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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

WINDY CITY INNOVATIONS, LLC,

Plaintiff,

v.

FACEBOOK, INC.,

Defendant.

Case No. 4:16-cv-01730-YGR

FACEBOOK, INC.'S ADMINISTRATIVE MOTION REGARDING THE IDENTIFICATION OF ASSERTED CLAIMS

Nearly a year after filing this case, Windy City Innovations, LLC ("Windy City") has refused to identify which of the 830 claims in the four asserted patents are asserted against Facebook, Inc. ("Facebook"). By this point, Windy City has no excuse to continue withholding which of the 830 claims it specifically intends to assert in this case.[1] Disclosure of asserted claims now will help to avoid the unnecessary expense and burden of analyzing invalidity and non-infringement for claims

[1] Facebook is not requesting early disclosure of infringement contentions, only an identification of the claims Windy City intends to assert. Facebook anticipates that Windy City's disclosure of infringement contentions will likely proceed under the schedule set in the Patent Local Rules.

Windy City never intends to assert. Moreover, disclosure of asserted claims now may help to narrow this litigation through the *inter partes* review process at the Patent and Trademark Office. With the deadline for petitions for *inter partes* review fast approaching on June 3, 2016, 35 U.S.C. § 315(b)[2], Facebook respectfully moves for an administrative order requiring Windy City to identify no more than forty asserted claims across the four asserted patents no later than May 16, 2016. [3]

I. PROCEDURAL HISTORY

On June 2, 2015, Windy City sued Facebook in the Western District of North Carolina, alleging infringement of four asserted patents that collectively include a total of 830 claims.[4] All four asserted patents share the same specification, the same named inventor, and are continuations of the same parent patent. Under the complaint's "one count," Windy City did not reveal a single asserted claim allegedly infringed by Facebook or clearly identify the accused products beyond the entirety of "Facebook.com" and "Facebook apps."[5] By refusing to identify any specific asserted claims or accused products, Windy City left Facebook with the burden of guessing what claims and products Windy City believes are infringing.

On July 24, 2015, Facebook filed a motion to dismiss under Rule 12(b)(6). As explained in the motion to dismiss, Windy City's complaint failed to provide the notice required by the Federal Rules and the standards set forth by the Supreme Court. (*E.g.*, Dkt. 20 at 2-7). In view of the recent amendment of the Federal Rules eliminating Form 18, the deficiencies are even more striking.[6] The

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[2] Congress created the *inter partes* review procedure to provide a "timely, cost-effective alternative to litigation." Changes to Implement *Inter Partes* Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 48,680, 48,680 (Aug. 14, 2012) (codified at 37 C.F.R. § 42.100, *et seq.*). *Inter partes* review allows petitioners to challenge the validity of patents under 35 U.S.C. §§ 102 and/or 103 based on prior art patents and printed publications. 35 U.S.C. §§ 311(b), 316(a); 37 C.F.R. §§ 42.51, 42.53.

[3] On May 3, 2016, the parties met-and-conferred telephonically, and Windy City stated that it would oppose this administrative motion. (Declaration of Phillip E. Morton in Support of Facebook, Inc.'s Administrative Motion Regarding the Identification of Asserted Claims ("Morton Decl."), ¶ 3.)

[4] U.S. Patent No. 8,407,356 includes 37 claims. U.S. Patent No. 8,458,245 includes 58 claims. U.S. Patent No. 8,473,552 includes 64 claims. U.S. Patent No. 8,694,657 includes 671 claims.

[5] Facebook's Rule 12(b)(6) motion is fully briefed and pending. (Dkt. 21, 22.)

[6] Applying the newly amended Federal Rules of Civil Procedure in this case is "just and practicable." *See* H.R. Doc. No. 114-33, at 2 (2015). *See also Rembrandt Patent Innovations LLC*

complaint included broad allegations of indirect and willful infringement reciting boilerplate language without any supporting facts. Facebook filed a motion to transfer, which was pending for nearly six months before the case was transferred to the Northern District of California on March 16, 2016.[7]

II. ARGUMENT

It is well-established that courts may order plaintiffs to identify and limit the number of asserted claims. *See Stamps.com v. Endicia*, 437 F. App'x 897, 902 (Fed. Cir. 2011), *reh'g denied* (Aug. 1, 2011) (unpublished); *Rambus v. LSI*, No. 10-cv-05446 (N.D. Cal. Dec. 28, 2012) (Seeborg, J.) (Morton Decl. Ex. A at 3) ("In the patent context, the Federal Circuit has approved of district courts' common practice of limiting the number of claims that can be asserted in order to streamline the litigation.") (*citing In re Katz Interactive Call Processing Patent Litigation*, 639 F.3d 1303 (Fed. Cir. 2011)). For example in *Rambus*, this court initially limited the plaintiff to 35 claims, even though there were nine asserted patents. (Morton Decl. Ex. A at 1-2.)

Facebook respectfully requests that the Court require Windy City identify no more than forty asserted claims across the four asserted patents by May 16, 2016. To facilitate Windy City's claim selection process, Facebook has offered to make its source code available for review by Windy City's counsel and approved experts upon entry of a protective order, which Windy City rejected

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v. Apple Inc., No. 14-cv-05094, 2015 WL 8607390, at *2 (N.D. Cal. Dec. 13, 2015) (Alsup, J.) (applying amended pleading standard in case filed prior to December 1, 2015, in the context of a request to amend infringement contentions); *Dao v. Liberty Life Assurance Co.*, No. 14-cv-04749, 2016 WL 796095, at *3 (N.D. Cal. Feb. 23, 2016) (Laporte, J.) (applying amended rules in discovery dispute). Given how long Windy City has had to analyze its infringement contentions and the burden it would impose on Facebook to prepare invalidity and non-infringement defenses for 830 claims and an unknown number of potentially accused products, it would be just and practicable to narrow the issues that will actually have to be tried, not only for judicial efficiency and streamlining the discovery process, but also to permit Facebook to seek meaningful *inter partes* review by the U.S. Patent and Trademark Office ("PTO") of the patents and claims truly at issue.

[7] On August 25, 2015, Facebook filed a motion to transfer this action to the Northern District of California. (Dkt. 25.) Windy City filed an opposition, and on September 21, 2015, Facebook filed a reply brief. (Dkt. 29, 30.) The motion to transfer remained fully briefed on the North Carolina court's docket for nearly six months. After the case was reassigned to a different judge, the North Carolina court granted Facebook's motion to transfer on March 16, 2016. (Dkt. 31.)

because it is not prepared to review Facebook's source code. (Morton Decl. Ex. B.)

As illustrated in the attached correspondence, Windy City would not consider any identification of asserted claims unless the Defendants (Facebook and Microsoft) agreed to reduce the prior art they may assert before Windy City has identified any information about the scope of the case, including accused products, asserted claims, and infringement contentions. (Morton Decl. Ex. B.) Facebook is willing to engage in meaningful efforts to narrow the scope of this case, including reducing asserted prior art references, but such a reduction is more appropriate after Windy City provides basic information about the asserted claims, accused products, and infringement contentions explaining how Windy City is alleging infringement by Facebook.

Windy City should know which claims it intends to assert from its pre-filing diligence and upcoming infringement contentions. Windy City should not be permitted to continue to keep Facebook in the dark about the asserted claims, particularly in view of the upcoming deadline for petitions for *inter partes* review petitions fast approaching. *See Adaptix, Inc. v. Dell, Inc.*, No. 5-14-cv-01259-PSG, 2015 U.S. Dist. LEXIS 23134, at *25 (N.D. Cal. Feb. 24, 2015) (Grewal, M.J.) (finding that defendants would be unduly prejudiced by amendment of infringement contentions after statutory IPR deadline). Narrowing the case to forty asserted claims now will help to streamline the parties' upcoming infringement and invalidity contentions, and focus any *inter partes* review petitions that may be filed before the June 3, 2015 statutory deadline.

III. CONCLUSION

Accordingly, Facebook respectfully requests that the Court order Windy City to identify no more than forty asserted claims by May 16, 2016.

Dated: May 4, 2016

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