

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND**

PANDORA JEWELRY, LLC

v.

CHAMILIA, LLC

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CIVIL NO. CCB-06-600

**MEMORANDUM**

Plaintiff Pandora Jewelry, LLC (“Pandora”) and defendant Chamilia, LLC (“Chamilia”) have filed motions for summary judgment over the validity of Pandora’s US Patent No. 7,007,507 (the “‘507 patent”) and whether Chamilia infringed that patent. The ‘507 patent, in general terms, involves a method of allowing decorative beads to be strung along a strand (a bracelet or necklace) without bunching and yet being readily interchangeable in their locations along the strand. The parties have fully briefed the issues and no hearing is necessary. Because some questions of fact remain concerning both the validity of the ‘507 patent and whether Chamilia is liable for infringement under its Type A jewelry, the motions for summary judgment will be granted in part and denied in part.

**BACKGROUND**

This dispute centers around Chamilia’s alleged infringement of Pandora’s ‘507 patent for “Necklaces and Bracelets with Keepers” issued by the PTO on March 7, 2006. The ‘507 patent teaches generally of a necklace or bracelet with fixed bands and attaching keepers that space and prevent the bunching of baubles, bangles and beads (hereinafter collectively referred to as “beads”), which are strung on the necklace or bracelet strand. (See U.S. Patent No. 7,007,507.) The patented invention essentially gives the wearer the ability to select which beads will be placed on the jewelry strand and to determine roughly how those beads will be spaced, subject to

the location of permanently fixed bands. On September 27, 2007, the court issued a claim construction, whereby the term “band” was defined as “an element separate and distinct from the strand and the keeper, that is connected to the strand by the manufacturer at predetermined points with an intended degree of permanence that precludes a wearer from adding, removing, or adjusting the location of bands along the strand.” *Pandora Jewelry, LLC v. Chamilia, LLC*, 2007 WL 2908734, at \*4 (D. Md. 2007). Therefore, as taught by the ‘507 patent, an infringing article of jewelry must have “at least one” of these permanently fixed bands in addition to the patent’s other claimed elements. (‘507 patent, at col. 6, ln. 63.)

In this lawsuit, Pandora alleges that an older “Type A” version and the current “Type B” version of Chamilia’s jewelry literally infringe the ‘507 patent. Chamilia appears to concede the Type A jewelry would infringe the patent, but argues that it discontinued the Type A model several years before Pandora’s patent issued, thereby precluding a finding of infringement. The current Type B jewelry manufactured by Chamilia, however, allegedly infringes the patent, because the strand has a threaded end cap, which Pandora argues is a “band” under the ‘507 patent. Moreover, Pandora suggests that the Type B jewelry’s use of a removable keeper that creates spacing and prevents bunching of beads violates the ‘507 patent under the doctrine of equivalents. Finally, Pandora asserts that Chamilia is liable for infringing its provisional rights under the patent, and for indirect infringement.

In addition to challenging the literal infringement and doctrine of equivalents claims, Chamilia questions the validity of the ‘507 patent. More specifically, Chamilia argues that the ‘507 patent is invalid, because (a) Pandora publicized and commercialized the invention more than one year before filing for a patent; (b) prior art rendered the patent anticipated or obvious;

(c) the patent improperly names fewer than the true inventors; and (d) Pandora engaged in inequitable conduct during the patent application process. Because finding the '507 patent invalid could render an infringement analysis moot, the court will consider that issue first.

### **STANDARD OF REVIEW**

Rule 56(c) of the Federal Rules of Civil Procedure provides that summary judgment:

shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.

The Supreme Court has clarified this does not mean that any factual dispute will defeat the motion:

By its very terms, this standard provides that the mere existence of *some* alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment; the requirement is that there be no *genuine* issue of *material* fact.

*Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48 (1986) (emphasis in original).

“The party opposing a properly supported motion for summary judgment ‘may not rest upon the mere allegations or denials of [his] pleadings,’ but rather must ‘set forth specific facts showing that there is a genuine issue for trial.’” *Bouchat v. Baltimore Ravens Football Club, Inc.*, 346 F.3d 514, 525 (4th Cir. 2003) (alteration in original) (quoting Fed. R. Civ. P. 56(e)); *see also SunTiger, Inc. v. Scientific Research Funding Group*, 189 F.3d 1327, 1334 (Fed. Cir. 1999). The court must “view the evidence in the light most favorable to . . . the nonmovant, and draw all reasonable inferences in her favor without weighing the evidence or assessing the witnesses’ credibility,” *Dennis v. Columbia Colleton Med. Ctr., Inc.*, 290 F.3d 639, 644-45 (4th Cir. 2002), but the court also must abide by the “affirmative obligation of the trial judge to prevent factually

unsupported claims and defenses from proceeding to trial.” *Bouchat*, 346 F.3d at 526 (internal quotation marks omitted) (quoting *Drewitt v. Pratt*, 999 F.2d 774, 778-79 (4th Cir. 1993), and citing *Celotex Corp. v. Catrett*, 477 U.S. 317, 323-24 (1986)).

## ANALYSIS

### *I. Validity of the ‘507 Patent*

Title 35 U.S.C. § 282 mandates that all patents be presumed valid; the burden of establishing invalidity by clear and convincing evidence rests with the challenging party. *See Rosco, Inc. v. Mirror Lite Co.*, 304 F.3d 1373, 1377 (Fed. Cir. 2002). Section 102(b) of the Patent Act, however, precludes the granting of a valid patent if “the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States.” Under this standard, a party challenging the validity of a patent as anticipated must show “that all of the elements and limitations of the claim are found within a single prior art reference . . . There must be no difference between the claimed invention and the reference disclosure, as viewed by a person of ordinary skill in the field of the invention.” *Scripps Clinic & Research Found. v. Genentech, Inc.*, 927 F.2d 1565, 1576 (Fed. Cir. 1991); *see also Novo Nordisk Pharmaceuticals, Inc. v. Bio-Tech. Gen’l Corp.*, 424 F.3d 1347, 1354-55 (Fed. Cir. 2005). If the claimed invention does not exactly fit within the boundaries of a single reference, but rather is an attempt to patent subject matter that at the time “would have been obvious” based on the prior art, a party may challenge the patent on the grounds of obviousness. 35 U.S.C. § 103(a); *Scripps*, 927 F.2d at 1577. Finally, § 102(b) provides an “on-sale” bar to securing a patent on an invention that was offered for sale in the U.S. more than one year prior to filing a patent

application with the PTO. *See Linear Tech. Corp. v. Micrel, Inc.*, 275 F.3d 1040, 1047 (Fed. Cir. 2001).

*A. Anticipation*

Chamilia alleges that the ‘507 patent is invalid, because Danish newspapers and Pandora’s catalogs and website described the invention more than one year prior to the date of the patent application.<sup>1</sup> As previously noted, a publication must disclose all of a patent’s claims and limitations, explicitly or inherently, in order to anticipate the invention, *Novo Nordisk Pharmaceuticals*, 424 F.3d at 1354-55, and also must be “enabling, such that one of ordinary skill in the art could practice the invention without undue experimentation.” *Id.* at 1355. According to Chamilia, Pandora’s patented jewelry is a simple device that could have been easily copied by one skilled in the art based on the publication disclosures.

Assuming that the Danish newspaper articles and Pandora’s catalogs and website are “printed publications” pursuant to § 102(b), they do not teach all claims and limitations for finding the ‘507 patent invalid as anticipated. Chamilia provides a chart that allegedly demonstrates how the referenced publications contain all of the elements of the ‘507 patent’s independent claims.<sup>2</sup> (Def.’s Mem. at 17-19.) First, Chamilia’s chart notes that claim 1 teaches of “at least one ornament, the ornament having a through opening of greater circumference than

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<sup>1</sup> A publication in a foreign country may serve as prior art for purposes of the § 102(b) statutory bar. *Mazzari v. Rogan*, 323 F.3d 1000, 1005 (Fed. Cir. 2003).

<sup>2</sup> Chamilia’s methodology of comparing the language from the publications to the ‘507 patent is questionable as the comparison chart does not analyze the patent language as it was construed by the court in the Markman Order. Nevertheless, even considering the comparison chart offered by Chamilia, there is little evidence to suggest that prior publications disclosed all claims and limitations taught by the ‘507 patent.

the outer circumference of the band, the greater circumference being sufficiently large to permit complete passage of the ornament over the band.” (*Id.*) The portion of the newspaper publication that allegedly discloses this “ornament” element states that “[i]n order to further restrain the beads so they spread nicely over the bracelet, other beads/charms can be added, which clip elegantly onto the threads.” (*Id.*) Chamilia argues that based on this language, and a picture of the Pandora jewelry, it is inherent that the circumference of the opening of the bead had to be greater than the three small threads on the bracelet. It strains reason and language, however, to conclude that the photo and newspaper referenced by Chamilia either explicitly or inherently disclose the “ornament” element of claim 1 in the ‘507 patent. The language cited by Chamilia does not even mention an “ornament,” which this court has already deemed to be an element separate from a keeper. *See Pandora Jewelry, LLC*, 2007 WL 2908734, at \*4. Furthermore, the cited publication language, though using the words “beads/charms,” appears to be describing a hinged keeper as taught by the patent rather than an ornament. This language, quite simply, does not sufficiently construe the ornament element of the ‘507 patent.

A second element Chamilia alleges to be disclosed by the newspaper publication is the “band” required by claim 1. As construed by the court, a “band” is “an element separate and distinct from the strand and the keeper, that is connected to the strand by the manufacturer at predetermined points with an intended degree of permanence that precludes a wearer from adding, removing, or adjusting the location of bands along the strand.” *Id.* The language cited by Chamilia in the publication provides that “[t]he bracelet has three small threads attached to it and the beads also have internal threads. This means that you can attach them easily and quickly . . . .” (Def. Mem. at 17-19.) Chamilia suggests this language combined with a picture showing

one set of threads exposed and the other two sets covered by attached keepers explicitly or inherently teaches of the '507 patent's "band" requirement. Once again, however, there is nothing in Chamilia's interpretation of the publication that discloses a *permanent* band as required by the court's claim construction. Indeed, the cited publications appear more like general advertisements than detailed descriptions that would enable one ordinarily skilled in the art to reproduce the invention. Therefore, because a prior publication must include all claims and limitations of a patent before a determination of invalidity can be made under § 102(b), Chamilia has failed to show by clear and convincing evidence that the '507 patent was anticipated.

Chamilia further argues that a collection of press releases, brochures, catalogs, product sheets, and websites disclosed each aspect of the Pandora jewelry. To the extent the publications contain identical language as the newspaper articles, the above analysis demonstrates that they are insufficient for finding anticipation by clear and convincing evidence. Moreover, some of the referenced publications contain only pictures, without description, of the Pandora jewelry. Without explaining how the pictures disclose each claim and limitation of the '507 patent in sufficient detail to enable one skilled in the art to reproduce the jewelry, Chamilia summarily concludes that they do. Stephen Brown, Chamilia's own expert, however, implied that one skilled in the art may not be able to discern the exact claims and limitations of the pictured jewelry. (Pl.'s Opp. Mem. at Ex. GG, 5/10/07 Stephen Brown Depo. at 24:21 - 26:18; 30:21 - 37:15.) For example, Mr. Brown noted that one skilled in the art would not be able to ascertain whether the threaded bands were permanently fixed to the strand, or attached in some other manner. (*Id.* at 24:21 - 26:18.) Therefore, because Chamilia is unable to show a single prior art

reference that “expressly or inherently describes each and every limitation set forth” in the ‘507 patent, *Trintec Indus., Inc. v. Top-U.S.A. Corp.*, 295 F.3d 1292, 1295 (Fed. Cir. 2002), the patent will not be found invalid as anticipated.<sup>3</sup>

*B. Obviousness & On-Sale Bar*

As previously noted, § 102(b) provides an “on-sale” bar to securing a patent on an invention that was offered for sale in the U.S. more than one year prior to filing a patent application with the PTO. *Linear Tech.*, 275 F.3d at 1047. The “critical date” as to Pandora is thus July 21, 2002, because the ‘507 patent application was filed exactly one year later. Moreover, the Federal Circuit has stated that “[p]rior art under the § 102(b) on-sale bar is also prior art for the purposes of obviousness under § 103.” *Dippin’ Dots, Inc. v. Mosey*, 476 F.3d 1337, 1344 (Fed. Cir. 2007). Alternatively, invalidity based on obviousness may be found depending on: “(1) the scope and content of the prior art; (2) the level of ordinary skill in the prior art; and (3) the differences between the claimed invention and the prior art.” *Velander v. Garner*, 348 F.3d 1359, 1363 (Fed. Cir. 2003) (citing *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966)); *see also Medichem, S.A. v. Rolabo, S.L.*, 437 F.3d 1157, 1164 (Fed. Cir. 2006).

The Supreme Court has established a two-part test for determining when the running of the on-sale clock begins: “(1) ‘the product must be the subject of a commercial offer for sale’;

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<sup>3</sup> Because all claims and limitations must be disclosed by a prior publication to find anticipation, it is not necessary to perform an exhaustive comparison of each patent claim to each publication. As will be discussed below in determining whether the Chamilia jewelry infringes the ‘507 patent, a central feature of the Pandora jewelry is the permanently fixed bands placed on the strand at predetermined points by the manufacturer with reversibly attaching keepers. Therefore, it is dispositive that the publications cited by Chamilia fail, at the least, to demonstrate that the bands are permanently fixed to the strand. Moreover, the Lovelinks jewelry, discussed in greater detail below, does not include separate “keeper” and “bead” elements, but rather employs “links” that can serve both ornamental and stopper functions.

and (2) ‘the invention must be ready for patenting.’” *Linear*, 275 F.3d at 1047 (quoting *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 67 (1998)). Chamilia argues that by merely offering to sell jewelry from a website in Denmark more than a year before filing a patent application with the PTO, Pandora satisfies the § 102(b) on-sale bar. The record, however, reveals that Pandora’s website was not directed to consumers in the U.S. and cannot trigger the on-sale bar. First, Chamilia is unable to offer any evidence that Pandora actually sold jewelry products in the U.S. more than a year prior to filing with the PTO.<sup>4</sup> Second, the website, <http://hvitfeldt-ure-guld.dk>, was a purely Danish website, written in Danish, and offering to sell jewelry only in Danish kroner. The translation of the website, as offered by Chamilia, notes that it offered to sell the Pandora jewelry and “provide a *nationwide* exchange service.” (Pandora Opp. Mem. at 26 (emphasis added).) To conclude that a foreign website written in a foreign language and offering to sell a product in a foreign currency, without more, constitutes an offer to sell in the U.S. would mark a significant expansion of the § 102(b) on-sale bar. Therefore, the on-sale bar does not apply to the ‘507 patent, and Chamilia’s obviousness claim predicated on the on-sale prior art must fail as well.

In addition to relying on the on-sale prior art under § 103, Chamilia suggests that Pandora’s prior publications and the Lovelinks jewelry provide independent grounds for establishing obviousness. Chamilia’s obviousness argument, however, relies heavily on its anticipation argument without clearly articulating how Lovelinks or the prior publications render

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<sup>4</sup> The court reviewed the April 16, 2008 document submission by F. Joseph Gormley in order to determine its relevance to the date of first sale of Pandora products in the U.S. Based on that review, the court finds that the document does not materially impact its determination that Chamilia is unable to demonstrate a sale of Pandora products in the U.S. prior to the critical date of July 21, 2002.

the '507 patent's band and keeper mechanism obvious. The court is skeptical that the prior publications, for many of the reasons expressed above in considering the anticipation claim, render the '507 patent obvious. Additionally, Chamilia's reliance on the testimony of Pandora's expert, Mr. Cosmo Altobelli, is misplaced. Chamilia notes that Mr. Altobelli claims he could replicate the '507 patent "in a heart beat." (Def. Mem. at 22; Chamilia Facts at ¶ 98.) Mr. Altobelli, however, made this claim based not on the prior publications, but rather upon seeing the actual Pandora jewelry. (Altobelli Dep. at 124: 16-18.)

The Lovelinks jewelry, on the other hand, provides a much closer question. There appear to be many similarities between the '507 patent and the Lovelinks jewelry, which could render the patent obvious. As Chamilia illustrates, the Lovelinks jewelry employs "pods" that are fixed to the jewelry strand at predetermined points. (*See* Def.'s Mem. at Ex. A, Claim Chart; Chamilia Facts at ¶ 42.) "Links" with rubber inserts may then pass along the strand, but can be positioned over the fixed pods in order to serve as a stopper. (*Id.*) In this way, the Lovelinks jewelry appears to prevent bunching of beads and give the wearer some control over link placement. At this point the record is not fully developed as to when Lovelinks began selling its jewelry products, when Pandora was aware of the Lovelinks product, and how exactly that jewelry functions. Because factual issues remain, summary judgment will not be granted in favor of either party on the issue of patent obviousness.

### *C. Inventorship*

Chamilia argues that the '507 patent is invalid, because it fails to disclose the true inventors of the patent. (Def.'s Opp. Mem. at 15-18.) This basis for finding a patent invalid is predicated upon 35 U.S.C. § 116, which requires two or more inventors to apply for a patent

jointly. In order to invalidate a patent on these grounds a challenging party must show that “more or less than the true inventors are named” in the patent. *Trovan, Ltd. v. Sokymat SA*, 299 F.3d 1292, 1301 (Fed. Cir. 2002). Under 35 U.S.C. § 256, however, a patent may be corrected so long as the improper joinder or nonjoinder of inventors “was done without deceptive intent.” *Id.* The issue of inventorship is normally invoked by a party claiming to be an improperly omitted inventor. *See, e.g., Gemstar-TV v. ITC*, 383 F.3d 1352, 1382 (Fed. Cir. 2004) (deciding a dispute over an allegedly omitted co-inventor).

Chamilia argues that the deposition testimony of Lisabeth Larsen and Lone Frandsen and a letter drafted by Renee Sindlev draw into question whether Per Enevoldsen was truly the sole inventor of the ‘507 patent. (Def.’s Opp. Mem. at 15-18.) Even assuming Chamilia is correct in its allegations concerning inventorship, of which the court is dubious, there is no evidence that the omission of additional inventors was done with deceptive intent. Chamilia provides no evidence and establishes no inference that Pandora committed any wrongdoing in listing Mr. Enevoldsen as the sole inventor. Indeed, as noted by Pandora, none of the individuals associated with Pandora, including Ms. Larsen and Ms. Frandsen, are claiming to be omitted co-inventors, but rather Chamilia is making that assertion on their behalf. (Pl.’s Mem. at 48.) Because Chamilia fails to proffer any evidence of a deceptive intent on the part of Pandora, any mistake under § 116 would be cured by § 256. Pandora, therefore, is entitled to summary judgment on the issue of inventorship.

#### *D. Inequitable Conduct*

Chamilia seeks to invalidate the ‘507 patent for Pandora’s alleged inequitable conduct before the PTO. As the Federal Circuit has explained, “[i]nequitable conduct resides in failure to

disclose material information, or submission of false material information, with an intent to deceive, and those two elements, materiality and intent, must be proven by clear and convincing evidence.” *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 872 (Fed. Cir. 1988); *see also Novo Nordisk*, 424 F.3d at 1359. To establish the defense, Chamilia must first make a threshold showing on both prongs, materiality and intent. *Perseptive Biosystems, Inc. v. Pharmacia Biotech, Inc.*, 225 F.3d 1315, 1318-19 (Fed. Cir. 2000). Once that showing is made, “the intent necessary to establish inequitable conduct is based on a sliding scale related to materiality of the omission.” *Abbott Labs. v. Torpharm, Inc.*, 300 F.3d 1367, 1380 (Fed. Cir. 2002). That is, the more material the misinformation or omission, the less need there is to prove intent, and vice versa. *Halliburton Co. v. Schlumberger Tech. Corp.*, 925 F.2d 1435, 1439 (Fed. Cir. 1991). Whether the threshold requirements of materiality and intent have been met has been described as a question of fact, *id.*, but “[t]he defense of inequitable conduct is entirely equitable in nature, and thus not an issue for a jury to decide.” *Perseptive Biosystems*, 225 F.3d at 1318.

In arguing that Pandora defrauded the PTO, Chamilia relies on Pandora’s failure to disclose the publications and prior commercialization discussed above, and failure to disclose knowledge of the Lovelinks jewelry. As to the prior publications describing Pandora’s product, Chamilia asserts their materiality based on their application to the anticipation, on-sale bar, and obviousness claims; Chamilia then concludes that Pandora’s failure to disclose this information satisfies the intent prong. The court has already expressed skepticism as to whether the prior publications and commercialization of Pandora’s jewelry are material grounds for supporting Chamilia’s invalidity claims. Moreover, even if this information were deemed material, there is no evidence that Pandora intended to deceive or mislead the PTO by withholding this

information. In fact, Pandora provided the PTO with a copy of its September 25, 2003 complaint for copyright infringement against Chamilia, which noted that:

In Denmark, in 1999, plaintiff Pandora Smykker designed and created original jewelry designs, comprising jewelry beads, spacers, necklaces, and bracelets, entitled Pandora Beads . . . The said work was created by Pandora Smykker and is copyrightable subject matter under the law of the Kingdom of Denmark and the United States. The said work was *published in Denmark in February 1, 2000* and is protected against unauthorized copying by the laws of the Kingdom of Denmark.

(Chamilia Facts at Tab 39, at 103-144 (emphasis added).) Pandora additionally disclosed a copyright registration with the PTO, which similarly noted February 1, 2000 as the first date of publication of the Pandora jewelry in Denmark. (*Id.* at 130.)

Pandora's failure to disclose possible knowledge of the Lovelinks jewelry, however, is more troubling. Chamilia points to evidence that Pandora was aware of the Lovelinks jewelry as early as the fall of 2000, and received catalogs advertising the product. (Def.'s Mem. at 5; Chamilia Facts at ¶¶ 43-44.) The Lovelinks jewelry appears to consist of a bracelet strand with permanently fixed "pods." (*See* Def.'s Mem. at 5.) Beads with rubber inserts may then pass along the strand, but can be positioned over the fixed pods in order to serve as a stopper. Although this product may not render the '507 patent anticipated, it appears to be material prior art in light of its similarity to the Pandora jewelry. Indeed, soon after Pandora received the '507 patent, Lovelinks submitted a letter indicating the similarity between the two companies' products. (Chamilia Facts at Tab 32, Lovelinks Letter.) Lovelinks specifically noted that its product prevents "the bunching of ornaments at a common point when worn and . . . each bead is equipped with a rubber insert[] so that each bead can act as a stopper on the bracelet or necklace." (*Id.*) Although the facts are not entirely clear based on the existing record, the

existence of the Lovelinks jewelry would appear to be material information that should have been submitted to the PTO.<sup>5</sup> Nevertheless, more fact development is needed on the issue, including when Pandora became aware of the Lovelinks jewelry and why knowledge of this jewelry was not disclosed. Therefore, while Pandora will be granted summary judgment on Chamilia's invalidity claims based on anticipation, on-sale bar, inventorship, best mode, and usefulness,<sup>6</sup> summary judgment is not appropriate on the inequitable conduct and obviousness claims.        *II. Infringement of the '507 Patent*

Determining whether a patent is infringed is a two-step process, requiring the court to (1) “determine the scope and meaning of the patent claims asserted,” and (2) compare the construed claim to the allegedly infringing product. *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1454 (Fed. Cir. 1998) (en banc). In order to find literal infringement, “every limitation set forth in a claim must be found in an accused product, exactly.” *Southwall Techs. Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1575 (Fed. Cir. 1995) (citing *Becton Dickinson & Co. v. C.R. Bard, Inc.*, 922 F. 2d 792, 796 (Fed. Cir. 1990)). In some circumstances, “[a]n accused product that does not literally infringe a claim may infringe under the doctrine of equivalents if ‘it performs substantially the same function in substantially the same way to obtain the same result.’” *Southwall Techs. Inc.*, 54 F.3d at 1579 (quoting *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 608

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<sup>5</sup> The materiality of the Lovelinks jewelry appears even more significant when compared to the two prior art patents deemed most relevant by the PTO, including US Patent No. 3,983,716 (Kuhn) and US Patent No. 4,907,322 (Kanno). To the extent these patents were deemed material by the PTO, the Lovelinks jewelry appears to have far greater similarities to the teachings of the '507 patent.

<sup>6</sup> Chamilia offered no evidence or argument to rebut Pandora's motion for summary judgment on the 35 U.S.C. § 101 usefulness or § 112 best mode counterclaims, and therefore appears to concede summary judgment is appropriate.

(1950)). “The doctrine of equivalents, however, is not a tool for expanding the protection of a patent . . . .” *Id.* (citing *Hormone Research Found., Inc. v. Genentech, Inc.*, 904 F.2d 1558, 1564 (Fed. Cir. 1990)). “Although an infringement analysis usually involves both issues of law and questions of fact, summary judgment of noninfringement may still be proper . . . [because] a good faith dispute about the meaning and scope of asserted claims does not, in and of itself, create a genuine dispute to preclude summary judgment in patent cases.” *Phonometrics, Inc. v. Northern Telecom Inc.*, 133 F.3d 1459, 1463 (Fed. Cir. 1998).

#### A. *Literal Infringement*

Having previously construed the ‘507 patent in a Markman Order, *see Pandora Jewelry, LLC*, 2007 WL 2908734, the court must now determine whether the Chamilia jewelry infringes that patent. In order to literally infringe the patent, Chamilia’s jewelry must include every element found in the claim language. *Southwall Techs., Inc.*, 54 F.3d at 1575. Summary judgment is appropriate when there is no material factual dispute. Fed. R. Civ. P. 56. Because Chamilia’s Type B jewelry<sup>7</sup> does not include elements required by the ‘507 patent, Chamilia is

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<sup>7</sup> Because there is a dispute of fact concerning the alleged sale and timing of sale of Chamilia’s Type A jewelry, summary judgment is not appropriate on Type A infringement. Chamilia argues that it discontinued sales and production of the Type A jewelry before Pandora’s patent issued. (Def.’s Opp. Mem. at 3; Second Hansen Dec. at JJ, Ex. 141.) Pandora, on the other hand, offers evidence of two sales of Type A jewelry made by retailers that occurred after March 7, 2006. (Pl.’s Opp. Mem. at 41; Reese Aff. at Exs. A, B.) Pandora further argues that Chamilia sold “locks” for use on the Type A jewelry after the ‘507 patent issued. (Pl.’s Opp. Mem. at 41; Hansen Dec. at Ex. F, Julkowski Dep. at 114:25-115:7, 119:11-17; Second Hansen Dec. at LL, at CMD 00924.) Although Chamilia has not shown when it sold the Type A jewelry to the retailers, the court remains skeptical that the sales were made after March 7, 2006 based on sales data. (*See* Second Hansen Dec. at JJ, Ex. 141.) Moreover, to the extent that Pandora argues literal infringement based on the “locks” without rubber inserts, the argument is without merit. The ‘507 patent did not patent reversible “keepers,” and therefore there can be no literal infringement based on the “locks” alone. Nevertheless, because it remains unclear when Chamilia sold the Type A jewelry to the retailers cited by Pandora, the court will not grant

entitled to summary judgment on Pandora's literal infringement claim.

The key terms from the independent claims of the '507 patent as construed by the court include: (a) "connector assembly," defined as "any device that can be used to connect two elements together;" (b) a "band fixedly attached to the strand," defined as "an element separate and distinct from the strand and the keeper, that is connected to the strand by the manufacturer at predetermined points with an intended degree of permanence that precludes a wearer from adding, removing, or adjusting the location of bands along the strand;" (c) "ornament," defined as "a bead, bauble, bangle, pendant, or trinket that may be removably strung on the strand, with an opening in its center large enough to permit complete passage over a band but not so large as to permit passage over a keeper when the keeper is attached to a band" - "an 'ornament' does not include a 'keeper;" and (d) "keeper," defined as "a device which can attach over a band to prevent further movement of ornaments, the device being configured for reversible attachment over the band."

Applying the elements of the '507 patent, it is apparent that Chamilia's Type B jewelry includes a connector assembly. The court interpreted the term "connector assembly" broadly to include "any device that can be used to connect two elements together." Chamilia does not appear to contest that its jewelry satisfies this element. Instead, Chamilia argues that the Type B jewelry cannot literally infringe the '507 patent, because it does not have a fixedly attached "band," which additionally serves as a predicate to the "ornament" and "keeper" elements. (Def.'s Mem. at 35-36.) Pandora, however, argues that the threaded end cap located at the end of the strand and adjoined to the connector assembly satisfies the definition of "band" as

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summary judgment on the Type A jewelry infringement claim.

construed by the court. Classifying this piece of the Chamilia jewelry, therefore, is the dispositive issue in determining whether the Type B jewelry literally infringes the ‘507 patent.

As previously noted, a “band fixedly attached to the strand” was construed by the court as “an element separate and distinct from the strand and the keeper, that is connected to the strand by the manufacturer at predetermined points with an intended degree of permanence that precludes a wearer from adding, removing, or adjusting the location of bands along the strand.” Recognizing that limitations found in the specification or preferred embodiment of an invention should not be read into the claims, the court also notes that claims “do not stand alone” and “are part of a ‘fully integrated written instrument’ consisting principally of a specification that concludes with the claims . . . [which] ‘must be read in view of the specification.’” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1315, 1323 (Fed. Cir. 2005) (en banc) (quoting *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 978 (Fed. Cir. 1995) (en banc)). With this in mind, it appears from the ‘507 patent that Pandora’s claimed invention and/or innovation was in developing charm jewelry that can “prevent bunching” of the ornaments and “retain beads on a necklace in a desirable distribution.”<sup>8</sup> In order to prevent bunching and allow the wearer some control over bead distribution, the ‘507 patent teaches of using a decorative keeper, which can interact with a band in order to “restrict[] the movement of the beads on the strand.” As construed by the court, however, the ‘507 patent teaches of permanently fixed bands, which are attached to the strand at predetermined points by the manufacturer. The wearer has the option to

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<sup>8</sup> Indeed, Pandora distinguishes its invention from the prior art by noting that “[n]one of the discovered prior art provides the advantages of the present invention, that of decorative keepers which retain beads on a necklace in a desirable distribution and prevent bunching.” (‘507 patent, at col. 2, ln. 4-7.)

attach a keeper to the band, thereby preventing bunching and obtaining some degree of control over the placement of the beads.

The portion of Chamilia's Type B jewelry that Pandora claims to be a band is a permanently attached threaded end cap at the end of the strand that is connected to the connector assembly. Although the court previously agreed with Pandora that nothing in the '507 patent *requires* a "connector assembly" to include a threaded end cap, it does not inevitably follow that this end cap is a band. To the contrary, it is certainly possible that the threaded end cap could be considered part of the connector assembly. The purpose of the threaded end cap, which is also found on at least some versions of Pandora's jewelry, is to prevent a threaded bead from falling off the strand when the connector assembly is detached. (*See* Def.'s Opp. Mem. at 4 n.1.) This threaded end cap does not enable a wearer to prevent the bunching of beads or to gain control over the placement of beads. Whether this threaded end cap is considered part of the connector assembly is not dispositive; its function and design distinguish it from the permanently attached "bands" taught by the '507 patent. Therefore, because Chamilia's Type B jewelry does not have bands as taught by the patent, it cannot be found to literally infringe.

*B. Doctrine of Equivalents*

Pandora further challenges Chamilia's Type B jewelry under the doctrine of equivalents.<sup>9</sup> As previously noted, "[a]n accused product that does not literally infringe a claim may infringe

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<sup>9</sup> Chamilia challenged the introduction of the Altobelli Declaration, upon which Pandora largely based its doctrine of equivalents argument. Although the court allowed Chamilia not to respond to the doctrine of equivalents argument until a ruling could be made on admissibility of the Altobelli Declaration, the court finds that even including the Declaration, Pandora fails as a matter of law in showing that the Type B jewelry infringes under the doctrine of equivalents. Therefore, the motion to strike will be denied as moot.

under the doctrine of equivalents if ‘it performs substantially the same function in substantially the same way to obtain the same result.’” *Southwall Techs. Inc.*, 54 F.3d at 1579 (quoting *Graver Tank & Mfg. Co.*, 339 U.S. at 608). Pandora argues that Chamilia’s Type B jewelry employs a hinged keeper with a band inserted inside the keeper that serves the same function as the ‘507 patent, which teaches of a keeper that can be attached to a fixed band on the strand. (Pl.’s Mem. at 26.) Chamilia’s design, however, is significantly different from the ‘507 patent, because the hinged locks (as Chamilia calls them) which reversibly attach to the band can be removed or placed at any location on the band the wearer chooses. (See Chamilia Facts at Tab 29, Brown Report at ¶ 12.) The Chamilia jewelry thus allows the wearer to place as many locks on the band as desired, with the effect of preventing bunching, while also allowing a greater degree of flexibility in bead placement. Considering that both Pandora and Chamilia seek to provide customers maximum flexibility in designing their charm jewelry, it is significant that Chamilia provides an alternative method for placing beads and preventing their bunching. Therefore, because Chamilia’s reversibly attaching locks are substantially different from the ‘507 patent’s permanently fixed bands with attaching keepers, the Type B jewelry does not infringe under the doctrine of equivalents.<sup>10</sup>

### *C. Provisional Rights*

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<sup>10</sup> The court recognizes the PTO denied Chamilia’s attempt to patent its Type B jewelry, finding the removable hinged keeper to be obvious. (Pl.’s Mem. at 27.) Although the Federal Circuit has described the doctrine of equivalents to be “somewhat akin to obviousness,” *Lewmar Marine, Inc. v. Bariant, Inc.*, 827 F.2d 744, 748 (Fed. Cir. 1987), this does not preclude finding that the Type B jewelry does not infringe the ‘507 patent under a doctrine of equivalents analysis. Moreover, it is unnecessary for the court to pass on the legal conclusions of the PTO, which are subject to review by the Federal Circuit without deference. See *In re Bigio*, 381 F.3d 1320, 1324 (Fed. Cir. 2004).

Pandora claims that Chamilia's Type A and Type B jewelry literally infringe the provisional rights of the '507 patent. Title 35 U.S.C. § 154(d) provides that a party applying for a patent may obtain a reasonable royalty from any person who, during the period beginning on the date of publication of the application for such patent until the issuance of the patent makes, uses, offers for sale, or sells in the United States products made by the process claimed in the published patent application. Both parties agree that provisional rights may only be asserted when the final issued patent is "substantially identical" to the published patent application and that this standard is the same as the one applied under 35 U.S.C. § 252, the reissue statute. (Pl.'s Opp. Mem. at 37; Def.'s Mem. at 42-43.) Under § 252, amended patent claims are "substantially identical" to the original claims "if they are without substantive change." *Laitram Corp. v. NEC Corp.*, 163 F.3d 1342, 1346 (Fed. Cir. 1998) (internal quotations omitted). "[I]n determining whether substantive changes have been made, [a court] must discern whether the *scope* of the claims are identical, not merely whether different words are used." *Id.* (citing *Slimfold Mfg. Co. v. Kinkead Indus.*, 810 F.2d 1113, 1115 (Fed. Cir. 1987)). Although not a *per se* rule, "it is difficult to conceive of many situations in which the scope of a rejected claim that became allowable when amended is not substantively changed by the amendment." *Id.* at 1348. Where a substantive change has been made to a claim, the allegedly harmed party has no provisional rights to assert.

Pandora provided Chamilia actual notice of the published patent application on August 18, 2004. (Pl.'s Mem. at 29.) Claim 1 in the original published patent application taught, in part, of "at least one band fixedly attached to the strand . . . with reversible attachment of the band." (Def.'s Mem. at Ex. B.) As the court previously noted in the Markman Order, however,

Pandora ultimately amended this claim by removing reference to a reversible band in order to overcome the PTO's rejection based on the prior art. *See Pandora Jewelry, LLC*, 2007 WL 2908734, at \*4. The issued '507 patent, therefore, contained a narrowed claim of a permanent "fixedly attached band."

Recognizing there is no *per se* rule that an amendment to a claim in order to overcome a PTO rejection based on prior art precludes finding valid provisional rights, the court nevertheless concludes that Pandora's change to the published patent substantively amended the scope of the claim. As has been apparent throughout this opinion, the defining characteristic that largely differentiates Pandora's '507 patent from the prior art is its method of using permanent bands with reversible keepers to prevent the bunching of beads and to allow flexibility in their placement on the strand. Not only was Pandora's amendment to the published patent application necessary to overcome the PTO's rejection, but it also is a critical feature of the Pandora jewelry. The Federal Circuit has recognized that an amendment to a claim that substantively narrows its scope violates the "substantially identical" standard required for asserting interim rights. *See Laitram Corp.*, 163 F.3d at 1349 (finding that an added limitation element "narrowed the original claims, substantively changing them"); *Bloom Eng'g Co., Inc. v. North American Mfg. Co., Inc.*, 129 F.3d 1247, 1251 (Fed. Cir. 1997) (finding that an amendment to narrow a claim in order to distinguish a product from the prior art was correctly viewed as a substantive change in claim scope). Here, Pandora substantively altered the scope of the claim when it amended the patent to require a permanently fixed band. Because the issued patent is not substantially

identical to the published patent application, Pandora has no provisional rights to assert.<sup>11</sup>

*D. Additional Theories of Infringement*

Pandora, which failed to assert its claims for indirect infringement in its summary judgment motion, argues in its opposition brief that Chamilia induced infringement under 35 U.S.C. § 271(b) and contributed to infringement under § 271(c). Indirect infringement may be found “[w]hen a defendant participates in or encourages infringement but does not directly infringe a patent.” *BMC Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373, 1379 (Fed. Cir. 2007). More specifically, § 271(b) provides that “[w]hoever actively induces infringement of a patent shall be liable as an infringer.” In order to prove inducement, a party must be able to demonstrate: (1) an underlying instance of direct infringement and (2) a requisite showing of intent to cause that infringement. *See Fuji Photo Film Co. v. Jazz Photo Corp.*, 394 F.3d 1368, 1377 (Fed. Cir. 2005). Section 271(c) allows recovery for contributory infringement where an infringer sells or offers to sell a component of a patented device that constitutes “a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.” *See Husky Injection Molding Sys. Ltd. v. R & D Tool Eng’g Co.*, 291 F.3d 780, 784 (Fed. Cir. 2002). As with proving inducement, a party must show that some entity, even if not the defendant, was responsible for an underlying instance of direct

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<sup>11</sup> The court further notes that even if the amendment to the band element were found not to be substantive, Pandora still would not likely be entitled to damages based on provisional rights. The published patent application taught of a “necklace” device, which was subsequently broadened in the ‘507 patent to include a “strand jewelry device.” Chamilia’s jewelry, however, consists of bracelets and not necklaces. Therefore, Chamilia may not have had actual notice of the final scope of the ‘507 patent based on the published application.

infringement. *See Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d 1263, 1272, 1274 (Fed. Cir. 2004).

As a threshold matter, both theories of indirect infringement offered by Pandora require a showing of at least one instance of direct infringement. Because customers of Pandora jewelry have an implied license to practice the ‘507 patent, their use of interchangeable threaded Chamilia beads with the Pandora bracelet would not demonstrate direct infringement. *See Anton/Bauer, Inc. v. PAG, Ltd.*, 329 F.3d 1343, 1349-51 (Fed. Cir. 2003). Moreover, the fact that Chamilia beads may be interchangeable with the Pandora bracelet is of no consequence, because Pandora does not have a patent on the threaded beads. In *Anton/Bauer* the Federal Circuit noted that a company could claim the individual components of a patented device, if novel, “in order to improve [] protection of its invention.” 329 F.3d at 1352-53 (noting that “[i]f the male component were patented, [the alleged infringer] would potentially be liable as a direct infringer by manufacturing the part itself”). Here, there is no patent on threaded beads and it is the final end user who, similar to the user in *Anton/Bauer*, assembles the patented device. *Id.* Accordingly, the court finds no direct infringement.

As a final point, even if there were direct infringement, under § 271(c) for contributory infringement Pandora would have to show that the Chamilia beads lack a substantial non-infringing use. *See BMC Resources, Inc.*, 498 F.3d at 1381; *Dynacore*, 363 F.3d at 1275. Because the Chamilia beads can be used on the Chamilia bracelet, which does not infringe the ‘507 patent, the beads have a non-infringing use. As an additional observation, the interchangeability of Chamilia and Pandora beads, which are unpatented, only promotes competition and choice for consumers. Therefore, Chamilia is entitled to summary judgment on

Pandora's indirect infringement claims.

**CONCLUSION**

For the foregoing reasons, both the plaintiff's and the defendant's motions for summary judgment will be granted in part and denied in part. Pandora's motion will be granted as to Chamilia's invalidity claims based on: (a) § 101 usefulness and § 112 best mode; (b) anticipation under § 102(a),(b); (c) § 102(b) on-sale bar and obviousness related to the on-sale prior art; and (d) § 116 inventorship. Chamilia's motion will be granted as to Pandora's claims for: (a) literal infringement by the Type B jewelry; (b) infringement under the doctrine of equivalents; (c) indirect infringement; and (d) infringement of provisional rights under § 154. The only remaining issues therefore are: (1) potential invalidity of the '507 patent for obviousness; (2) potential invalidity of the '507 patent for inequitable conduct; and (3) potential infringement of the '507 patent by Chamilia's Type A jewelry.

A separate order follows.

August 8, 2008  
Date

/s/  
Catherine C. Blake  
United States District Judge