

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

COMCAST CABLE
COMMUNICATIONS, LLC,

No. C 16-06180 WHA

Plaintiff,

v.

OPENTV, INC., and NAGRAVISION SA,

**ORDER RE MOTION TO
STRIKE AND MOTION TO
AMEND INFRINGEMENT
CONTENTIONS**

Defendants.

INTRODUCTION

In this action for declaratory judgment of patent noninfringement, plaintiff moves to strike the patent owners' infringement contentions for failure to comply with Patent Local Rule 3-1. The patent owners oppose and separately move to amend their infringement contentions. Plaintiff's motion to strike is **GRANTED IN PART** and **DENIED IN PART**. The patent owners' motion to amend is **GRANTED** subject to the conditions stated herein.

STATEMENT

This patent dispute began in October 2015, when defendants OpenTV, Inc., and Nagravision SA, both subsidiaries of Kudelski SA, approached plaintiff Comcast Cable Communications, LLC, to negotiate a licensing deal based on the premise that certain Comcast products infringed Kudelski's patent portfolio.

1 In October 2016, Comcast filed this action for declaratory judgment of noninfringement
2 of certain patents from Kudelski's portfolio.¹

3 After an initial case management conference, a case management order set forth a
4 procedure for pilot summary judgment motions from both sides as to one chosen claim per side
5 (Dkt. No. 82). Since then, the parties have agreed to cross-move for early summary judgment
6 as to the same claim (claim 1 of the '595 patent) (Dkt. No. 114). The patent owners have also
7 notified Comcast of their intent to provide covenants not to sue on four of the patents asserted in
8 this case (*id.* at 1 n.1). Under the current case management schedule, fact discovery for the pilot
9 summary judgment motions will close on June 2 and the motions will be filed on June 26, to be
10 heard on August 3 (Dkt. No. 135).

11 On March 27, the patent owners answered and counterclaimed for infringement of the
12 '082, '139, '327, '389, '461, '586, and '595 patents. On April 3, Comcast moved to dismiss
13 count four of the counterclaim, which concerns the '139 patent (Dkt. No. 96). On April 17, the
14 patent owners opposed the motion to dismiss and separately cross-moved to amend their
15 infringement contentions for the '139 patent (Dkt. Nos. 99–100). On April 24, the patent
16 owners filed a first amended answer and counterclaim (Dkt. No. 105), thereby mooted the
17 motion to dismiss and the cross-motion to amend infringement contentions for the '139 patent
18 (*see* Dkt. No. 138 at 11:25–12:21).

19 On April 19, the patent owners filed another motion to amend their infringement
20 contentions as to the '586 patent (Dkt. No. 101). On April 20, Comcast moved to strike the
21 infringement contentions as to the '082, '139, '461, '586, and '595 patents with prejudice (Dkt.
22 No. 102). This order follows full briefing and oral argument.²

23
24
25 ¹ The initial complaint concerned ten patents — 6,530,082 (“the '082 patent”), 7,243,139 (“the '139
26 patent”), 7,900,229 (“the '229 patent”), 5,907,322 (“the '322 patent”), 7,028,327 (“the '327 patent”), 6,799,328
27 (“the '328 patent”), 6,345,389 (“the '389 patent”), 6,725,461 (“the '461 patent”), 6,985,586 (“the '586 patent”),
and 6,895,595 (“the '595 patent”). The amended complaint added three additional patents — 8,356,188 (“the
'188 patent”), 7,725,720 (“the '720 patent”), and 7,725,740 (“the '740 patent”). Proceedings as to the latter
three patents, however, remain stayed pending parallel proceedings in Texas (*see* Dkt. No. 81 at 12).

28 ² Proceedings as to the '327 and '389 patents remain stayed pending the final determination of the
United States International Trade Commission (Dkt. No. 93).

ANALYSIS

1. COMCAST'S MOTION TO STRIKE.

As a preliminary matter, the patent owners contend Comcast's motion to strike should be denied as "procedurally deficient" because Comcast did not meet and confer prior to filing pursuant to Civil Local Rule 37-1(a) (Dkt. No. 111 at 5-7). That rule falls under CLR 37, which concerns "motions to compel disclosure or discovery or for sanctions," and states, "The Court will not entertain a request or a motion to resolve a disclosure or discovery dispute unless, pursuant to Fed. R. Civ. P. 37, counsel have previously conferred for the purpose of attempting to resolve all disputed issues." The patent owners posit that CLR 37-1(a) applies to Comcast's motion to strike because "[a] motion to strike a party's *disclosure* of asserted claims and infringement contentions, by definition, constitutes a 'disclosure or discovery dispute.'" (Dkt. No. 111 at 6 (emphasis in original)).

This myopic focus on the word "disclosure" ignores the substance and context of CLR 37. Each provision of that rule (save and except for CLR 37-4, which concerns motions for sanctions) unambiguously concerns *discovery* disputes and motions to compel *discovery*. Furthermore, Federal Rule of Civil Procedure 37, which provides the context for CLR 37, makes clear that motions to compel "disclosure" thereunder contemplate *discovery* disclosures required by FRCP 26(a). *See* F.R.C.P. 37(a). Thus, contrary to the patent owners, mere overlap of the word "disclosure" between CLR 37 and PLR 3-1 does not suggest that the meet-and-confer requirement of the former should apply to the latter. None of the decisions cited by the patent owners so held. This order therefore declines to deny as "procedurally deficient" Comcast's motion to strike and proceeds to consider the motion on its merits.³

Comcast contends the patent owners' infringement contentions violate PLR 3-1 by (1) relying too much on "information and belief," (2) charting asserted claims for only one or two accused products despite purporting to accuse more products of infringement, (3) asserting

³ In response to Comcast's criticisms that their infringement contentions fall short of complying with PLR 3-1, the patent owners occasionally mention that they would have "clarified" their infringement theories had Comcast simply met its obligation to meet-and-confer prior to filing its motions (*see* Dkt. No. 111 at 17 n.15, 19 n.18). This is a non-starter because Comcast had no such obligation, and in any case the possibility of informal elucidation would not absolve the patent owners of their responsibility to comply with PLR 3-1.

1 indirect infringement theories in generic terms by merely tracking the pertinent statutory
2 language, (4) using only boilerplate language to assert infringement under the doctrine of
3 equivalents, and (5) failing to specifically identify the patent owners' own "instrumentalities
4 and products purportedly embodying the '139 Patent" (Dkt. No. 102 at 3).

5 **A. Allegations Upon "Information and Belief."**

6 Comcast argues that the patent owners' infringement contentions should be stricken for
7 lack of "pre-suit investigation" because their reliance on "information and belief" violates PLR
8 3-1(c) (*see* Dkt. No. 102 at 5–10). That rule requires only "[a] chart identifying specifically
9 where and how each limitation of each asserted claim is found within each Accused
10 Instrumentality, including for each limitation that such party contends is governed by 35 U.S.C.
11 § 112(6), the identity of the structure(s), act(s), or material(s) in the Accused Instrumentality
12 that performs the claimed function." It does not prohibit allegations made upon "information
13 and belief." Indeed, reading PLR 3-1 as a whole makes clear that it requires *specific allegations*
14 but not *evidence* of infringement at the disclosure stage. *See, e.g.*, P.L.R. 3-1(b) (requiring
15 identification of each accused instrumentality "of which the party is aware" to be "as specific as
16 possible" to the extent known).

17 Comcast points out that PLR 3-1(c) "necessitates a level of detail that reverse
18 engineering or its equivalent would provide" (Dkt. No. 102 at 10). *Infinion Techs. v. Volterra*
19 *Semiconductor*, No. C 11–06239 MMC (DMR), 2013 WL 322570, at *4 (N.D. Cal. Jan. 28,
20 2013). Yet PLR 3-1 "does not necessarily require the patent holder to produce evidence of
21 infringement." The purpose of the rule is "to further the goal of full, timely discovery and
22 provide all parties with adequate notice of and information with which to litigate their cases." It
23 therefore distinguishes "between the required identification of the precise element of any
24 accused product alleged to practice a particular claim limitation, and every evidentiary *item of*
25 *proof* showing that the accused element did in fact practice the limitation." *AntiCancer, Inc. v.*
26 *Pfizer, Inc.*, 769 F.3d 1323, 1330–31 (Fed. Cir. 2014) (quotation omitted) (interpreting PLR 3-1
27 based on decisions from this district). This distinction is particularly appropriate here since the
28 patent owners contend, and Comcast does not dispute, that their ability to reverse engineer the

1 accused products has been limited because Comcast “prevents access to its source code and
2 encrypted data streams” and “contractually restrict[s] what a customer can do to examine its set-
3 top boxes” (*see* Dkt. Nos. 111 at 8–9; 118 at 5).

4 Applying the foregoing principles here, Comcast’s motion to strike essentially argues
5 that the infringement contentions here lack *evidentiary* support, but this does not compel the
6 further conclusion that the contentions lack the *specificity* required by PLR 3-1 (*see* Dkt. No.
7 118 at 6–9). Comcast cites a laundry list of decisions from this district for the proposition that
8 reliance on “information and belief” in infringement contentions is improper under PLR 3-1
9 (Dkt. No. 102 at 10). Those decisions, however, actually stand for the different proposition that
10 *improper* reliance on “information and belief” in lieu of specific factual allegations violates
11 PLR 3-1 where the resulting infringement contentions are too vague and conclusory to provide
12 reasonable notice as to why the patent owner believes it has a reasonable chance of proving
13 infringement. *See Tech. Props. Ltd. LLC v. Samsung Elecs. Co., Ltd.*, 114 F. Supp. 3d 842, 850
14 (N.D. Cal. 2015) (Judge Paul Grewal); *Solannex, Inc. v. MiaSole, Inc.*, No.
15 11–CV–00171–PSG, 2013 WL 1701062, at *2–4 (N.D. Cal. Apr. 18, 2013) (Judge Paul
16 Grewal); *Theranos, Inc. v. Fuisz Pharma LLC*, Nos. 11–cv–05236–YGR, 12–cv–03323–YGR,
17 2012 WL 6000798, at *5–6 (N.D. Cal. Nov. 30, 2012) (Judge Yvonne Rogers).

18 That is not our case. This order discusses as an illustrative example the proposed
19 amended infringement contentions for the ’586 patent, which also bear on the patent owners’
20 separate motion to amend. Comcast accuses the proposed amended infringement contentions of
21 relying *solely* on “information and belief” to allege, without any explanation, that an “operating
22 centre” transmits necessary data to Comcast’s set-top boxes (Dkt. No. 118 at 8–9). Actually,
23 entire pages of the proposed amended infringement contentions are dedicated to illustrative
24 screenshots that provide factual predicates supporting the patent owners’ allegation, on
25 “information and belief,” that an operating center transmits necessary data to the set-top boxes
26 (Dkt. No. 101-3 at 37–49). Some screenshots show messages indicating that set-top boxes
27 require “authorization” for use, and others show “On Demand” features that stream television
28

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.