

**ENTERED**

March 02, 2016

David J. Bradley, Clerk

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

TOP-CO INC., *et al*,

Plaintiffs,

VS.

SUMMIT ENERGY SERVICES, INC.; dba  
SUMMIT CASING EQUIPMENT,

Defendants.

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CIVIL ACTION NO. 4:13-CV-445

**ORDER**

Before the Court is Top-Co's Opening Claim Construction Brief (Doc. #40), Defendant Summit Energy Services, Inc.'s Response to Plaintiff's Brief on Claim Construction (Doc. #42), Plaintiff's Response to Defendant's Claim Construction Brief, Request for Judicial Notice and Motions to Strike (Doc. #44), and Defendant Summit Energy's Services, Inc.'s Response to Plaintiff's Request for Judicial Notice and Motions to Strike (Doc. #45). In this patent infringement suit involving dual diameter and rotating centralizers, the parties seek construction of the design patent, U.S. Patent 5,937,948 (the '948 Patent). This Court held a hearing under *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed. Cir. 1995) (en banc), *aff'd*, 517 U.S. 370 (1996), and now construes the disputed terms as follows.

**I. Legal Standards**

A design patent is fundamentally different from a utility patent, but in some areas the law pertaining to each overlaps. For example, although the respective tests for infringement are different, both types of patents require the district courts to conduct claim construction proceedings. *Egyptian Goddess Inc. v. Swisa, Inc.*, 543 F.3d 665, 679 (Fed. Cir. 2008) (en banc)

(citing *O2 Micro Int'l Ltd. v. Beyond Innovation Tech.*, 521 F.3d 1351 (Fed. Cir. 2008) (utility patents); *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1577 (Fed. Cir. 1995) (design patents)).

A design patent protects the novel, non-functional aspects of a claimed ornamental design. *OddzOn Prods, Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1405 (Fed. Cir. 1997). In September 2008, the Federal Circuit issued its opinion in *Egyptian Goddess*, setting forth new rules for both claim construction and infringement analysis in design patent cases. Noting the difficulties involved in describing a design verbally, the Federal Circuit held that “the preferable course ordinarily will be for a district court not to attempt to ‘construe’ a design patent claim by providing a detailed verbal description of the claimed design.” *Id.* Attempting a verbal construction risks placing “undue emphasis on particular features of the design and the risk that a finder of fact will focus on each individual described feature in the verbal description rather than on the design as a whole.” *Id.* at 679–80. Further, the court noted:

While it may be unwise to attempt a full description of the claimed design, a court may find it helpful to point out . . . various features of the claimed design as they relate to the accused design and the prior art . . . . [A] trial court can usefully guide the finder of fact by addressing a number of other issues that bear on the scope of the claim.

*Id.* (internal citations and quotations omitted).

Ordinarily, functional aspects of a design cannot be claimed. *OddzOn*, 122 F.3d at 1405 (stating “[w]here a design contains both functional and non-functional elements, the scope of the claim must be construed in order to identify the non-functional aspects of the design as shown in the patent”). Functional design elements can be claimed, however, when they serve a primarily ornamental purpose, *e.g.*, in circumstances where there are several ways to achieve the underlying function. *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1123

(Fed.Cir.1993). Design patents on such primarily functional rather than ornamental designs are invalid. *Id.* (internal citations omitted).

However, just because an element has function does not mean it is not primarily ornamental. *Id.* The question is whether the article is driven by functional or ornamental considerations. *Id.* However, should the Court determine that an article is driven by primarily functional considerations and is without ornamental elements, a judgment of invalidity is proper during claim construction. See *Richardson v. Stanley Works*, 597 F.3d 1288, 1293-94 (Fed. Cir. 2010); see also *Datamize, LLC v. Plumtree Software, Inc.*, 417 F.3d 1342, 1348 (Fed. Cir. 2005) (“Courts apply the general principles of claim construction in their efforts to construe allegedly indefinite claim terms.”)

The Federal Circuit laid out several factors in *PHG* to consider for assessing whether the patented design as a whole—its overall appearance—was dictated by functional or ornamental considerations, “including 1) whether the protected design represents the best design, 2) whether alternative designs would adversely affect the utility of the specified article, 3) whether there are any concomitant utility patents, 4) whether the advertising touts particular features of the design as having specific utility, and 5) whether there are any elements in the design or an overall appearance clearly not dictated by function.” *Id.* at 1366. However, the Federal Circuit has explained that these factors are not exclusive or mandatory, but rather might be relevant to assessing whether the overall appearance of a claimed design is dictated by functional consideration. *Ethicon*, No. 2014-1370, Slip Op. at 30. Resolving “[w]hether a patented design is functional or ornamental is a question of fact.” *PHG Techs., LLC v. St. John Cos.*, 469 F.3d 1361, 1365 (Fed.Cir.2006).



## II. Analysis

Plaintiff brings suit against Defendant alleging patent infringement. The patent in question is a design patent. As discussed above, design patents must be ornamental in nature. Defendant contends that no part of the '948 Patent is ornamental in nature, but rather, its design is primarily functional. For its part, Plaintiff advances a theory that the design of the centralizers was motivated by how the centralizer would look at a trade show and thus, predominantly ornamental. Doc. #43-3 at 3.

A thorough review of the evidence in this case has led the Court to determine that the design of the centralizer featured in the '948 Patent was not designed with a primarily ornamental purpose. *L.A. Gear*, 988 F.2d at 1123. During the extensive briefing on this issue, the Court has yet to find one ornamental feature on the centralizer that is claimed by the Patent.

During the deposition of Mr. Renato Alfredo Sanchez, one of the named inventors, Mr. Sanchez states that Top-Co was “aware of the increasing drag issues that the operators, the oil companies, [were] facing[.]” Doc. #42-3 at 4. Mr. Sanchez suggested it was this knowledge that led Top-Co to create a centralizer that “looked” smoother. *Id.* That Top-Co wanted to produce a centralizer that looked smoother but that did not actually address the “increased drag” issues is a narrative that is not supported by logic, nor the evidence.

### *A. Evidence of Functional Considerations*

In contrast with Mr. Sanchez’s testimony, the drafts of the marketing materials presented by Defendant all point to a design driven by primarily functional considerations. Specifically, the marketing materials tout that the materials used for the centralizer have a coefficient of force (properly the coefficient of friction, as Mr. Sanchez points out in his deposition) that is significantly less than other materials, meaning it slides down a well bore easier than other

materials. Doc. #42-9; #42-10; #42-11; #42-3, at 12. Or said another way, the materials Top-Co is using to create the centralizers will result in less drag compared to other comparable materials; and reduced drag was the very item engineers at tradeshow were concerned with according to Mr. Sanchez.

Additionally, the marketing materials suggest that the angled blades used on the body of the centralizer promote fluid agitation.<sup>1</sup> Doc. #42-12 at 4. Mr. Gregory James Alexander Andrigo, another inventor of the '948 patent, went into greater detail explaining how the appropriate angle of the vanes was determined. During his deposition, Mr. Andrigo discussed the need for a large enough "junk slide area," between the vanes. Doc. #42-3, p. 3. He went on to say that "[i]t's basically as you're running [a centralizer] in hole, that you want to be able to allow debris to pass by the centralizer." *Id.* Meaning, the angle of blades should not create overlap between the top of one vane and the bottom of another when viewed down the length of the centralizer. *Id.* The overlap has the danger of causing, "bull-dozing" and impeding the centralizer as it moves down the wellbore. *Id.*

Moreover, Mr. Andrigo noted that the beveled vane was helpful to avoid the vane digging into the hole. He stated, "Basically, (. . .) when you're trying to put (. . .) anything, a bolt or whatever, into (. . .) a round hole, having a taper on the end is just going to help center it and guide it into the hole. If you have a really sharp edge right here, it's more likely just to dig in and makes it harder to get into the hole." This claim is supported by the marketing materials which boast of "a shallow 20 [degree] chamfer on the tip to reduce friction and improve ease of running into the hole." Doc. #42-9.

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<sup>1</sup> Fluid agitation, as the Court understands it, allows the centralizer to more easily move down the wellbore.

### *B. Plaintiff's Ornamental Contentions*

Mr. Sanchez tried to refute the functional considerations in his deposition. While referencing the beveled blades Mr. Sanchez stated, “[W]e, [Top-Co], felt that for a drilling engineer that is thinking along the lines of plowing or bulldozing, this seemed to be not too aggressive in our mind.” *Id.* In other words, Top-Co takes the position that the design of the centralizer was driven only by the appearance of function, but the actual functionality was not of importance. Moreover, Mr. Sanchez spoke to the angle of the blades around the outside of the centralizer body. He stated any number of angles could have been used. *Id.*

However, if what Mr. Andrigo said was true, that there was to be no overlap of the blades, then Mr. Sanchez was speaking of angle range of 0 to about 30, depending on the length of the centralizer. The degree of the blade was directly tied to the length of the centralizer because of the need to avoid overlapping blades and reduce the bull-dozing effect that overlap creates.

Top-Co admits that the circular shape of the centralizer is functional, and Mr. Sanchez at least acknowledged the use of vanes is necessary to “keep the casing away from the formation wall[.]” Doc. #42-3, p. 6. But, beyond this concession, Mr. Sanchez suggested that the aesthetic appeal and not functional considerations drove the design of the ‘948 patent. *Id.* at 5. However, to suggest to the Court that a product’s design whose entire life use is underground was motivated predominantly by how it looks at a trade show strains credulity.

### *C. Federal Circuit Factors*

Lastly, while the Court has not centered its analysis on the factors set out by the Federal Circuit for fear of over-reliance, even a cursory review of the factors suggests the Court’s decision is the correct one. The design considerations were largely undertaken to reduce drag in



the wellbore.<sup>2</sup> The vanes, including the number and shape were designed to maximize the standoff distance while at the same allowing minimal drag.<sup>3</sup> While no concomitant utility patents have been filed that the Court is aware of, it is the Court's understanding based on the Markman hearing that much of the technology at issue is not novel. Additionally, the advertising touts the reduced drag experienced by the shape of the centralizer and despite Plaintiff's repeated opportunities to further explain the ornamental features; there are not any elements that are not clearly dictated by function.

#### *D. Clear and Convincing*

After the *Markman* hearing for the '948 Patent on August 4, 2015 the Court gave Plaintiff an additional opportunity to point out the ornamental designs in the patent. However, even with the additional opportunity Top-Co was unable to directly point the Court to any element driven by anything other than functional concerns. *See* Doc. #73. Instead, Plaintiff seeks to rely on Defendant's burden in the present case.

Patents are entitled to a presumption of validity and thus any attempt to invalidate a patent must be proven by clear and convincing evidence. *SFA Systems, LLC v. 1-800-Flowers, Inc.*, 940 F.Supp.2d 433, 453 (E.D. Tex. April 11, 2013). Here, after a thorough analysis of the evidence above, the Court is satisfied that Defendant has sufficiently met its burden. The analysis of the evidence above clearly and convincingly establishes that the design of the '948 Patent was driven by primarily functional considerations.

In accordance with this decision, the Court makes the following findings of fact; the design of the centralizer was made with primarily functional considerations, designed to address

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<sup>2</sup> *See supra* subsection A.

<sup>3</sup> *Id.*

legitimate industry problems. The technology involved is necessary to produce the results sought, and any claim to the contrary is not supported by the evidence before the Court.

### **III. Conclusion**

The Patent is ineligible for patent protection under 35. U.S.C. § 171 and the Court renders judgment in favor of Defendant, Summit Energy Services, Inc. d/b/a Summit Casing Equipment. There is no portion of U.S. Patent 5,937,948 that is primarily ornamental. Therefore, the Court finds the patent is INVALID and accordingly, there has been no infringement.

It is so ORDERED.

**MAR 01 2016**

Date

  
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THE HONORABLE ALFRED H. BENNETT  
UNITED STATES DISTRICT JUDGE