiff even questioned its own witness regarding "C" shaped.Appx2258-2259. *See, also,* footnote 5, *supra,* and the accompanying text.

The "red-line, blue-line" issue, however, presents a further hurdle for Plaintiff. Under Plaintiff's version of "not colorably different" test, the old and new products were to be compared notwithstanding the absence of any prior adjudication or agreement on infringement. If the "and otherwise infringes" test is also applicable, no witness expressly compared the new product to the claims of either patent. If Plaintiff's reliance on contentions was proper for the "and otherwise infringes" test, then separate findings as to each patent would have been superfluous. Plaintiff cannot have it both ways.

Plaintiff's appeal ignores the contrary testimony of its expert; Plaintiff's appeal ignores fact-based testimony relied on in the Report; Plaintiff's counsel attempts to fill the gaps in the evidence with argument.

The Order affirming and adopting the Report is not based on error. Remand is unnecessary. The FF and CL were more than plausible in light of the record reviewed in its entirety, and fully supported by the Magistrate's detailed findings annotated and correlated to the record. The Order should not be reversed on appeal even if this Court is convinced that it would have made a different determination had it been sitting as the trier of fact. *Anderson v. Bessemer City*, 470 U.S. 564, 573-74, 105 S. Ct. 1504, 1511 (1985).

The appellate fact-finding of infringement requested by Plaintiff is contrary to the Supreme Court, Eleventh Circuit, and Federal Circuit precedent. Fact-based inquiries are to be determined by the district court, and appellate courts have been cautioned against engaging in this inquiry on their own. *Sprint/United Mgmt. Co. v.*

Mendelsohn, 552 U.S. 379, 386, 128 S. Ct. 1140, 1146 (2008); *see also*, *Furcron v. Mail Ctrs. Plus, LLC*, 843 F.3d 1295, 1310 (11th Cir. 2016); *Thompson v. RelationServe Media, Inc.*, 610 F.3d 628, 638 (11th Cir. 2010). As this Court explained: "Rule 52(a) makes clear the separate and distinct roles of the trial and the appellate court. This court must review factual findings made by the district court; it may not guess at findings left unmade. Fact-finding by the appellate court is simply not permitted." *Atl. Thermoplastics Co. v. Faytex Corp.*, 5 F.3d 1477, 1479 (Fed. Cir. 1993) (internal citations omitted). The appellate court "cannot reweigh the evidence, make credibility findings, or find facts." *UCB, Inc. v. Accord Healthcare, Inc.*, 890 F.3d 1313, 1326 (Fed. Cir. 2018).

There was no abuse of discretion, or error, in the Judge affirming and adopting the Magistrate's evidentiary rulings regarding AM's expert's testimony. The Judge properly deferred to the Magistrate on factual and credibility issues when there was no new evidentiary hearing where the District Court had the opportunity to observe credibility and demeanor. *Amlong & Amlong, P.A. v. Denny's, Inc.*, 500 F.3d 1230, 1245 (11th Cir. 2006); *United States v. Raddatz*, 447 U.S. 667, 671-72, 100 S. Ct. 2406, 2410 (1980). A reviewing court must defer to the magistrate judge's credibility determinations unless those determinations appear to be "unbelievable." *United States v. Ramirez-Chilel,* 289 F.3d 744, 749 (11th Cir. 2002). Further, "it is not the role of the district court to make ultimate conclusions as to the persuasiveness of the proffered evidence." *Rosenfeld v. Oceania Cruises, Inc.*, 654 F.3d 1190, 1193 (11th Cir. 2011). To the contrary, "vigorous cross-examination, presentation of contrary evidence, and careful instruction on the

burden of proof are the traditional and appropriate means of attacking shaky but admissible evidence." *Id.* (quoting *Daubert v. Merrell Dow Pharm., Inc.*, 509 U.S. 579, 596, 113 S. Ct. 2786, 2798 (1993)).

ARGUMENT

I. ARGUMENTS APPLICABLE TO MORE THAN ONE ISSUE ON APPEAL

A. AM May Rely on Anything in the Record to Support the Decision Below.

AM objected to Plaintiff's improper use of pre-settlement contentions but, as the prevailing party, elected not to cross-object to the Report, nor cross-appeal to this Court. AM's actions do not constitute a waiver of AM's rights as to any issue on appeal.[7] AM's position is preserved since a party may assert any matter appearing in the record in support [of a decree] without taking a cross-appeal including insistence on a matter overlooked or ignored..." *United States v. Am. R. Express Co.*, 265 U.S. 425, 435, 44 S. Ct. 560, 563 (1924); *see also Datascope Corp. v. SMEC, Inc.*, 879 F.2d 820, 822 n.1 (Fed. Cir. 1989*)* ("Appellees always have the right to assert alternate grounds for affirming the judgment that are supported by the record.").

[7] AM, having prevailed on other bases, did not file objections since doing so would "force a party to articulate objections to a recommendation on which it prevailed [and thus] would only frustrate the judicial economy and litigant expense policies." *Turpin v. Kassulke*, 26 F.3d 1392, 1399-400 (6th Cir. 1994*)*.

B. Plaintiff's Failure to Meet their Burden of Proof and the Corresponding Lack of Evidence Support Affirmance of the Decision Below.

There do not appear to be any disputes about Plaintiff's burden of proof, the District Court's standard for review of the Magistrate's Report, the standard of review by the Eleventh Circuit on issues not unique to patent law, and the standard of review by this Court on patent-related issues.

Plaintiff acknowledges (PCB, p.21-22) that a party seeking an order of civil contempt has the burden of demonstrating by clear and convincing evidence "that 1) the allegedly violated order was valid and lawful; 2) the order was clear, definite and unambiguous; and 3) the alleged violator had the ability to comply with the order." *McGregor v. Chierico*, 206 F.3d 1378, 1383 (11th Cir. 2000); *accord FTC v. Leshin*, 618 F.3d 1221, 1232 (11th Cir. 2010). There was no stipulation as to any of these three components, rather they were among the disputed facts.Appx1875, Appx1885¶¶4,5.[8] Plaintiff cites no witness or testimony on these components but merely relies on counsel's arguments. Plaintiff's proofs are deficient.

[8] If the Consent Judgment Injunction is interpreted to cover the prior art, it is neither valid nor unambiguous. If the Consent Judgment Injunction is interpreted to prohibit AM from making, using and selling a product falling within the exemption of Paragraph 4 of the Settlement Agreement, it is invalid, unlawful, and ambiguous. If the Consent Judgment Injunction is interpreted to prohibit AM from making, using and selling a product falling within the exemption of Paragraph 4 of the Settlement Agreement, then there is no ability to comply with the Consent Judgment Injunction.

C. Invited Error Bars Many of Plaintiff's Arguments and Claims.

The "invited error" doctrine precludes a party from asking a court to rely on a proposition of fact or law and then objecting and asserting error when the court does so. *See, Florida v. Liquid Air Corp.(In re Carbon Dioxide Indus. Antitrust Litig.)*, 229 F.3d 1321, 1326-27 (11th Cir. 2000) (internal citation omitted). It is "a cardinal rule of appellate review that a party may not challenge as error a ruling or other trial proceeding invited by that party." *United States v. Ross*, 131 F.3d 970, 988 (11th Cir. 1997) (*citing Crockett v. Uniroyal, Inc.*, 772 F.2d 1524, 1530 (11th Cir. 1985) (internal quotes omitted); *Sulzer Textil A.G. v. Picanol N.V.*, 358 F.3d 1356, 1367 (Fed. Cir. 2004) (precluding a party from complaining about invited error on appeal). As the Eleventh Circuit succinctly stated, [W]e may not review an error if the party induce[d] or invite[d] the district court into making [that] error." *United States v. Brannan*, 562 F.3d 1300, 1306 (11th Cir. 2009) (internal quotation marks omitted).

The doctrine is based on "the common-sense proposition that someone who invites a court down the primrose path to error should not be heard to complain that the court accepted its invitation and went down that path." *Doe v. Princess Cruise Lines, Ltd.*, 657 F.3d 1204, 1213 (11th Cir. 2011) (internal citation omitted). Invited error even precludes a reviewing court from invoking the plain error rule and reversing. *United States v. Baker*, 432 F.3d 1189, 1216 (11th Cir. 2005). Many of the purported errors, *if errors at all*, find their origin in Plaintiff's briefs, Plaintiff's questioning of witnesses, and Plaintiff's own PPF and Conclusions of Law.

D. Judicial Estoppel Bars Many of Plaintiff's Arguments and Claims.

Judicial estoppel protects the integrity of the judicial process by preventing parties from taking inconsistent positions according to the exigencies of the moment. *Robinson v. Tyson Foods, Inc.*, 595 F.3d 1269, 1273 (11th Cir. 2010) (citing *New Hampshire v. Maine*, 532 U.S. 742, 749, 121 S. Ct. 1808, 1814 (2001)). In *New Hampshire*, the Supreme Court identified three factors that generally inform when judicial estoppel may be invoked: (1) whether the present position is clearly inconsistent with the prior position; (2) whether the party persuaded the court to accept the earlier position, such that acceptance of the inconsistent position would create a perception that the court was misled; and (3) whether the party advancing the inconsistent position would derive an unfair advantage or impose an unfair detriment on the opposing party. *New Hampshire,* 532 U.S. at 750-51. Here, the Joint Statement of Stipulated and Disputed Facts (DE 128) was filed on January 9, 2019, after the exchange of expert reports,Appx60, and was received in evidence(DE175-30).Appx1875. The Joint Statement lists disputed facts and disputed propositions of law. Infringement under the DOE is not listed at all, and Plaintiff's objections to testimony on that topic were sustained. The unfair advantage to Plaintiff and the unfair detriment to AM is apparent if Plaintiff is permitted to proceed on the DOE.

II. THE DISTRICT COURT PROPERLY REVIEWED THE OBJECTIONS TO THE MAGISTRATE'S REPORT (PLAINTIFF'S ISSUE No. 1)

A. The Judge Followed the Relevant Law in Reviewing the Report.

Regional circuit law governs contempt proceedings that do not raise issues unique to patent law. *Schaefer Fan Co. v. J&D Mfg.*, 265 F.3d 1282, 1289 (Fed. Cir. 2001). The scope of the District Court's review of a Report is not unique to patent law. Here, the Judge properly followed Eleventh Circuit law. The standard of proof for alleged violation of the injunction in civil contempt proceedings is clear and convincing evidence. *McGregor,* 206 F.3d at 1383.

The FF in the Report were extensively annotated to the record. Plaintiff did not assert that any annotations were incorrect.

The Judge correctly set forth, cited, and then followed the *de novo* determination standard for review.Appx40-41. The Judge had the benefit of not only the record-annotated FF, but all evidence and transcripts relevant to a *de novo* review. *Raddatz*, 447 U.S. at 675-76 ("The use of the words 'de novo determination' is not intended to require the judge to actually conduct a new hearing on contested issues.)

The Judge was familiar with this case from its earlier affirmance of the Markman Report, a matter which the District Court Docket Entries demonstrate that the Judge had under consideration for almost four months in a *de novo* review prior to issuing its Markman Order from which Plaintiff has not appealed. The current Report was filed on April 30, 2020, Plaintiff's objections were filed on June 4, 2020 and the District

Court's Order was dated August 21, 2020. (*See*, DE 202-221)Appx68-71. There was no requirement for the Judge to wait for AM's opposition before starting its *de novo* review. There was no requirement that the Judge produce "time records" show its work efforts to rebut Plaintiff's unfounded accusations. Here, an experienced Judge stated that he had reviewed the Report and Plaintiff's objections. This Court should "assume that the district court performed its review function properly in the absence of evidence to the contrary." *Holt v. Crist*, 233 F. App'x 900, 901 (11th Cir. 2007) (internal citation and quotation omitted); *see also Burrell v. Bd. of Trs.*, 125 F.3d 1390, 1395 (11th Cir. 1997) ("Trial judges are presumed to know the law and to apply it in making their decisions.")(internal citation and quotation omitted).

Any suggestion that the Judge did not spend enough time in *de novo* review is unfounded. Plaintiff's post-objection Motion to Strike was granted-in-part thus further indicating the Judge's careful review. Plaintiff's reliance on *Jeffrey S. v. State Bd. of Educ.*, 896 F.2d 507, 513 (11th Cir. 1990) is misplaced. In that case only four days elapsed between the district court receiving a Report, a six-volume hearing transcript and 60 pages of objections, and then adopting that report.[9] Here, the Judge already had familiarity with the case. As the Judge explained: "To the extent the Court did not address each of Gatearm's objections, a decisionmaker need not specifically address

[9] In *Jeffrey S.*, 896 F.2d at 513, the district court also applied the wrong standard of review.

and reject every argument raised by one of the parties. *Guice v. Postmaster General, U.S. Postal Service*, 718 Fed. App'x. 792, 795 (11th Cir. 2017)"Appx41.

In challenging the District Court's reliance on *Guice*, Plaintiff conflates "address" and "review." (PCB, p.28, inaccurately asserting that the District Court decided not to perform its constitutionally necessary review.) While the Judge did not "address" each objection, there is no indication that the Judge failed to "review" or "consider" each objection.

In the Eleventh Circuit, orders which adopt and incorporate outside reasoning, (in this case the Report) are not prohibited by the general principle that district court orders "should contain sufficient explanations of their rulings so as to provide this Court with an opportunity to engage in meaningful appellate review." Plaintiff's reliance on *Danley v. Allen*, 480 F.3d 1090, 1091 (11th Cir. 2007), a mere one-sentence summary denial, is inapposite to the Judge's review in this case.

Here, the Judge's ruling, together with other matters in the record, including parties' arguments below, provide a sufficient basis for review. *United States v. Valencia-Trujillo*, 462 F. App'x 894, 897 (11th Cir. 2012). The Judge does not have to re-explain everything in the Report, as long as the overall record provides "sufficient explanation to enable meaningful appellate review." *United States v. Davis*, Nos. 20-10773, 20-10783-GG, 2020 U.S. App. LEXIS 19154, at *3 (11th Cir. June 18, 2020) (internal citations omitted) (referencing of earlier orders, together with the record, are sufficient where

there is some explanation of the bases for the rulings even if the district court's rulings were summary in nature.)

The Judge followed the relevant law and there is no justifiable basis for remand or reversal based on the asserted lack of detail in the Order.

B. The Objections Below and the Issues on Appeal Cannot Support the Claim that the Judge Failed to Conduct a Proper Review Because Plaintiff Improperly and Repeatedly Reversed their Position.

1. The Use of the Shorthand Terms "Fins" or "Lips" or "C-Shaped" or "U-Shaped" was Proper.

Plaintiff's repeated objections to the Report's use of shorthand terms (PCB, pp. 2, 19, 29, 40, 41,44, 46) are misplaced and do not constitute use of "new claims terms" as Plaintiff also asserts. (PCB, p.43-44). First, Plaintiff itself used those terms during the *Markman* proceedings and in their PPF. Plaintiff's expert used those terms on direct examination.Appx2251-2252, Appx2258. If it was error for the Report or Order to use those terms, which it was not, the error was harmless and, in fact, invited by Plaintiff's own presentations. (*See*, footnote 6, *supra,* and Argument, Section I.C., *supra*.)

Second, use of "shorthand" terms as a convenience is not error. This Court has done so to identify physical parts, claim terms, and legal concepts, and has approved use of shorthand by the parties. *See, Nazomi Communs., Inc. v. Arm Holdings, PLC*, 266 F. App'x 935, 938 (Fed. Cir. 2008) (Ultimately, both terms ("native instructions" in the written description and "register-based instructions" in the claims) are used as shorthand to describe the same instructions…); *REG Synthetic Fuels, LLC v. Neste Oil*

Oyj, 841 F.3d 954, 956 n.1 (Fed. Cir. 2016) ("Use of Cn or Cnas a shorthand for CnH_2n^{+2}. These notations refer to the same hydrocarbon chain."); *Orthopedic Equip. Co. v. United States*, 702 F.2d 1005, 1007 n.1 (Fed. Cir. 1983) ("The following shorthand will be used in this opinion: Claim 2(a)(1), or element 2(a)(1), shall refer to subparagraph (a)(1) of claim 2 of the Wolf patent, i.e., 'An electrical system…;'") *Eurand, Inc. v. Mylan Pharms., Inc. (In re Cyclobenzaprine Hydrochloride Extended-Release Capsule Patent Litig.)*, 676 F.3d 1063, 1085 (Fed. Cir. 2012) (As we explained in *U.S. Gypsum*, this court has used the term 'concealment' as a shorthand way of inquiring about the adequacy of the disclosure….").

Plaintiff cannot justifiably complain that the Judge did not make *de novo* determinations regarding the shorthand terms used by the parties and used in the Report.

2. The Two Colors on the Demonstrative Exhibit Did Not Relate to the '125 and '200 Patents Separately as Plaintiff Now Argues.

Plaintiff's demonstrative exhibit was admitted as a demonstrative, but not as an independent exhibit,Appx2265, *i.e.,* not for independent evidentiary value. Plaintiff's expert explained the red and blue colors as follows:

> Q. There are two different colors on your drawings. Can you explain?
> A Yes.
> Q The significance of that?
> A Yes, the upper side wall of the red shows the upper side wall extending down and the blue shows the inner portion of the side wall which forms the channel on the back side.
> Q And, you were pointing to the new design.

> A It is the same on the original design basically, it is the same on both designs. The only difference is that the terminal end has been shifted slightly inward.Appx2258.

The Court itself interrogated Plaintiff's expert having him further explain the two colors on his demonstrative exhibit. At no time did he describe the red lines as relating to the '125 patent and the blue lines as relating to '200 patents.Appx2288-2298. But that is what Plaintiff now argues.

Plaintiff should be judicially estopped from changing its explanation of the demonstrative exhibit. Plaintiff should be judicially estopped from asserting that the red and blue lines separately represent the two different patents. (*See*, Argument, Section I.D., *supra.*) Plaintiff cannot reject its own expert's testimony, not cite any contrary testimony, and try to fill in the gaps in its evidence.

C. Plaintiff Did Not Properly Object to the Report.

Plaintiff's objections were legally insufficient as are the majority of Plaintiff's challenges on appeal. Indeed, Plaintiff failed to properly preserve issues for appeal. It is not sufficient to "object."

The Report includes over 125 numbered FF plus un-numbered paragraphs citing to the record along with statements of the law. Plaintiff's objections never stated that any FF, by number, was unsupported by the evidence or that any record citations were incorrect.

Plaintiff received a first warning, in the Report, that:

> "In order to challenge the findings and recommendations of the magistrate judge, a party must file written objections which shall specifically identify the portions of the proposed findings and recommendation to which objection is made and the specific basis for objection." *Macort v. Prem, Inc.*, 208 F. App'x 781, 783 (11th Cir. 2006) (quoting *Heath v. Jones*, 863 F.2d 815, 822 (11th Cir. 1989))(alterations omitted).Appx40.

Plaintiff received a second warning, in the Report, that:

> Failure to timely file objections shall bar the parties from attacking on appeal the factual findings contained herein." *See Resolution Tr. Corp. v. Hallmark Builders*, 996 F.2d 1144, 1149 (11th Cir. 1993). Further, "failure to object in accordance with the provisions of [28 U.S.C.] § 636(b)(1) waives the right to challenge on appeal the district court's order based on unobjected-to factual and legal conclusions. See 11th Cir. R. 3-1."Appx36.

Plaintiff ignored both warnings. Having not identified a specific FF in their objections below as not supported by the evidence, and following Eleventh Circuit law, Plaintiff has waived the right to challenge those FF.[10]

D. Plaintiff's First Issue on Appeal Does Not Justify Reversal.

Plaintiff's objections are, in reality, nothing more than objections to the weight given to the facts coupled with the lack of credibility of Plaintiff's expert and his demonstrative exhibit, *i.e.,* gaps in Plaintiff's proofs. The Magistrate's account of the evidence is more than plausible in light of the record reviewed in its entirety, and should not be reversed on appeal even if this Court is convinced that "had it been sitting as the trier of fact, it would have weighed the evidence differently. Where there are two

[10] A good faith challenge to the FF as unsupported by the record would have been difficult since they are pin-cited to the record.

permissible views of the evidence, the fact finder's choice between them cannot be clearly erroneous." *Anderson,* 470 U.S. at 573-574.

III. PLAINTIFF'S PROOFS DID NOT ESTABLISH CONTEMPT BY THE REQUISITE CLEAR AND CONVINCING EVIDENCE STANDARD AND THE REPORT WAS NOT CLEARLY ERRONEOUS. (Plaintiff's Issues No. 2 And 5)

A. An Overview of These Overlapping Issues.

Plaintiff asserts a five-pronged attack (Issue No. 2) while overlooking where its proofs are deficient. Plaintiff follows this by concluding that there were "admissions" and an expert's "concession" "separately addressing the '200 patent." (Issue No 5). But, the so-called admissions and concessions were neither. Rather, the Magistrate was satisfied with the witnesses' explanations, finding them credible. In fact, none of the so-called admissions or concessions were correlated by the witnesses to the '200 patent. Once again, Plaintiff uses counsel's arguments to fill the gaps in the evidence.

B. Plaintiff Invoked the Settlement Agreement but Failed to Prove that the Prior Accused Product Infringed.

Plaintiff's Motion to Reopen the case asserted that the "not more than colorably different" test was applicable and that "the Settlement Agreement provides guidance for the Court."Appx282. Plaintiff asked the court to "enforce the terms of the Consent Judgment in this action and the Settlement Agreement between the

parties…".Appx158, Appx161. Paragraph 4[11] confirms that a specific re-design would not violate the settlement or the consent decree.

AM "opposed" Plaintiff's objections to the Report below, pointing out, *inter alia,* compliance with paragraph 4 of the Settlement Agreement. Inexplicably, Plaintiff successfully moved to strike those arguments asserting that they were not presented to the Magistrate and that AM did not object to the Report.Appx41.

Plaintiff was incorrect. AM raised that defense before the Magistrate multiple times: (1) AM's Opening Trial Brief,Appx1255, Appx1258-1259, Appx1261, Appx1275, Appx1279, Appx1284; (2) AM's Reply Trial Brief,Appx1453, Appx1464; (3) at trial, questioning Plaintiff's Expert who agreed that the accused product was within the settlement exemption,Appx2282-2285;[12] (4) during closing argument,Appx2392-2393; and (5) in AM's proposed Findings of Fact Nos. 118-130,Appx3233, Appx3249-3252 and AM's proposed Conclusions of Law,Appx3258-3260.

There is no dispute that the Report did not rule on the Settlement Agreement defense. However, AM was not obligated to object (to the District Court) or cross-appeal to this Court to preserve the Settlement Agreement or "contract" defense. A party may rely on anything in the record that supports the Report and is entitled to do

[11] Paragraph 4 is reproduced in the Statement of Additional Facts, Section 3, *supra.*

[12] The Magistrate even questioned the expert on this topic when he became evasive during cross-examination.Appx2284-2285.

the same on any appeal. (*See,* Argument, Section I.A. *supra.*) Any suggestion that the issue was not before the Magistrate, however, cannot be reconciled with the record.

C. There was No Prior Infringing Product Under the Applicable Law.

Plaintiff's Issue No. 2 repeatedly complains about the Report's alleged failure to analyze and compare AM's modified product against the prior *infringement* as to both patents.(Emphasis in original). There are two sub-issues here. First, the absence of separate FF as to each patent. Second, whether or not the prior product was an infringement.

Plaintiff fails on both. Plaintiff cited no specific testimony comparing the two products to any claim whatsoever, let alone to at least one claim from each of the '125 and '200 patents separately.[13]

Second, there was no prior *infringement* under Federal Circuit law.

Plaintiff argued that (a) Defendant Access Masters' design patent marking on its old and new products and (b) Defendant Blacksky's e-mails about the new product, were "admissions" that AM's new product was not colorably different from the prior infringing product. Plaintiff ignores that there was no prior adjudicated infringing product. The "design patent" and "e-mails" approaches also failed on their merits.

The Magistrate allowed the design patent into evidence for a limited purpose ruling that "I will definitely not consider them to be admissions as to the utility

[13] Plaintiff's PCB, p. 20, contains no citation to the record where Dr. Tipton purportedly said anything about the '200 patent.

patent."Appx2193(lines 6-20). No witness correlated the ornamental design to the purported admission of utility patent infringement. The Report accepted AM's principal's concession that he did not even know what the design patent covered.Appx14(¶32). Design patent marking was not a concession or admission (Plaintiff's Issue 5). Plaintiff did not appeal that evidentiary ruling.

Plaintiff relied on AM's e-mails to customers which stated that the outward visual appearance of the gate arm's new design would be virtually identical to the original one. The e-mails were explained as a marketing e-mails intended to calm the customers' nerves,Appx22(¶77), an explanation that the Magistrate found credible.Appx33. Plaintiff did not appeal that finding. There were no admissions or concessions.(Plaintiff's Issue 5) Plaintiff failed to meet its evidentiary burden.

D. Plaintiff Mis-Applies *TiVo* – There was No Prior Infringing Device.

1. The "Not Colorably Different" Issue Favors Affirmance.

The "not colorably different" basis for finding contempt was explained in detail by this Court in *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522 (Fed. Cir. 1985), *overruled on other grounds in TiVo Inc. v. Echostar Corp.,* 646 F.3d 869, 881 (Fed. Cir. 2011) (en banc). (*KSM* was overruled on the two-part approach to consideration of contempt.)

In *KSM* both validity and infringement were **admitted** in the settlement agreement and consent decree. *KSM,* 776 F.2d at 1523-24. *KSM* applied the "not colorably different" or "more than a colorable difference" test to a prior **admitted**

infringement. *KSM,* 776 F.2d at 1532 (Emphases added). Here, neither the settlement agreement nor the consent decree contains that admission.

TiVo involved a jury determination of infringement. This Court explained: "the criteria for adjudicating a violation of a prohibition against continued infringement by a party whose products have already been **adjudged to be infringing** is a matter of Federal Circuit Law. *TiVo,* 646 F.3d at 881(Emphasis added). The *TiVo* decision repeatedly refers to comparison between the newly accused product and the product previously "**found to infringe**" or the "**adjudged infringing product.**" *TiVo,* 646 F.3d. at 882 (Emphases added). Here, the original product was not found to infringe and not adjudged to infringe.

Subsequent to *TiVo*, this Court has consistently followed the requirement of a prior finding or admission of infringement before applying the "not colorably different" inquiry.[14]

Three years after *TiVo*, this Court went further and explained that the claims must be construed as part of the contempt proceedings if they were not previously construed notwithstanding that infringement was conceded in the earlier proceedings. *Proveris Sci. Corp. v. Innovasystems, Inc.*, 739 F.3d 1367, 1372 (Fed. Cir. 2014) (contempt

[14] *Merial Ltd. v. Cipla Ltd.*, 681 F.3d 1283, 1288 (Fed. Cir. 2012) (relying on a finding of infringement based on a Fed.R.Civ.P. 55 default against the defendants); *nCUBE Corp. v. SeaChange Int'l Inc.*, 732 F.3d 1346, 1347 (Fed. Cir. 2013) (prior jury finding of infringement); *Arlington Indus. v. Bridgeport Fittings, Inc.*, 759 F.3d 1333 (Fed. Cir. 2014) (concession of infringement in settlement agreement).

order vacated). Thus, even a prior admission or concession of infringement alone may not be sufficient for the application of the "not colorably different" test although that precise issue is not presented here.

Three months after *Proveris,* this Court decided *Energy Recovery, Inc. v. Hauge*, 745 F.3d 1353 (Fed. Cir. 2014) which closely addresses the issues raised here. *Energy Recovery* reinforced the requirement of an actual adjudication rather than a concession or agreement, for the "not colorably different" test to be applicable. In vacating a finding of contempt [for violating an injunction against infringement] this Court noted at footnote 4:

> Because Mr. Hauge was never **found to have infringed** any of ERI's patents in the underlying action, there is **no adjudicated infringing product** to compare to Mr. Hauge's new pressure exchanger to determine whether their differences are more than "colorable." Accordingly, even if ERI had argued during the contempt proceedings that Mr. Hague's conduct constituted patent infringement, the district court was not required to address the "colorable differences" test to find contempt.

Energy Recovery, 745 F.3d at 1360 n.4 (Emphases added).

Something more than a judgment silent on past infringement, **something more** than a consent decree silent on past infringement and **something more** than an Agreement conceding past infringement in the absence of claim construction has been required by this Court for the application of the "not colorably different" test. That is consistent with the holdings of *KSM, TiVo, Proveris* and *Energy Recovery*.

Plaintiff, having the burden of proof, failed to meet the requirement of a prior finding or adjudication of infringement.[15] Plaintiff's argument (PCB, p.32) that a consent decree is a judicial act is inapposite. This Court did not hold that "a judicial act" was sufficient in *KSM, TiVo, Proveris* or *Energy Recovery*. Here, the Consent Decree confirmed only validity, not infringement.Appx152-153(¶2). Here, the Settlement Agreement only acknowledged validity, not infringement.Appx1610-1615(¶2). Plaintiff has not met its burden of proof by the requisite clear and convincing evidence, that there was a prior infringing product.

2. Plaintiff Failed to Meet the Two-Part *TiVo* Standard.

Plaintiff's Motion to reopen the case agreed that "contempt requires the Court's determination that the enjoined Accused Product and the "new design" gate arm are not colorably different, **and** that the "new design" **also infringes** the Patents-in-Suit."Appx277(Emphases added). Plaintiff reiterated that the Court will need to determine if the new design "still infringes" and that "the Settlement Agreement provides guidance for the Court."Appx282-283. Once Plaintiff's expert confirmed that the new AM product fell within the exemption from liability, Plaintiff chose to ignore any "guidance" from the Settlement Agreement.

[15] *Energy Recovery* was cited in AM's Trial Brief and Response Trial Brief below and in AM's proposed Findings of Fact and Conclusions of Law. It is absent from Plaintiff's PCB.

Plaintiff's contempt argument was predicated on a snippet of the *TiVo* decision where this Court explained:

> "The Supreme Court has cautioned that contempt 'is a severe remedy, and should not be resorted to where there is a fair ground of doubt as to the wrongfulness of the defendant's conduct.' *Cal. Artificial Stone Paving Co. v. Molitor*, 113 U.S. 609, 618 (1885); *see also MAC Corp. of Am. v. Williams Patent Crusher & Pulverizer Co.*, 767 F.2d 882, 885 (Fed. Cir. 1985) (citing *Cal. Artificial Stone Paving Co.*, 113 U.S. at 618)."

TiVo, 646 F.3d at 881.

Glaringly missing from Plaintiff's submission was the immediately following sentence from this Court:

> We have previously interpreted that inquiry in patent cases as one of colorable differences between the newly accused product and the **adjudged infringing product**. *Abbott Labs. v. TorPharm, Inc.*, 503 F.3d 1372, 1380 n. 3 (Fed. Cir. 2007). Thus, the party seeking to enforce the injunction must prove **both** that the newly accused product is not more than colorably different from the product **found to infringe and that the newly accused product actually infringes**."

TiVo, 646 F.3rd at 881-882 (Emphases added).

There just was no previously adjudged infringing product. There just was no product previously found to infringe. There just was no product previously agreed to be an infringement. Plaintiff's reliance on *TiVo* is misplaced.

3. *TiVo* – The Requirement of an Actual Adjudication was Not Met.

The Judge reminded Plaintiff, early in the re-opened proceedings: "Thus, the Court did not have an opportunity to engage in any substantive analysis of the patents,

or otherwise determine whether an infringement occurred."Appx784, and "At the Markman hearing, the parties also agreed that the ultimate adjudication of the Plaintiff's motion will require an evaluation of claim construction, followed by a determination of infringement, and thereafter, a finding regarding contempt."Appx785.

Plaintiff thus faced at least two hurdles. First, there was no prior finding of infringement. Therefore, Plaintiff had to establish that the original product infringed in order to demonstrate the requisite "continued infringement." Second, Plaintiff had to establish infringement of the modified product. Plaintiff conceded these requirements.Appx799(lines 16-19).

Plaintiff's argument (PCB, p. 34) complains about a failure to consider a "continued infringement" issue totally ignoring that there was no prior infringement. Plaintiff has failed in its proofs.

4. Plaintiff Conceded No Prior Adjudication of Infringement.

Plaintiff agreed that it had the "burden of proof as to infringement just on a straightforward basis."Appx800(lines 5-7) and argued that its burden of proof justified discovery of Defendants' customers "to prove all the elements of infringement."Appx825-827. Plaintiff, however, failed to prove all the elements of infringement. No customers were deposed. No witnesses were questioned about all the other elements of the patent claims for either patent. No such testimony was cited in Plaintiff's objections to the Report.

Plaintiff argues that the original and new products are equivalent with extensive improper "block citations," *see, e.g.,* PCB, p. 39[16] and 59. A careful review of each citation fails to support Plaintiff's argument.[17]

E. "Not Colorably Different" Based on Equivalency was Factually Inadequate and the Argument was Legally Improper.

The next prong of Plaintiff's Issue 2 on appeal addresses what Plaintiff calls the "contempt-specific version of the DOE."

Plaintiff expands the DOE under *Graver Tank & Mfg. Co. v. Linde Air Products, Co.*, 339 U.S. 605 (1950) in a bootstrap attempt to demonstrate "not colorably different." There are many shortcomings in Plaintiff's approach.

First, Plaintiff told the Magistrate that the DOE "does not apply here." Judicial estoppel bars Plaintiff's reliance on the DOE. (*See*, Additional Facts Section 6, *supra,* and Argument, Section I.D. *supra.*)

Second, the Magistrate rejected Plaintiff's expert's testimony as flawed and contrary to common sense.Appx32.

Third, although not mentioned by the Magistrate, Plaintiff's expert only opined on "function" and "way" at the cited page but did not opine on "result" and thus

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[16] Page 39 of PCB, contains over 80 pages of "block" citations with only one pin-citation to a page and line of the record.

[17] Most of the citations continue to rely on so-called admissions or concessions, one of which was accepted for a limited purpose, from which no appeal was taken, and others which were not accepted by the Report. One citation was to a disputed portion of a Joint Statement of Stipulate and Disputed Facts,Appx1876, Appx1939. *See,* Statement of Additional Facts, Section 5, *supra.*

Plaintiff's proofs were deficient on the conventional three-part "substantially the same function, way, result" test under *Graver Tank*.

Fourth, *KSM,* relied on by Plaintiff for the so-called contempt-specific version of the DOE is not as broad as Plaintiff urges. The contempt comparison must be to a prior **infringing** product – that was the underlying premise of *KSM* – but there was no such prior infringing product here.

This Court, in vacating the *KSM* trial court contempt decision, provided the following guidance which has been totally ignored here by Plaintiff:

> "we agree, of course, that the issue in contempt proceedings is violation *vel non* of the injunction, not patent infringement. Nevertheless, devices which could not be enjoined as infringements on a separate complaint cannot possibly be deemed enjoined as infringements under an existing injunction in contempt proceedings."

KSM, 776 F.2d at 1528 (internal citations omitted). Since the claims (in both patents here) were narrowed (*See*, Statement of Additional Facts, Section 1, *supra*) prosecution history estoppel would preclude Plaintiff from enjoining AM's new product on a separate complaint since AM's change follows the prior art.Appx2309(lines 1-9) The new product cannot be an infringement; AM cannot be in contempt of the Consent Judgment.

As this Court also explained in *KSM,* since the district court (in that case) believed that an earlier decision *Interdynamics I and II* precluded its consideration of the claim language and the evidence proffered with respect to prior art and the prosecution

history, the *KSM* district court excluded such evidence and made no finding of infringement. *KSM,* 776 F.2d at 1530. The failure of the *KSM* district court to do so was the basis of this Court's rejection of equivalency as found by that district court; this Court vacated the finding of contempt.

KSM requires the consideration of prior art and prosecution history in an "equivalency-based" contempt proceeding. But, Plaintiff here repeatedly eschewed such consideration. First, the claims were narrowed to avoid the prior art and obtain allowance of the claims, in both patents. Plaintiff is not entitled to the benefit of the DOE under *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 344 F.3d 1359, 1365 (Fed. Cir. 2003). Nothing in *Festo* preludes its application in contempt issues. AM reasserted prosecution history estoppel in its Opening Trial Brief.Appx1395. Plaintiff never proffered a scintilla of evidence to rebut that presumption although it was Plaintiff's burden to do so once amendments to the claims were demonstrated.

Plaintiff's argument based on equivalency should be rejected.

F. "Not Colorably Different" Based on Obviousness was Properly Considered and Rejected.

AM's patent application, although ultimately allowed on June 6, 2019,Appx3017, was initially rejected as an obvious variation of the '125 patent. From this, Plaintiff concludes that AM's new product is "not colorably different" from the prior infringing product. The argument fails for three reasons. First, there was no prior adjudicated infringing product. Second, there was no witness to explain those initial rejections. AM's

inventor conceded that he had no knowledge of the rejections.Appx25(¶91). Plaintiff's counsel reading portions of the rejections into the record, and attempting to interpret and explain the rejections, are not evidence. Plaintiff's counsel's attempt to fill-in the gaps in the proofs is precisely what was presented below,Appx33, and argued in the PCB. Finally, as the Report confirms, Plaintiff's citation to *TiVo* stopped one-sentence short, omitting the language "We do not suggest that the law on obviousness is binding in contempt proceedings." *TiVo,* 646 F.3d at 882 n. 1.Appx33.

AM changed from a U-shaped channel to a C-shaped channel corresponding to what was in the prior art.Appx2309(lines 1-9). While the concept of obviousness is not binding in contempt proceedings, the converse is instructive. The "right to exclude" cannot be expanded to cover the prior art. *Streamfeeder, LLC v. Sure-Feed Sys.*, 175 F.3d 974, 981 n.1 (Fed. Cir. 1999) (DOE). The ultimate burden of persuasion is on the patentee to show that the asserted range of equivalents does not cover the prior art. *Streamfeeder,* 175 F.3d at 984. While these cases address infringement under the DOE, as this Court explained: "[D]evices which could not be enjoined as infringements on a separate complaint cannot possibly be deemed enjoined as infringements under an existing injunction in contempt proceedings." *KSM,* 776 F.2d at 1528.

Therefore, even if the DOE is not part of this case, and it should not be for the reasons explained above, "not colorably different" should not be expanded to include an "obvious variation" found in the prior art at least in this case where there was no trial on validity or infringement. If it were otherwise, the patentee benefits from the

claim being construed to cover the prior art, *i.e.,* broader protection than that to which it could have obtained in an infringement suit on a separate complaint.

Plaintiff complains about a failure to consider the significance of the change between AM's original product and new product based on prior art. (PCB, p. 41) That argument is factually incorrect – the Report noted that AM's change to a C-shaped channel followed the prior art.Appx24(¶86)(*See also,* Argument Section, III.D.E., *supra.*)

G. The Report Did Not Err in the Use of Shorthand Terms.

The Report relied on the claim language in its consideration of the "not colorably different" test. In fact, the Report expressly rejected Plaintiff's experts "contorted attempts" to show that the old and new designs are the same, and the Report accurately compares the "shorthand" terms to the Magistrate's prior claim construction.Appx31-32. If the use of shorthand terms was improper, Plaintiff has itself to blame. (*See,* e.g., Argument Sections I. C. and II.B.1. *supra.*)

H. The Report Properly Considered Both Patents Based on the Evidence.

Plaintiff argues that while the '125 patent was considered (albeit disagreeing with the result) the '200 patent, was not properly separately addressed in the Report. Plaintiff presented 77 PPF but none cited testimony of any witness directed solely or separately to the '200 patent. Plaintiff presented 12 pages of proposed Conclusions of Law but none addressed the '200 patent separately.

The purpose of proposed Findings of Fact and Conclusions of Law, annotated to the record, is to assist the Court. It is not the Court's task to search the record.

As this Court explained:

> PDI raises on appeal each and every one of its five points and in its briefs asks us, in effect, to review the entire record and reach our own conclusions on each point — in its favor, of course. This is not our function as an appellate court. Fed.R.Civ.P. 52(a); *Zenith Radio Corp. v. Hazeltine Research, Inc.*, 395 U.S. 100, 123, 89 S.Ct. 1562, 1576, 23 L.Ed.2d 129, 161 U.S.P.Q. 577, 586 (1969):
>
> > In applying the clearly erroneous standard to the findings of a district court sitting without a jury, appellate courts must constantly have in mind that their function is not to decide factual issues de novo. The authority of an appellate court, when reviewing the findings of a judge as well as those of a jury, is circumscribed by the deference it must give to decisions of the trier of the fact, who is usually in a superior position to appraise and weigh the evidence. The question for the appellate court under Rule 52(a) is not whether it would have made the findings the trial court did, but whether "on the entire evidence [it] is left with the definite and firm conviction that a mistake has been committed." [Cases cited.]
>
> It behooved appellant, therefore, to precisely point out and demonstrate why the finding of the trial court, on any issue it argued, was *clearly* erroneous, not merely that we *might* reach a different conclusion on a de novo review. We are not in as good a position as was the trial judge to evaluate conflicting evidence of even to judge the true significance of documentary and physical exhibits introduced through or testified about by live witnesses who appeared before him.

Preemption Devices, Inc. v. 3M, 732 F.2d 903, 905 (Fed. Cir. 1984) (Emphases in original)[18]

Plaintiff's new argument, again not pin-cited to the testimony of any witness, is that in Dr. Rice's demonstrative exhibit, the red lines identified the aspects of the product matching the relevant infringement contentions for claim 1 of the '125 patent and the blue lines identifying the aspects of the products matching the relevant infringement contentions for claim 1 of the '200 patent.

That, however, is absolutely not what Dr. Rice said. Rather, he explained the colors in the demonstrative exhibit as follows:

> the upper side wall of the red shows the upper side wall extending down and the blue shows the inner portion of the side wall which forms the channel on the back side.Appx2258(lines 8-10).

Furthermore, the demonstrative exhibit was expressly not accepted as evidence and Plaintiff did not object to that ruling.

In other words, now, *without citation to any page and line of the testimony*, the demonstrative exhibit suddenly changes and addresses the two patents separately, *i.e.,* the red color relates to the first patent and the blue color represents the second patent. Plaintiff should not ask any Court to contradict the testimony or to fill in the gaps in its proofs.

Separate and apart from the Magistrate's finding adverse to Plaintiff's expert, if

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[18] *Accord*, *Symbol Techs., Inc. v. Opticon, Inc.*, 935 F.2d 1569 (Fed. Cir. 1991). Equally, it is not the function of the lower tribunal to search the record. *See, Scott v. McDonald*, 789 F.3d 1375, 1376 (Fed. Cir. 2015); *Restigouche, Inc. v. Town of Jupiter*, 59 F.3d 1208, 1214 (11th Cir. 1995) (internal citations omitted).

there was any error by not considering the patents separately, that error was, in the first instance, caused by Plaintiff's failure of separate proofs as to each patent. If there was any error by not considering the patents separately, that error was, in the second instance, Plaintiff's failure to even propose PPF and Conclusions of Law separately for each patent. If there was error, it was caused by Plaintiff's own conduct. (*See*, Argument, Sections I.C. and I.D., *supra*.).

Finally, Plaintiff's entire argument on the alleged failure of the Report to consider the '200 Patent appears to be nothing more than a diversion or distraction. If the issue is "not colorably different" as between the original and redesigned gate arm products, at least the first prong of that test would appear to be independent of how many patents are involved or how many patent claims are involved. What was lacking, of course, was the absence of a prior infringing gate arm product.

I. Plaintiff's Second and Fifth Issues on Appeal Do Not Justify Reversal.

The arguments in Plaintiff's second and fifth issues on appeal, taken individually or collectively, fail to justify a reversal. An analysis of the cited portions of the record demonstrates a thoughtful, careful consideration by the Magistrate, giving due regard to witness credibility and noting the absence of evidence. Plaintiff ignores the witness' explanations that were found to be credible by the Magistrate. Plaintiff relies on documents (*e.g.,* design patent marking) that the Magistrate received for a limited purpose, and extrapolates the design patent beyond its limited admissibility while never

challenging that limited admissibility ruling in the objections to the Report or in the PCB on appeal.

IV. THE MAGISTRATE DID NOT ERR IN THE CONSIDERATION AND WEIGHING OF EXPERT AND NON-EXPERT TESTIMONY (Plaintiff's Issue No. 3)

A. Overview of this Section.

Plaintiff contends, albeit incorrectly, that AM's expert was allowed to testify on claim scope and that his testimony was the basis for the Magistrate rejecting Plaintiff's expert. Plaintiff then contends, also incorrectly, that Defendants' principals were allowed to testify as experts and allowed to address claim scope. Plaintiff repeatedly cites *O2 Micro Int'l Ltd. v. Beyond Innovation Tech. Co.*, 521 F.3d 1351, 1361-62 (Fed. Cir. 2008) for the proposition that the Court must construe disputed claim terms and not the expert. Plaintiff is correct as to that holding but incorrect as to what transpired below.

Preliminarily a review of Plaintiff's block-citations (PCB, p. 39, 59) does not demonstrate any concession or even any testimony by Dr. Tipton on the '200 patent.

B. The "Battle of the Experts" was Not on Claim Construction.

O2 involved a disputed claim term that the court failed to construe but left for the jury to decide. *O2,* 521 F.3d at 1362. Here, the experts did not take opposing positions on the scope or construction of disputed claim terms. *O2* is inapposite.

Each party presented a witness qualified as an expert in mechanical engineering.Appx15, Appx25. AM's expert was, therefore, entitled to rebut testimony

proffered by Plaintiff's expert physically comparing AM's original product and AM's redesigned product. Plaintiff's expert found no difference between the original and new product and this was impeached by evidence from multiple witnesses as to physical and structural differences between the two.Appx18-19. AM's expert explained the differences and benefits as between the two.Appx26-27. That testimony did not address claim construction or claim scope.

Plaintiff's Dr. Rice's demonstrative exhibit with red and blue lines and his "infringement" analysis using two different "colors" for the same physical parts,Appx17, Appx21, were not credible. AM's expert Dr. Tipton correlated the red and blue lines to the physical structure,Appx25-26, and explained from an engineering standpoint why, in the context of the physical parts, using both red and blue to identify the same part, as though they were two separate parts, was unreasonable.Appx26. Dr. Tipton did not refer to infringement or non-infringement. There was nothing improper about Dr. Tipton's testimony. The Report properly rejected Dr. Rice's analysis.Appx31.

C. The Testimony of Defendants' Principals was Appropriate.

Plaintiff asserted that Defendants' principals (Mr. Pikman and Mr. Brinkman) were persons of ordinary skill in the art[19] and the Magistrate accepted their testimony limited as such.Appx30. The principals explained the structural differences, not the claims.

[19] The assertions arose in the context of the scope of Plaintiff's proposed discovery depositions.

Claims are to be interpreted (by the Court) as they are understood by one of ordinary skill in the art at the time of the invention. *Markman*, 52 F.3d at 986. This Court explained in *Markman*, in the context of testimony by both Mr. Markman, the inventor, and his patent attorney in that case, "the [lower] court has complete discretion to adopt the expert legal opinion as its own, to find guidance from it, or to ignore it entirely, or even to exclude it." *Markman,* 52 F.3d at 983.

Therefore, even if Mr. Pikman or Mr. Brinkman (or any other witness, for that matter) presented testimony on the claims as a person of ordinary skill in the art, the Magistrate was free to "adopt" "find guidance from" or "ignore" that testimony. Here, Mr. Pikman and Mr. Brinkman explained the physical structures and the reasons for and benefits of the modifications. Here, the principals' testimony was accepted only as that of persons of ordinary skill in the art.Appx30. There was no error.

D. Plaintiff's Third Issue on Appeal Does Not Justify Reversal.

The Report did not adopt any new or different claim construction. Plaintiff's objections to the Report did not allege any new or different or improper claim construction. Plaintiff's third issue on appeal does not justify reversal.

V. THE MAGISTRATE PROPERLY ALLOWED, AND PROPERLY LIMITED, THE SCOPE OF AM'S EXPERT'S TESTIMONY (Plaintiff's Issue No. 4)

A. There was No Abuse of Discretion by the Magistrate.

This Court applies regional circuit law on evidentiary issues, *ClearValue, Inc. v. Pearl River Polymers, Inc.*, 668 F.3d 1340, 1343 (Fed. Cir. 2012). A district court's

evidentiary rulings are reviewed for abuse of discretion in the Eleventh Circuit. *Goodman-Gable-Gould Co. v. Tiara Condo. Ass'n*, 595 F.3d 1203, 1210 (11thCir. 2010). Here, the District Court affirmed and adopted the Report and this necessarily includes affirming the denial of Plaintiff's *Daubert* motion. Plaintiff has not demonstrated abuse of discretion, clear error, or application of the wrong legal standard, but only disagreement with the result.

B. Plaintiff's *Daubert* Challenge Ignores AM's Expert's Foundation Testimony and the Magistrate's Exclusion of Certain Testimony.

Plaintiff's argument that Dr. Tipton's testimony should have been excluded for failure to employ the standard set forth in *TiVo,* is incorrect. First, Dr. Tifton [*sic*, Tipton] testified that he focused on the new design because that is what he wanted to describe and explain how it was different and that he operated on the premise that Plaintiff's patent covered the original product.Appx27(¶102), Appx29.[20] As such, he employed the "not colorably different" test albeit not by that name, when describing the differences between the original and new product. That alone should end the inquiry. His engineering testimony was properly considered and the Magistrate's *Daubert* ruling was proper.

Dr. Tipton confirmed his consideration of Plaintiff's expert report "in excruciating detail,"Appx29, but he did not repeat the contents in his report for the

[20] Plaintiff concedes that patent Figures 8 and 9 depict the enjoined product.Appx3307. It puts form over substance to argue that Dr. Tipton failed to consider and compare the old and new products.

sake of avoiding redundancy.Appx30. Some of Plaintiff's objections to specific questions were sustained and other parts of his testimony was limited.Appx2366-2367, Appx2373. The Magistrate was entitled to determine the admissibility and weight to be given to expert testimony and did so. There was no abuse of discretion.

Finally, even if Dr. Tipton had only analyzed the original and new products using the standard infringement analysis rather than by comparing the physical structures, or the "not colorably different" analysis, his result would have been useful because: "[D]evices which could not be enjoined as infringements on a separate complaint cannot possibly be deemed enjoined as infringements under an existing injunction in contempt proceedings." *KSM*, 776 F.2d at 1528.[21] There was no objection to Dr. Tipton being qualified as an expert in mechanical engineering.Appx2352. His engineering explanation comparing the original and new products was helpful and thus admissible under Fed.R.Evid. 702(a). Plaintiff cited no evidence contradicting any of Dr. Tipton's engineering analyses. Plaintiff's challenge, goes only to the weight to be afforded to that testimony but that is an issue for the Magistrate.

[21] As explained above, AM changed from a U-shaped channel to a C-shaped channel. The C-shaped channel could not be enjoined as an infringement because it corresponded to the prior art.Appx2309, Appx2313.

C. Plaintiff's Third Issue on Appeal Does Not Justify Reversal.

The Magistrate did not allow Dr. Tipton to testify about claims or claim construction. His comparison of the original and new products was proper. There was no error under *Daubert* or Fed.R.Evid. 702.

Plaintiff argues that Dr. Tipton should not have been allowed to criticize Plaintiff's demonstrative exhibit, a visual representation of Plaintiff's expert's opinion, because it was in Plaintiff's expert's rebuttal report but not addressed in Dr. Tipton's rebuttal report, and that Dr. Tipton's testimony was "unhelpful to…the trier of fact." (PCB, p. 56). However, "it is not the role of the district court to make ultimate conclusions as to the persuasiveness of the proffered evidence." *Rosenfeld*, 654 F.3d at 1193. To the contrary, "vigorous cross-examination, presentation of contrary evidence, and careful instruction on the burden of proof are the traditional and appropriate means of attacking shaky but admissible evidence." *Id.* (*quoting Daubert*, 509 U.S. at 596, 113 S. Ct. at 2798). Dr. Tipton's criticism of the demonstrative's use of two colors to refer to the same structural part was proper. Plaintiff can hardly argue it was unable to vigorously attack that testimony since it concedes that it explored the topic at Dr. Tipton's pre-trial deposition.Appx2375. In fact, Plaintiff even submitted proposed findings based on Dr. Tipton's deposition testimony that was presented on cross-examination during the evidentiary hearing.Appx3279.

VI. CONCLUSION AND RELIEF SOUGHT

Plaintiff should not be rewarded where it has failed to demonstrate any factual errors in the Report's citation to the record.

Plaintiff should not be rewarded for repeatedly reversing its position.

Plaintiff should not be rewarded for submitting PPF and then complaining when the Report used some of the words proposed by Plaintiff.

Plaintiff's proofs were totally missing on some issues. Plaintiff never met its burden of proof by clear and convincing evidence. Plaintiff's interpretation of *TiVo* is incorrect.

Plaintiff improperly seeks new findings by, and a trial in, the appellate court.

The decision below should be affirmed.

February 12, 2021

Respectfully submitted,
/s/ Jerold I. Schneider
JEROLD I. SCHNEIDER
SCHNEIDER IP LAW
7127 Corning Cir.
Boynton Beach, FL. 33437-3987
(561) 309-5374
Jerold.schneider@schneideriplaw.legal

Counsel for Defendants-Appellees
Access Masters, LLC,
Blacksky Technologies, Inc., and
Gatearms.com, LLC

Lorri Lomnitzer
Spenser A. Krebsbach
THE LOMNITZER LAW FIRM, P.A.
7999 North Federal Highway, Suite 202
Boca Raton, FL 33487
(561) 953-9300

Counsel for Defendants-Appellees
Access Masters, LLC,
Blacksky Technologies, Inc., and
Gatearms.com, LLC

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

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Case Number: 20-2313

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