

2008 WL 4426591

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United States District Court,
E.D. Texas,
Marshall Division.

COMMIL USA, LLC

v.

CISCO SYSTEMS, INC., et al.

No. 2:07-CV-341-TJW-CE.

Sept. 25, 2008.

West KeySummary

1 Patents

Civil actions

The court had subject matter jurisdiction to hear a patent interference suit as the complaint was sufficiently pled. The defendant-technology-company alleged that the pleading was not sufficient as it did not show that an interference-in-fact existed under the two-way test. The plaintiff-company's complaint was sufficient in that it illustrated how a claim of each of the three patents at issue would anticipate and/or render obvious a claim of the others. [35 U.S.C.A. § 291](#).

[Cases that cite this headnote](#)

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MEMORANDUM ORDER

DAVID FOLSOM, District Judge.

*1 The above-titled and numbered civil action was heretofore referred to United States Magistrate Judge Chad Everingham pursuant to [28 U.S.C. § 636](#). The report of the Magistrate Judge, which contains his proposed findings of fact and recommendation for the disposition of Symbol's motion (# 35) to dismiss, has been presented for consideration. No objections were filed to the Report and Recommendation. The court is of the opinion that the findings and conclusions of the Magistrate Judge are correct. Therefore, the court hereby adopts the report of the United States Magistrate Judge as the findings and conclusions of this court. Accordingly, the court denies Symbol's motion to dismiss.

REPORT AND RECOMMENDATION OF THE UNITED STATES MAGISTRATE JUDGE

CHARLES EVERINGHAM IV, United States Magistrate Judge.

1. Introduction

Pending before the court is Symbol Technologies, Incorporated's ("Symbol") motion to dismiss (# 35) Commil USA, LLC's ("Commil") claims of patent interference under [35 U.S.C. § 291](#) and for a declaratory judgment of invalidity. For the reasons discussed below, the court recommends that Symbol's motion to dismiss (# 35) be denied.

2. Background

In its live complaint, Commil accuses Symbol of patent infringement and patent interference. Commil also asks the court to declare Symbol's two interfering patents invalid. Commil's patent infringement claim is based in [U.S. Patent No. 6,430,395](#) ("the #395 patent"), titled "Wireless Private Branch Exchange (WPBX) and Communicating Between Mobile Units and Base

Stations.” Commil is the assignee of the [#395 patent](#), which has an effective filing date of April 7, 2000.

Commil's patent interference claim targets two related Symbol patents, which share an effective filing date of March 17, 2000. The Symbol patents at issue are [U.S. Patent Nos. 7,173,922](#) (“the [#922 patent](#)”), titled “Multiple Wireless Local Area Networks Occupying Overlapping Physical Spaces,” and [7,173,923](#) (“the [#923 patent](#)”), titled “Security In Multiple Wireless Local Area Networks.” In its complaint, Commil contends that the Symbol patents-in-suit are invalid because the [#395 patent](#) has priority over the Symbol patents-in-suit, and at least one claim of the [#395 patent](#) anticipates or renders obvious at least one claim in each of the Symbol patents-in-suit. Commil's declaratory judgment against Symbol arises from the interference counts. In the event that Commil prevails on its interference claims, Commil asks the court to declare the appropriate claims of the Symbol patents-in-suit invalid. Symbol moves to dismiss these allegations, and the motion to dismiss is ripe for review.

3. Discussion

A. This Court Has Subject Matter Jurisdiction Over Commil's Patent Interference Claim.

In its motion, Symbol moves the court to dismiss Commil's patent interference counts for lack of subject matter jurisdiction. The relevant statute provides guidance: “[t]he owner of an interfering patent may have relief against the owner of another by civil action, and the court may adjudge the question of the validity of any of the interfering patents, in whole or in part.” [35 U.S.C. § 291](#). “[I]n order to provoke an interference in district court under [§ 291](#), the interfering patents must have the same or substantially the same subject matter in similar form as that required by the PTO pursuant to [35 U.S.C. § 135](#). A district court has no jurisdiction under [§ 291](#) unless interference is established.” *Medichem, S.A. v. Rolabo, S.L.*, [353 F.3d 928, 934 \(Fed.Cir.2003\)](#) (internal quotations and citation omitted). The first step in an interference determination under [§ 291](#) is the evaluation of whether an interference-in-fact exists under the two way test. *Id.*

*2 The two-way test is satisfied when, assuming that allegedly interfering patents are prior art to one another, the “claimed invention of Party A ... anticipate[s] or render[s] obvious the claimed invention of Party B, and

the claimed invention of Party B ... anticipate[s] or render[s] obvious the claimed invention of Party A.” *Id.* (emphasis added) (citations omitted). When undertaking this analysis, the district court is to apply the standards for anticipation and obviousness as are provided in [35 U.S.C. §§ 102 and 103](#). *Id.*

Anticipation under [§ 102](#) is a question of fact; obviousness under [§ 103](#) is a question of law based on underlying factual determinations. *Id. at 935*. To properly evaluate anticipation and obviousness, the court and the jury must be guided by the appropriate construction of the claims at issue. *See id. at 934*; *see also Alberta Telecommunications Research Centre v. Rambus, Inc.*, [2007 WL 2317836, *3 \(N.D.Cal.2007\)](#). Upon satisfaction of the two-way test, a district court is then bestowed with the jurisdiction to make a priority determination between the interfering patents and adjudicate invalidity. *Medichem*, [353 F.3d at 935](#).

Symbol argues that this court has jurisdiction under [§ 291](#) only when Commil establishes the satisfaction of the two-way test. While Symbol's argument is technically accurate, it confuses this court's jurisdiction to resolve priority issues with the pleading requirements attendant to the Federal Rules. Although this court will eventually be required to make the requisite jurisdictional determination before resolving any priority issues between the parties, such a determination is premature at this stage of the proceedings. “The court cannot conclude based upon the pleadings alone whether ... [Commil's] interferenc[e] claims ha[ve] any merit. Resolution of the[se] issue[s] require[] a further understanding of the technology, the state of the art at the relevant time and the level of ordinary skill in the art at that time,” as well as the court's claim construction ruling. *Alberta Telecommunications*, [2007 WL 2317836 at *3](#).

Commil has included claim charts with its live complaint that illustrate how a claim of the [#395 patent](#) would anticipate and/or render obvious a claim of each of the [#922](#) and [#923](#) patents, and how a claim of each of the [#922](#) and [#923](#) patents would anticipate and/or render obvious a claim of the [#395 patent](#). *See* Second Amended Complaint (# 90), Exhibits D–E. As such, Commil has sufficiently plead its interference counts against Symbol, and Symbol's motion to dismiss is premature.

Symbol also contends that there is no interference-in-fact in this case because the patent office recently failed to provoke an interference between the Symbol patents-in-suit and a Commil patent application that claims continuation priority from Commil's #395 patent. This argument is without merit. 35 U.S.C. § 291 provides a patent owner a cause of action against another patent owner. It does not require a patent owner to first exhaust its remedies before the patent office during the prosecution of a related, yet different, patent application before filing an interference action in a district court. The court therefore denies Symbol's motion to dismiss the interference counts without prejudice. Symbol is given leave to renew its motion at the appropriate time in the future, such as after this court's *Markman* decision issues.

B. This Court Has Subject Matter Jurisdiction Over Commil's Declaratory Judgment Claim.

*3 Symbol contends that this court lacks subject matter jurisdiction over Commil's declaratory judgment claim for want of an actual case or controversy.

The Declaratory Judgment Act is not an independent basis for subject matter jurisdiction. Rather, it provides a remedy available only if the court has jurisdiction from some other source.... [A]s long as the suit meets the case or controversy requirement of Article III, a district court may have jurisdiction over a declaratory judgment action. For there to be a case or controversy under Article III, the dispute must be definite and concrete, touching the legal relations of parties having adverse legal interests, real and substantial, and admi[t] of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts. As the Supreme Court has recently reiterated, however, there is no bright-line rule for determining whether an action satisfies the case

or controversy requirement. To the contrary, [t]he difference between an abstract question and a controversy contemplated by the Declaratory Judgment Act is necessarily one of degree, and it would be difficult, if it would be possible, to fashion a precise test for determining in every case whether there is such a controversy. Instead of a bright-line rule, the analysis must be calibrated to the particular facts of each case, with the basic standard being whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

Prasco, LLC v. Medicis Pharmaceutical Corp., No.2007-1524, slip op. at 5-6 (Fed.Cir.2008) (internal quotations and citations omitted).

Whether a § 291 patent interference claim, standing alone, is sufficient to invoke this court's declaratory judgment jurisdiction appears to be a matter of first impression. Symbol's argument is primarily premised on its contention that this court lacks subject matter jurisdiction over Commil's patent interference claims. As such, Symbol's arguments focus on the fact that Commil is a patent holding company, and therefore does not manufacture any competing goods. As discussed above, the court recommends the denial of the motion to dismiss Commil's patent interference claims. Section 291 charges this court, assuming subject matter jurisdiction remains, to determine priority issues pertaining to the Commil and Symbol patents-in-suit. This determination will adjudicate validity for these patents. Under these circumstances, the court determines that a substantial controversy exists between Commil and Symbol. This controversy is immediate and the adverse interests of the parties are clear and real. As such, the court concludes that it has subject matter jurisdiction over Commil's declaratory judgment claim at this time and recommends the denial, without prejudice, of Symbol's motion to dismiss. Symbol is granted leave to re-urge its motion

to dismiss in the future, such as in the event the court determines that subject matter jurisdiction is improper over Commil's patent interference claims.

4. Conclusion

*4 For the above reasons, the undersigned recommends that Symbol's motion to dismiss (# 35) be denied without prejudice.

A party's failure to file written objections to the findings, conclusions and recommendations contained in this Report within ten days after being served with a copy shall

bar that party from *de novo* review by the district judge of those findings, conclusions and recommendations and, except on grounds of plain error, from appellate review of unobjected-to factual findings and legal conclusions accepted and adopted by the district court. *Douglas v. United States Auto. Ass'n*, 79 F.3d 1415, 1430 (5th Cir.1996) (en banc).

SIGNED this 5th day of September, 2008.

All Citations

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