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UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

NANTWORKS, LLC, a Delaware limited liability company, and NANT HOLDINGS IP, LLC, a Delaware limited liability company,

Plaintiffs,

vs.

BANK OF AMERICA CORPORATION, a Delaware corporation, and BANK OF AMERICA, N.A., a national banking association,

Defendants.

CASE NO. 2:20-cv-7872-GW-PVC

DEFENDANTS' RESPONSE TO PLAINTIFFS' EX PARTE APPLICATION REGARDING DISPOSITIVE MOTIONS

Hon. George H. Wu

The Court should deny Plaintiffs NantWorks, LLC, and Nant Holdings IP, LLC ("NantWorks")'s *ex parte* application to arbitrarily limit the number of motions filed by Defendants Bank of America Corp. and Bank of America, N.A. ("Bank of America") that the Court should consider.

First, Bank of America is only left to file its partial summary judgment motions because NantWorks refuses to reasonably narrow the case. Bank of America has spent close to four years working to streamline the case for a jury. Notwithstanding regular communications with NantWorks about its need to narrow the case based on the evidence, Bank of America is still left with patent infringement claims for five patents and a breach of contract claim (which is merely NantWorks's trade secret claim asserted under breach of contract theory). Less than four months before trial, summary judgment is the proper mechanism for limiting the issues for trial, given NantWorks's persistent refusal to do so.

Second, NantWorks does not dispute that the Court's procedures and the Local Rules do not impose a limit on the number of dispositive motions. What is more, NantWorks's *ex parte* application goes back on an express agreement between the parties. On April 2, 2024, Bank of America met and conferred with NantWorks regarding limits to the number of pages, words, and motions. However, on April 4, 2024, NantWorks **agreed** that there were no limits and that no issues needed to be raised with the Court given the Court's local rules. NantWorks only now requests a limitation **after** Bank of America filed its motions.

In short, the Court should not grant any *ex parte* application from NantWorks because addressing the partial summary judgment motions now will save time and resources and is not contrary to the Court's local rules.

ARGUMENTS AND AUTHORITIES

A. Bank of America's Dispositive Motions Will Narrow and Simplify the Case for Trial.

Bank of America filed eight partial summary judgment motions to address the

scope and complexity of the issues that remain in this case that will narrow and simplify the issues for trial. From the start of this case, Bank of America has sought NantWorks's agreement to limit those issues, and successfully narrowed many issues in early motion practice. And after over three years of asserting an unsustainable trade secret claim, NantWorks finally dropped it, shortly before expert reports were due. But NantWorks now essentially asserts the trade secret claim in the form of breach of contract claims that implicate three separate contracts governed by three different state laws. And while NantWorks refuses to drop its breach of contract claims, none of NantWorks's experts provided opinions as to breach of contract, including any opinions as to the measure of damages for breach of contract. One of Bank of America's dispositive motions directly addresses these issues.

Bank of America provided clear reasons why its three invalidity motions were brought separately and NantWorks is incorrect that they could have been brought together. Dkt. 408 at 6. Contrary to NantWorks's arguments (*id.* at 4), Bank of America notified NantWorks that it intended to file two dispositive motions related to Section 101 because one motion dealt with the asserted independent claim from the '252 patent, which has a distinct claim regarding symbols, a distinct abstract idea, and distinct case law from the remaining asserted claims of the other asserted patents. And Bank of America's dispositive motion pursuant to Section 112 involves different factual and legal issues that are more appropriately evaluated in a separate motion.

The two motions addressing non-infringement could not be brought together, notwithstanding NantWorks's arguments. *Id.* at 6. Defendants filed two motions for summary judgment of non-infringement as a direct result of NantWorks's conduct in the case, each dealing with distinct issues. Initially, NantWorks still asserts infringement of 13 claims across five Asserted Patents against various functionalities within the Accused Product that were allegedly performed by Defendants and its customers that will not be feasible to present to a jury in a concise manner. Presenting the issues to the Court, which has extensive experience in patent infringement matters,

will be judicially economical and save public resources. Furthermore, despite two rounds of claim construction, NantWorks's technical expert report continues to shift NantWorks's infringement theories that contradict the plain language of the claims and the Court's constructions. *See* Dkts. 145, 236. Specifically, NantWorks's technical expert complicated the case by reinterpreting the Court's claim construction, taking inconsistent positions across like claim limitations, and not setting forth viable infringement theories. As a result, Defendants needed to file one motion to address non-viable infringement theories, including NantWorks's failure to prove divided infringement, and another to address NantWorks's shifting, misapplication of the Court's claim construction with respect to the Recognize limitations that apply to four Asserted Patents. Considering all of these factors, these issues are ripe for the Court's review which will be able to navigate the complexities of the patent infringement issues using its history with claim construction.

NantWorks is wrong that Bank of America filed two motions addressing NantWorks's damages. Dkt. 408 at 6 (citing Dkt. 364, 382[1]). Instead, Bank of America filed one motion because NantWorks cannot establish willful infringement and one motion because NantWorks failed to mark pursuant to 35 U.S.C. § 287(a). Only the marking motion limits the time period for which NantWorks can recover patent infringement damages in this case. The no willful infringement motion does not address a damages issue, instead it addresses the absence of evidence to support NantWorks's claim for willful infringement as a matter of law. Indeed, as detailed in the motions, willful infringement and marking turn on different factual and legal issues—especially given arguments Plaintiffs have raised in this case. To recover

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[1] NantWorks references Dkt. 382, which is a motion for summary judgment for non-infringement, so Bank of America is left to assume NantWorks meant to reference its motion for summary judgment for NantWorks's failure to comply with the marking statute, Dkt. 367.

pre-suit damages under 35 U.S.C. 287(a), the marking statute, the patentee must prove that it either marked patented articles in accordance with the provision's requirements or provided actual pre-suit notice of infringement. 35 U.S.C. § 287(a). The question whether a patentee has met Section 287(a)'s prerequisite turns only on the sufficiency of the patentee's conduct. *Arctic Cat Inc. v. Bombardier Recreational Prod. Inc.*, 950 F.3d 860, 866 (Fed. Cir. 2020). And to determine the sufficiency of actual notice, courts evaluate the conduct of the patentee. *See Amsted Indus. v. Buckeye Steel Casings Co.*, 24 F.3d 178, 187 (Fed. Cir. 1994) (stating that a patentee must provide an "affirmative communication of a specific charge of infringement by a specific accused product or device"). Moreover, because of Plaintiffs' theory that the marking statute does not apply to three of the Asserted Patents, Bank of America has also had to argue, as a threshold matter, that Plaintiffs must show that they complied with the marking statute for all Asserted Patents.

Willful infringement, on the other hand, involves completely different factual and legal issues. As the Federal Circuit has reiterated, "the conclusion that willfulness, as an indication that an infringer knew of a patent and of its infringement, does not serve as actual notice as contemplated by § 287. While willfulness turns on the knowledge of an infringer, § 287 is directed to the conduct of the patentee." *Arctic Cat*, 950 F.3d at 866. It is true 35 U.S.C. § 284 affords district courts the discretion to award enhanced damages for patent infringement, but only after a factfinder concludes that a defendant has infringed a patent willfully. To prove willful infringement, a patentee must show that a defendant engaged in "wanton, malicious, and bad-faith behavior." *SRI Int'l, Inc. v. Cisco Sys., Inc.*, 930 F.3d 1295, 1309 (Fed. Cir. 2019). Accordingly, the no willful infringement motion addresses the absence of evidence to support NantWorks's willful infringement claim.

Because NantWorks has refused Bank of America's requests that it narrow the issues for trial, which is now less than four months away, Bank of America seeks the Court's assistance to eliminate the issues described above for which there are no

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