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11 DSW Inc. and DSW Shoe Warehouse, Inc.

12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA

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15 DSW INC. and
DSW SHOE WAREHOUSE, INC.,
16
17 Plaintiffs,
18 v.
19 SHOE PAVILION, INC.
20 Defendant.

No. ~~SA~~ CV 06-06854 FMC (SHx)

PLAINTIFFS' NOTICE OF APPEAL

I HEREBY CERTIFY THAT THIS DOCUMENT WAS SERVED BY
FIRST CLASS MAIL, POSTAGE PREPAID, TO ALL COUNSEL
(OF PARTIES) AT THEIR RESPECTIVE, MOST RECENT, ADDRESSES OF
RECORD, IN THIS ACTION, ON THIS DATE.

DATED 10/26/07
C. Reyes
DEPUTY CLERK

23 PLEASE TAKE NOTICE that DSW Inc. and DSW Shoe Warehouse, Inc.,
24 plaintiffs in the above-named case, appeal to the United States Court of Appeals for
25 the Federal Circuit from the following Order and Judgment:

- 26 1. Order Granting Defendant's Motion for Summary Judgment entered
27 September 25, 2007 (Doc. No. 55); and
28 2. Judgment of Non-Infringement of U.S. Patent No. 6,948,622 and

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1 D495,172, and No Damages dated October 11, 2007 and entered October 12, 2007
2 (Doc. No. 56.

3 A copy of each is attached. A service list is enclosed herewith.
4

5 Dated: October 22, 2007

WOOD, HERRON & EVANS, L.L.P.

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7 By: Theodore R. Remaklus
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PROOF OF SERVICE

I hereby certify that, on October 22, 2007, I served a copy of the foregoing
PLAINTIFFS' NOTICE OF APPEAL on the following counsel of record by
first-class mail at the address indicated:

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I declare under penalty of perjury that the foregoing is true and correct. Executed
on October 22, 2007, at Cincinnati, Ohio.

Theodore R. Remaklus
Theodore R. Remaklus

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BY *[Signature]* DEPUTY

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

2:06-cv-06854-FMC-SHx

DSW INC. and
DSW SHOE WAREHOUSE, INC.,

Plaintiffs,

v.

SHOE PAVILION, INC.

Defendant.

**ORDER GRANTING
DEFENDANT'S MOTION FOR
SUMMARY JUDGMENT**

#55

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This matter is before the Court on Defendant Shoe Pavilion's Motion for Summary Judgment (docket no. 41), filed on June 18, 2007. The Court has considered the moving, opposition and reply papers submitted in conjunction with the motion. The Court issued a tentative decision on this Motion on September 21, 2007. The parties submitted on the tentative decision and waived oral argument. The Court therefore issues the following Decision. For the reasons and in the manner set forth below, the Court GRANTS Defendant's Motion.

FACTUAL BACKGROUND AND PROCEDURAL HISTORY

Plaintiff DSW Inc. operates a chain of retail stores that sell shoes and

1 related accessories. (Decl. of William L. Jordan filed in support of DSW's
 2 Motion for Preliminary Injunction (hereinafter "Jordan PI Decl."), at ¶2). It has
 3 214 locations nationwide, including the Los Angeles metropolitan area. *Id.*
 4 DSW has been installing in its new stores, and retrofitting its existing stores with,
 5 shoe displays that are the subject of United States Patent No. 6,948,622
 6 (hereinafter "the '622 patent"), entitled "Modular Footwear Display and Storage
 7 System and Method." *Id.* ¶3. The '622 patent is owned by DSW Inc.'s wholly-
 8 owned subsidiary, co-Plaintiff DSW Shoe Warehouse, Inc. *Id.*, Exhibit 1 to
 9 Declaration of P. Andrew Blatt (hereinafter "Blatt Decl.").

10 Plaintiffs (collectively "DSW") filed the instant lawsuit against Defendant
 11 Shoe Pavilion, Inc. ("Shoe Pavilion") on October 27, 2006. Like DSW, Shoe
 12 Pavilion is a "leading independent off-price branded footwear retailer in the
 13 Western United States." (Decl. of Robert Hall filed in support of Shoe Pavilion's
 14 Opposition to Motion for Preliminary Injunction (hereinafter "Hall PI Decl"), at
 15 ¶3). Plaintiffs allege that Shoe Pavilion has infringed and is currently infringing
 16 one or more of the claims of the '622 patent, through the manufacture and use of
 17 certain footwear displays in one or more of its California stores.

18 In May of 2006, DSW notified Shoe Pavilion that its then-current design
 19 ("First Design") infringed on DSW's '622 and '172 patent. (Blatt Decl. Exhibit
 20 5). Shoe Pavilion agreed to modify its First Design to avoid infringing on DSW's
 21 patents. However, DSW asserts that Shoe Pavilion's modified design ("New
 22 Design") still infringes method claims 4-6 of DSW's '622 patent.¹ To date, Shoe
 23 Pavilion has retrofitted or converted the First Design to the New Design in the
 24

25 ¹The Complaint also alleges infringement of one or more claims of U.S. Patent No. D
 26 495,172 ("the '172 patent"), entitled "Combined Product Display and Stacked Container
 27 Separator." However, DSW does not assert that Shoe Pavilion's New Design infringes the '172
 design patent. (Plaintiff's Opposition ("Opp.") at 3:27-28, fn 1).

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1 five Shoe Pavilion stores that had the First Design. In addition, Shoe Pavilion has
2 installed the New Design in two newly opened stores. In total, Shoe Pavilion has
3 seven stores that have the New Design. Shoe Pavilion no longer has any stores
4 with the First Design.

5 Shoe Pavilion now moves for summary judgment. Shoe Pavilion argues its
6 New Design does not infringe on either patent. Shoe Pavilion also asserts that
7 DSW is not entitled to damages as to Shoe Pavilion's First Design, because Shoe
8 Pavilion ceased all alleged infringing activity according to DSW's demand.

9 **STANDARD OF LAW**

10 Summary judgment is appropriate if there is no genuine issue of material
11 fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ.
12 P. 56(c). The moving party bears the initial responsibility of informing the court
13 of the basis of its motion, and identifying those portions of "pleadings,
14 depositions, answers to interrogatories, and admissions on file, together with the
15 affidavits, if any," which it believes demonstrate the absence of a genuine issue of
16 material fact." *Celotex Corp v. Catrett*, 477 U.S. 317, 323, 106 S. Ct. 2548, 91 L.
17 Ed. 2d 265 (1986) (quoting Fed. R. Civ. P. 56(c)). Where the nonmoving party
18 will have the burden of proof at trial, the movant can prevail merely by pointing
19 out that there is an absence of evidence to support the nonmoving party's case.
20 *See id.*; *see also Nissan Fire & Marine Ins. Co. v. Fritz Companies, Inc.*, 210
21 F.3d 1099, 1106 (9th Cir. 2000) ("In order to carry its burden of production, the
22 moving party must either produce evidence negating an essential element of the
23 nonmoving party's claim or defense or show that the nonmoving party does not
24 have enough evidence of an essential element to carry its burden of persuasion at
25 trial."). If the moving party meets its initial burden, the nonmoving party must
26 then set forth, by affidavit or as otherwise provided in Rule 56, "specific facts
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1 showing that there is a genuine issue for trial.” Fed. R. Civ. P. 56(e); *Anderson*,
2 *v. Liberty Lobby, Inc.*, 477 U.S. 242, 250, 106 S. Ct. 2505, 91 L. Ed. 2d 202
3 (1986). SCANNED

4 The substantive law governing a claim determines whether a fact is
5 material. *T.W. Elec. Serv. v. Pac. Elec. Contractors Ass’n*, 809 F.2d 626, 630
6 (9th Cir. 1987); *see also Long v. County of Los Angeles*, 442 F.3d 1178, 1185
7 (9th Cir. 2006) (“Material facts are those which may affect the outcome of the
8 case.”) (internal citations omitted). In judging evidence at the summary judgment
9 stage, the Court does not make credibility determinations or weigh conflicting
10 evidence and draws all reasonable inferences in the light most favorable to the
11 nonmoving party. *T.W. Elec. Serv.*, 809 F.2d at 630-31; *see also Brookside*
12 *Assocs. v. Rifkin*, 49 F.3d 490, 492-93 (9th Cir. 1995). The evidence presented by
13 the parties must be admissible. Fed. R. Civ. P. 56(e). Mere disagreement or the
14 bald assertion that a genuine issue of material fact exists does not preclude the
15 use of summary judgment. *Harper v. Wallingford*, 877 F.2d 728, 731 (9th Cir.
16 1989).

17 DISCUSSION

18 In its Motion, Defendant Shoe Pavilion argues that its shoe displays do not
19 infringe any of the asserted claims of the ‘622 patent, or in the alternative, that the
20 patent is invalid *ab initio*.

21 A. Infringement

22 “An infringement analysis entails two steps. The first step is determining
23 the meaning and scope of the patent claims asserted to be infringed. The second
24 step is comparing the properly construed claims to the device accused of
25 infringing.” *Purdue Pharma L.P. v. Boehringer Ingelheim GmbH*, 237 F.3d
26 1359, 1363 (Fed. Cir. 2001); *see also Wilson Sporting Goods Co. v. Hillerich &*
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1 *Bradsby Co.*, 442 F.3d 1322, 1326 (Fed. Cir. 2006) (“[P]atent infringement
2 analysis involves two steps: claim construction, and application of the construed
3 claim to the accused process or product.”) (citing *Markman v. Westview*
4 *Instruments, Inc.*, 52 F.3d 967, 976 (Fed. Cir. 1995) (en banc), *aff’d*, 517 U.S.
5 370, 116 S. Ct. 1384, 134 L. Ed. 2d 577 (1996)). “To prove direct infringement,
6 the plaintiff must establish by a preponderance of the evidence that one or more
7 claims of the patent read on the accused device literally or under the doctrine of
8 equivalents.” *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424
9 F.3d 1293, 1310 (Fed. Cir. 2005) (citation omitted).²

10 1. Construction of the Relevant Claims

11 The ‘622 patent embraces “a modular footwear display and storage system
12 that permits retailers to provide substantially an entire stock of shoes of varying
13 style[s] to customers who may browse the styles and select a desired item of
14 footwear for purchase without the assistance of a sales clerk.” ‘622 patent, col.1
15 ll. 66-7-col. 2 ll. 1-4. In an exemplary embodiment, the system includes “an open
16 cabinet which is configured to receive a plurality of footwear display and divider
17 modules that may be slidably mounted within the cabinet to display individual
18 samples of footwear and to separate boxes of footwear respectively associated
19 with each of the individual displayed samples.” ‘662 patent, col. 3 ll.52-59, fig.1.
20 Each “module” includes “a display having a horizontal display surface for
21 supporting at least one item of footwear and a vertical divider extending generally
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23 ²“Literal infringement requires that each and every limitation set forth in a claim appear in
24 an accused product.” *Id.* (citing *Frank’s Casing Crew & Rental Tools, Inc. v. Weatherford Int’l,*
25 *Inc.*, 389 F.3d 1370, 1378 (Fed. Cir. 2004) (internal citation omitted). “Infringement may be
26 found under the doctrine of equivalents if every limitation of the asserted claim, or its
27 ‘equivalent,’ is found in the accused subject matter, where an ‘equivalent’ differs from the
28 claimed limitation only insubstantially.” *Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp.*, 149
F.3d 1309, 1315 (Fed. Cir. 1998).

1 perpendicular to the display surface such that when the module is slidably
 2 coupled to the cabinet, [the] divider operates to identify boxes associated with the
 3 item of footwear displayed on its respective surface and to separate those
 4 associated boxes from boxes of other footwear located adjacent thereto”
 5 ‘622 patent, cols. 3-4, ll.60-1. fig. 2.

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6 DSW maintains that Shoe Pavilion’s New Design infringes on claims 4-6
 7 of the ‘622 patent. (Opp. at 3:20, 4:5-7). DSW argues that claims 4-6 should be
 8 given their ordinary meaning and constructed broadly. In support of its position,
 9 DSW offers the declaration of Dr. Arthur G. Erdman, an engineering professor at
 10 the University of Minnesota.

11 Shoe Pavilion counters that all of the claims of the ‘622 patent, including
 12 claims 4-6, require that the module support member “comprise a track” and that
 13 the connection element include “at least one roller configured to engage the
 14 track.” Shoe Pavilion argues that because its New Design does not include such a
 15 feature, summary judgment is appropriate as a matter of law.

16 **a. Language of the Claims**

17 Patent ‘622 issued with a total of 10 claims. Claims 1 and 3 are
 18 “apparatus” claims, claims 2, 9 and 10 are “system” claims, and claims 4-8 are
 19 “method” claims. Specifically, claim 1 claims rights to

20 A footwear display and stack divider module, adapted to be variably
 21 supportably positioned on a module support member which extends
 in a generally horizontal direction, comprising:

22 a footwear display configured to support at least one style of
 23 footwear and having a rear edge and a lateral edge;

24 a divider disposed adjacent said lateral edge of said display
 and extending downwardly from said display, said divider
 25 defining a vertical plane; and

26 at least one module connection element disposed adjacent said
 27 rear edge of said display, said module connection element
 configured to selectively engage the module support member

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at different horizontal positions therealong;
said vertical plane being generally perpendicular to the
horizontal direction of the module support member when the
module is supported thereby;

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wherein the module support member comprises a track and
said module connection element includes at least one roller
configured to engage the track to thereby slidably suspend the
module therefrom.

'622 patent col. 7 ll. 24-45.

Claim 2 claims rights to

A system for displaying and storing footwear, the system
comprising:

at least one horizontally extending module support member;
and

a plurality of display modules coupled to said module support
member, each said module comprising:

a display configured to support at least one style of
footwear and having a rear edge and a lateral edge;

a divider disposed adjacent said lateral edge of said
display and extending in a generally vertical direction
downwardly therefrom, and

at least one module connection element disposed
adjacent said rear edge of said display, said module
connection element configured to engage said
horizontally extending module support member to
thereby facilitate selective placement of said module at
different horizontal locations along said module support
member;

wherein said module support member comprises a horizontally
extending elongated track and each said module connection
element includes at least one roller configured to engage said
track to thereby slidably suspend said module therefrom with
said divider disposed in a generally vertical direction
perpendicular to said track.

'622 patent col. 7 ll.46-67-col. 8 ll.1-3.

Claim 3 claims rights to

A cabinet for displaying and storing footwear, the cabinet
comprising:

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a base;

at least one vertical support member extending upwardly from said base;

at least one module support member coupled to said vertical support and spaced from said base; and

a plurality of display modules coupled to said module support member, each said module comprising:

a display configured to support at least one style of footwear and having a rear edge and a lateral edge;

a divider disposed adjacent said lateral edge of said display and extending in a generally vertical direction downwardly therefrom, and

at least one module connection element disposed adjacent said rear edge of said display, said module connection element configured to engage said horizontally extending support member to thereby facilitate selective placement of said module at different horizontal locations along said module support member;

wherein said module support member comprises a horizontally extending elongated track and each said module connection element includes at least one roller configured to engage said track to thereby slidably suspend a respective module therefrom, with said divider disposed in a generally vertical direction perpendicular to said track.

'622 patent col. 8 ll. 4-32.

Claim 4 claims rights to

A method of displaying and storing footwear comprising:

stacking containers of footwear of a first style in at least one vertical stack, one on top of the other in direct physical contact;

stacking containers of footwear of a second style in at least one vertical stack, one on top of the other in direct physical contact, said stack of containers of footwear of said second style being located adjacent the stack of containers of footwear of the first style;

selectively positioning a generally vertically disposed,

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horizontally movably positionable stack divider between (i) the at least one stack of containers of the first style and (ii) the at least one stack of containers of the second style of footwear; displaying a sample of footwear of the first style above the at least one stack of containers of the first style of footwear; and displaying a sample of footwear of the second style above the at least one stack of containers of the second style of footwear.

'622 patent col. 8 ll. 33-53.

Claim 5 claims rights to

The method of claim 4, further comprising:

repositioning the divider to adjust the location of a boundary between the stacks of containers of the first and second styles of footwear.

'622 patent col. 8 ll. 54-57.

Claim 6 claims rights to

The method of claim 4, wherein selectively positioning the horizontally movably positionable divider between the stacks of said first and second styles of footwear comprises variably positionably supporting the divider from a horizontally disposed support arranged generally perpendicular to the divider.

'622 patent col. 8 ll. 58-63.

Claim 7 claims rights to

The method of claim 4, wherein displaying the samples of the first and second footwear styles comprises:

variably positionably supporting a first shelf and a second shelf from a horizontally disposed support arranged generally perpendicular to the divider, at locations above the at least one stack of the first footwear style and the at least one stack of the second footwear style, respectively; and

placing the samples of the first and second footwear styles on the first and second shelves, respectively.

'622 patent col. 8 ll. 64-67-col. 9 ll. 1-6.

Claim 9 claims rights to

A system for displaying and storing footwear, comprising:

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a horizontally disposed support;

a first shelf selectively variably positioned along said support and extending horizontally outwardly therefrom;

at least one vertical stack of stackable containers of footwear of a first style stacked one on top of the other in direct physical contact beneath said first shelf;

a second shelf selectively variably positioned along said support and extending horizontally outwardly therefrom;

at least one vertical stack of stackable containers of footwear of a second style stacked one on top of the other in direct physical contact beneath said second shelf;

a first vertically disposed divider selectively variably positioned along said support and extending outwardly therefrom in a substantially perpendicular direction relative to said horizontally disposed support, said first divider separating said at least one stack of containers of the first style of footwear from an adjacent stack of containers in the system which contain footwear of a second style; and

a second vertically disposed divider selectively variably positioned along said support and extending outwardly therefrom in a substantially perpendicular direction relative to said horizontally disposed divider, said second divider separating said at least one stack of containers of the second style of footwear from an adjacent stack of containers in the system which contain footwear of a style different that said first and second styles;

said vertical stacks of containers unobstructed along an outwardly facing side thereof, opposite said horizontally extending support, such that each container is selectively individually removable from said stacks without removing other containers from said stacks.

'622 patent col. 9 ll. 21-27-col. 10 ll. 1-24.

Finally, claim 10 claims rights to

The system of claim 9, wherein said dividers have generally vertical inner and outer edges defining respective planes, with said outer edges more remotely spaced from said horizontally disposed support than said inner edges, the system being free of structure that inhibits said containers from being withdrawn from said respective stacks in a horizontal direction which is both (i) parallel to said plane of said dividers associated with said stack from which said container is being withdrawn, and (ii) away from said outer edges of said

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associated dividers.

'622 patent col. 10 ll. 24-34.

b. Whether Claims 4-6 Must Be Read According to Shoe Pavilion's Proposed "Narrowing Construction"

The essence of the parties' disagreement is whether claims 4-6 encompass only those methods of displaying and storing footwear whereby the different footwear styles are separated by "vertically disposed stack dividers" that are coextensive with the "stack divider modules" that are described in claims 1-3. Specifically, the parties dispute whether, in order to constitute infringing use of the patent, these "stack divider modules" must be suspended from the horizontally disposed "support member" by rollers on a track. (Motion for Summary Judgment ("Mtn") at 7:18-21). Shoe Pavilion insists that such a narrowing construction must be employed, via application of the doctrines of prosecution disclaimer and/or prosecution history estoppel.

As the Federal Circuit has recognized, a patent's prosecution history "can often inform the meaning of the claim language by demonstrating how the inventor understood the invention and whether the inventor limited the invention in the course of prosecution, making the claim scope narrower than it would otherwise be." *Phillips v. AWH Corp.*, 415 F.3d 1303, 1317 (Fed. Cir. 2005) (en banc) (internal citations omitted). Accordingly, "[w]hen the patentee makes clear and unmistakable prosecution arguments limiting the meaning of a claim term in order to overcome a rejection, the courts limit the relevant claim term to exclude the disclaimed matter." *Sandisk Corp. v. Memorex Prods.*, 415 F.3d 1278, 1286 (Fed. Cir. 2005) (citing *Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1324 (Fed. Cir. 2003) ("Where the patentee has unequivocally disavowed a certain meaning to obtain his patent, the doctrine of prosecution disclaimer attaches and

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1 narrows the ordinary meaning of the claim congruent with the scope of the
 2 surrender.”); *Standard Oil Co. v. Am. Cyanamid Co.*, 774 F.2d 448, 452 (Fed.
 3 Cir. 1985) (“The prosecution history (or file wrapper) limits the interpretation of
 4 claims so as to exclude any interpretation that may have been disclaimed or
 5 disavowed during prosecution in order to obtain claim allowance.”)).
 6 Concomitantly, a patentee may be “estopped” from arguing that the subject matter
 7 covered by rejected, broader claims “was nothing more than an equivalent” when
 8 “the patentee responds to the rejection by narrowing his claims.” *Festo Corp. v.*
 9 *Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 731 (2002).

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10 The ‘622 patent application originally included 14 claims. Of the 14
 11 original claims, original claims 1, 3, 4, 5, 7, 8, 10, 11 and 12 were rejected under
 12 35 U.S.C. § 103(a) by the Patent and Trademark Office (“PTO”) as being
 13 unpatentable over prior art, specifically the “Hoffman” patent. Original claims 13
 14 and 14 were also rejected on that basis, and also because “[t]he method recited is
 15 considered to have been obvious to one having ordinary skill in the art at the time
 16 of the invention.” (‘622 Patent prosecution history attached as Exhibit 3 to
 17 Declaration of Joanna M. Esty filed in support of Defendant’s Motion for
 18 Summary Judgment (“Esty Decl.”), at 90:12-14). The remaining claims, 2, 6, and
 19 9, were objected to as being dependent upon a rejected base claim, but allowable
 20 if rewritten. (Esty Decl., Exhibit 3 at 90:15-18).³ The rejected claims were never
 21

22 ³Specifically, the patent examiner wrote:
 23 Claims 1, 3, 4, 5, 7, 8, 10, 11, 12 are rejected under 35 U.S.C. § 103(a) as being
 24 unpatentable over Hoffman 6,471,080. Hoffman teaches a display including a module 17 having
 25 a rear edge and a lateral edge. Note vertical plane 79, rails 9A, 0B on which the module is
 26 supported.
 27 Claims 13 and 14 are rejected under U.S.C. 103(a) as being unpatentable over Hoffman.
 28 The method recited is considered to have been obvious to one having ordinary skill in the art at
 the time of the invention.
 Claims 2, 6, 9 are objected to as being dependent upon a rejected base claim, but would

1 amended. Instead, new claims 15-21 were accepted, and became new claims 4-
2 10, respectively.

3 All of the *rejected* claims (1, 3-4, 5-7, 8, 10-14) included the use of display
4 modules positioned on horizontally extending "module support members," but
5 did not specify the particular means of attachment thereto. (Esty Decl., Exhibit
6 3, at 72-78). The *objected to* claims, in contrast, contained the limiting language
7 that the "module support member" be comprised of a "track" and that the
8 "module connection element" include "at least one roller configured to engage the
9 track to thereby slidably suspend the module therefrom." *Id.*

10 In response to the PTO's rejections and objections, the '622 patent
11 applicant submitted an amendment to the original application by which he
12 cancelled all of the rejected claims and amended claims 2, 6, and 9 to include the
13 limitations of the rejected base claims along with the prior limitations that the
14 "module connection element" and "support member" be comprised of a "track"
15 and "roller." The applicant also added new claims 15-21. (Esty Decl., Exhibit 3,
16 at 121-141). The PTO allowed the all of the claims, such that amended claims 2,
17 6, and 9 issued as claims 1-3, and new claims 15-21 issued as claims 4-10.

18 Defendant Shoe Pavilion maintains that it is clear from the prosecution history
19 that the '622 patentee disclaimed from the scope of coverage any apparatus,
20 method or system that does not include a track and roller configuration in the
21 module support member and connection element. (Mtn. at 7:18-19). DSW
22 counters by arguing that there is nothing in the prosecution history that supports
23 reading the roller and track features into method claims 4-6 and asserts that a

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26 be allowable if rewritten in independent form including all of the limitations of the base claim
and any intervening claims.

27 Esty Decl., Exhibit 3, at 90.

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1 method claim is separately patentable from an apparatus claim even though
2 directly similar to subject matter. (Opp. 15: 17-22)

3 However, in the instant case, it is clear from the Patent Examiner's Reasons
4 for Allowance that method claims 4-6 were not patented as independent,
5 separately patentable claims, but rather relied on apparatus claims 2, 6, and 9
6 (which ultimately became claims 1, 2, and 3). Specifically, the patent examiner
7 wrote:

8 The prior art of record does not teach nor does any combination
9 thereof fairly suggest a footwear display and stack divider having
10 a module connection element engaging a module support
11 member that comprises a track and wherein the module
12 connection element has a roller that engages the track of the
13 module support member as recited in independent claims 2, 6,
14 and 9. The prior art *also* does not teach nor does any
15 combination thereof fairly suggest a method of displaying 1st and
16 2nd footwear styles using the particular stacking of containers and
17 stack dividers as recited in independent claim 15.

18 (Esty Decl., Exhibit 3, at 121) (emphasis added).

19 The language of the Reasons for Allowance reveals that method
20 claim 15, which ultimately became claim 4, was patented to include the
21 track and roller configuration in the module support member and
22 connection element. The Patent Examiner's use of the word "also" in the
23 sentence analyzing claim 15 refers to the sentence preceding it. The
24 preceding sentence clearly denotes the module support member, track and
25 roller system as the reasons for allowing patent '622. As such, patent '622
26 is limited to an apparatus, method or system with a track and roller
27 mechanism to connect footwear display and stack divider modules to a
28 module support member. Further, as set forth above, the specification
explicitly and repeatedly describes the invention as a "modular footwear
display and storage system," comprised of individual modules of the type
set forth in claims 1-3, *slidably* mounted, via a roller track, in selectively

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1 variable positions on a module support member. *See, e.g., Phillips v. AWH*
 2 *Corp.*, 415 F.3d at 1315 (“[T]he specification is always highly relevant to
 3 the claim construction analysis. Usually, it is dispositive; it is the single
 4 best guide to the meaning of a disputed term.”) (internal quotations and
 5 citation omitted). Moreover, the prosecution history, while not
 6 unequivocally indicative of an express disclaimer, clearly supports Shoe
 7 Pavilion’s proposed construction in that it suggests that the use of the track
 8 and roller in the module connection element is the seminal feature
 9 distinguishing the ‘622 patent from the prior art. *See id.* at 1317 (“Like the
 10 specification, the prosecution history provides evidence of how the PTO
 11 and the inventor understood the patent.”).

12 Finally, the Court agrees with Shoe Pavilion that claims 4-6 would
 13 be invalid for indefiniteness if not construed to encompass the use of a
 14 plurality of display modules connected to a support member via a track and
 15 roller mechanism. As Shoe Pavilion points out, claim 4 (upon which
 16 claims 5 and 6 at issue are dependent) simply claim protection for
 17 selectively positioning a generally vertically disposed, horizontally
 18 movably positionable divider (on a support) between two vertical stacks of
 19 different styles of footwear. Unless the terms “divider” and “horizontally
 20 disposed support” are construed to mean the “footwear display and stack
 21 divider module” and “module support member” described in claims 1-3, the
 22 terms would be “insolubly ambiguous.” *See Datamize, LLC v. Plumtree*
 23 *Software, Inc.*, 417 F.3d 1342, 1347 (Fed. Cir. 2005) (claims are indefinite
 24 if “not amenable to construction” or “insolubly ambiguous”) (internal
 25 quotations omitted).

26 **2. Shoe Pavilion’s Allegedly Infringing Displays**

27 Since the Court finds that the proper construction of claims 4-6
 28

1 includes the limitation that the stacks of different styles of footwear be
2 separated by vertically disposed dividers that are coextensive with the track
3 and roller-based “display and stack divider modules” described in claims 1-
4 3, the only task remaining for the Court is to examine Shoe Pavilion’s
5 store displays to determine if they incorporate that technology.

6 The New Design of Shoe Pavilion’s displays depicted in
7 photographs taken on August 4, 2006 at Shoe Pavilion’s Redwood City,
8 California location. (Exhibit 1 to Declaration of Robert Hall filed in
9 support of Motion for Summary Judgment (“Hall Decl.”). The photographs
10 reflect, and Shoe Pavilion concedes, that the displays include vertically
11 stacked boxes of footwear of different styles, separated by vertically
12 disposed dividers. However, Plaintiff offers no evidence, via the
13 photographs or otherwise, that the divider/module “support member” in
14 either of the Shoe Pavilion displays “comprises a track” and/or that the
15 divider/module connection element “includes at least one roller configured
16 to engage the track.” Thus, the Court grants summary judgment of non-
17 infringement of the ‘622 Patent. Accordingly, the Court need not consider
18 Shoe Pavilion’s argument concerning the validity of the ‘622 patent.

19 **B. Damages**

20 Shoe Pavilion argues that DSW is not entitled to damages as a matter
21 of law for the First Design because Shoe Pavilion ceased all alleged
22 infringing activity according to DSW’s demand. No damages for
23 infringement are recoverable by a plaintiff, except on notice of the
24 infringement with subsequent continued infringing activity. *Wine Railways*
25 *Appliance Co. v. Enterprise Railway Equipment*, 297 U.S. 387, 396 (1936).
26 DSW does not challenge Shoe Pavilion’s contention that as soon as it

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1 notified Shoe Pavilion of the patents at issue in the instant case, Shoe
2 Pavilion took reasonable steps to cease, and did cease all use of the First
3 Design shoe displays. Accordingly, the Court grants summary judgment
4 that Shoe Pavilion is not liable, as a matter of law, for any damages for
5 infringement of the patents at issue in the instant action.

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6 **CONCLUSION**

7 Based on the foregoing, the Court GRANTS Defendant's Motion for
8 Summary Judgment (docket no. 41). Defendant is directed to provide a
9 Judgment for the Court's signature.


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11 IT IS SO ORDERED.

12 September 25, 2007

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FLORENCE-MARIE COOPER
UNITED STATES DISTRICT JUDGE

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FILED
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CENTRAL DISTRICT OF CALIFORNIA
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8 IN THE UNITED STATES DISTRICT COURT

9 FOR THE CENTRAL DISTRICT OF CALIFORNIA

11 DSW, INC., and DSW SHOE
12 WAREHOUSE, INC.,

13 Plaintiffs,

14 v.

15 SHOE PAVILION, INC.,

16 Defendant.

Case No.: CV 06-6854 FMC (SHx)

*Assigned to the Honorable Florence-
Marie Cooper*

**JUDGMENT OF NON-
INFRINGEMENT OF U.S. PATENT
NOS. 6,948,622 AND D495,172, AND
NO DAMAGES**

18 SHOE PAVILION, INC.,

19 Counterclaimant,

20 v.

21 DSW, INC., and DSW SHOE
22 WAREHOUSE, INC.,

23 Counterdefendant.

DATE: September 24, 2007
TIME: 10:00 a.m.
PLACE: Courtroom 750 - Roybal
255 East Temple
Los Angeles, CA 90012

24 **JUDGMENT**

25 This matter having come before this Court on Defendant/Counterclaimant
26 Shoe Pavilion, Inc.'s Motion for Summary Judgment of Non-Infringement of U.S.
27 Patent No. 6,948,622, or Alternatively Invalidity, Non-Infringement of U.S. Patent
28 No. D495,172, and for No Damages,

DOCKETED ON CM
OCT 16 2007
BY 116 009

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1 Having read and considered Defendant/Counterclaimant's Motion and
2 Memorandum in Support, any opposition thereto, and all declarations, exhibits,
3 and arguments related thereto;

4 The Court having issued a Decision on September 25, 2007 GRANTING
5 Defendant/Counterclaimant's Motion;

6 IT IS HEREBY ORDERED AND DECREED that JUDGMENT of:

7 1. non-infringement of U.S. Patent No. 6,948,622 by Shoe Pavilion's New
8 Design of its shoe displays,

9 2. non-infringement of U.S. Design Patent No. D495,172 by Shoe
10 Pavilion's New design of its shoe displays,

11 3. no liability for damages for infringement of U.S. Patent No. 6,948,622
12 by Shoe Pavilion's First Design of its shoe displays,

13 4. no liability for damages for infringement of U.S. Patent No. D495,172
14 by Shoe Pavilion's First Design of its shoe displays,

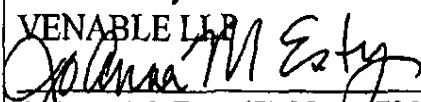
15 be ENTERED.

16 IT IS FURTHER ORDERED that Plaintiffs DSW, Inc. and DSW Shoe
17 Warehouse, Inc.'s Complaint be DISMISSED with prejudice.

18 IT IS SO ORDERED.

19
20 Dated: Oct. 11, 2007


HON. FLORENCE-MARIE COOPER
United States District Judge

21
22
23 Presented by:
24 VENABLE LLP

25 Joanna M. Esty (SBN: 147903)
26 Jenna F. Leavitt (SBN: 213574)
27 Counsel for Defendant Shoe Pavilion, Inc.

28 Copies to: All counsel of record