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United States District Court
For the Northern District of California

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,

Defendants.

**ORDER GRANTING MOTION
TO DISMISS; GRANTING IN
PART MOTION TO STAY,
DISMISS, OR TRANSFER; AND
DENYING MOTION TO ENJOIN**

INTRODUCTION

In this patent infringement action, defendants move to dismiss counts one through ten of the amended complaint, and separately to stay, dismiss, or transfer counts 11 through 13 of the amended complaint to the Eastern District of Texas. Plaintiff moves to enjoin proceedings in the Eastern District of Texas. Defendants’ motion to dismiss is **GRANTED**; defendants’ motion to stay, dismiss, or transfer is **GRANTED IN PART**; and plaintiff’s motion to enjoin is **DENIED**.

STATEMENT

The following facts are taken from the amended complaint unless otherwise specified. Plaintiff Comcast Cable Communications, LLC, is a Delaware company with its principal place of business in Pennsylvania. Comcast provides video, Internet, and voice services under the XFINITY brand to both residential and business customers. OpenTV, Inc., is a Delaware corporation with its principal place of business in San Francisco, California. Nagravision SA is a Swiss company with its principal place of business in Switzerland; within the United States,

1 its principal place of business is in El Segundo, California. Both OpenTV and NagraVision are
2 subsidiaries of Kudelski SA, a Swiss firm. Together, OpenTV and NagraVision own the 13
3 patents at issue (Dkt. No. 24 at 1–2).

4 Kudelski and its subsidiaries have a history of monetizing their patent rights through
5 litigation. Examples include prior patent infringement actions filed against Netflix, Inc., in
6 December 2012; Apple Inc. in April 2014 and May 2015; Verizon Communications, Inc., in
7 October 2015; and Hulu LLC in March 2016. Other examples include actions for declaratory
8 judgment of non-infringement filed *against* Kudelski and its subsidiaries by Yahoo! Inc. in
9 January 2016 and Time Warner Cable, Inc., in May 2016, based on allegations that Kudelski
10 and its subsidiaries had threatened litigation for purported patent infringement (*id.* at 3–4, 7).

11 On October 1, 2015, Clay Gaetje, Vice President for Licensing at Kudelski, emailed
12 David Marcus, Comcast’s Chief Patent Counsel, “to start a dialogue about the licensing of
13 Kudelski’s patent portfolio to certain aspects of Comcast’s pay television and over-the-top
14 video services.” (Comcast describes this technology collectively as relating to its set-top
15 boxes.) Following some correspondence between the two sides, on November 12, 2015, Gaetje
16 sent Marcus a PowerPoint presentation titled, “Introductory Information Requested by
17 Comcast” that described Kudelski’s patent portfolio and highlighted “15 representative patents,
18 covering most aspects of Comcast’s video delivery and advertising services” (*id.* at 4–5).

19 The November 2015 presentation dedicated two slides to each “representative” patent.
20 The first slide listed basic information about the patent, including its inventors, priority date,
21 expiration date, “Summary of Technology” (a summary of the patent’s function), “Claim
22 Mapping” (a list of Comcast products or services accused of infringing the patent), and
23 “Exemplary Relevance” (a summary of how the patent allegedly worked in the accused
24 Comcast products or services). The second slide recited a specific claim of the patent
25 (ostensibly one allegedly met by the accused Comcast products or services) (Dkt. No. 24-2).¹

26
27 ¹ The 15 representative patents included 6,148,081 (“the ‘081 patent”), 7,661,117 (“the ‘117 patent”),
28 7,243,139 (“the ‘139 patent”), 7,669,212 (“the ‘212 patent”), 7,900,229 (“the ‘229 patent”), 6,006,256 (“the
‘256 patent”), 5,907,322 (“the ‘322 patent”), 7,028,327 (“the ‘327 patent”), 6,799,328 (“the ‘328 patent”),
6,345,389 (“the ‘389 patent”), 6,725,461 (“the ‘461 patent”), 7,069,579 (“the ‘579 patent”), 6,985,586 (“the

1 The 15 representative patents identified in the November 2015 presentation did not
2 translate perfectly into the array of patents at issue in this action. On January 28, 2016, Judge
3 Edward Davila found that claims of the '081 patent were invalid. *OpenTV, Inc. v. Apple Inc.*,
4 No. 5:15-cv-02008-EJD, 2016 WL 344845 (N.D. Cal. Jan. 28, 2016) (Judge Edward Davila).
5 At a meeting between Marcus and Gaetje on the same day, and in anticipation of Judge Davila's
6 ruling, defendants withdrew the '081 patent from their lineup. At that same meeting,
7 defendants also indicated they did not intend to further discuss patents '117, '212, '256, '579, or
8 '768. While presenting to Comcast representatives at the January 2016 meeting, however,
9 defendants also introduced for the first time patent 6,530,082 ("the '082 patent"), another patent
10 purportedly infringed by Comcast's products or services (Dkt. No. 24 at 6).

11 On October 26, 2016, Comcast filed the instant action. The original complaint sought
12 declaratory judgment of non-infringement as to patents '082, '139, '229, '322, '327, '328, '389,
13 '461, '586, and '595 (Dkt. No. 1). Then, on December 5, 2016, Nagravision sued Comcast in
14 the Eastern District of Texas for allegedly infringing three additional patents from Kudelski's
15 portfolio — 8,356,188 ("the '188 patent"), 7,725,720 ("the '720 patent"), and 7,725,740 ("the
16 '740 patent"). In response, on December 27, 2016, Comcast amended its complaint in the
17 instant action to include claims for declaratory judgment of non-infringement as to patents '188,
18 '720, and '740 as well (Dkt. No. 24 at 1, 7).

19 On January 26, the parties filed the instant motions. Defendants move to dismiss counts
20 one through ten of the amended complaint — corresponding to the ten patents carried over from
21 defendants' November 2015 presentation and challenged in Comcast's original complaint (Dkt.
22 No. 43). Defendants also move to stay, dismiss, or transfer counts 11 through 13 of the
23 amended complaint to the Eastern District of Texas (Dkt. No. 44). Comcast opposes both
24 motions and moves to enjoin proceedings in the Eastern District of Texas (Dkt. No. 45). This
25 order follows full briefing and oral argument.

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'586 patent"), 6,895,595 ("the '595 patent"), and 6,018,768 ("the '768 patent").

ANALYSIS

1. DEFENDANTS’ MOTION TO DISMISS COUNTS ONE THROUGH TEN.

Defendants move to dismiss counts one through ten of the amended complaint for failing to state a claim under Rule 12(b)(6). Both sides acknowledge that, following the abrogation of Form 18 on December 1, 2015, *Bell Atl. Corp. v. Twombly*, 550 U.S. 544 (2007), and *Ashcroft v. Iqbal*, 556 U.S. 662 (2009), set forth the applicable pleading standard under Federal Rule of Civil Procedure 8 (Dkt. Nos. 43 at 1, 53 at 1). Under that standard, “To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Iqbal*, 556 U.S. at 678 (citing *Twombly*, 550 U.S. at 570). Although a court deciding a motion to dismiss must accept as true all factual allegations in the complaint, it is not bound to accept as true legal conclusions couched as factual allegations. Thus, “Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice.” *Ibid*.

Here, counts one through ten in Comcast’s amended complaint all follow the same format. Count eight, quoted in full below, is an illustrative example (Dkt. No. 24 at 15–16):

89. Paragraphs 1-88 are incorporated herein by reference.

90. Comcast has not infringed and does not infringe any claim of the ‘327 Patent, either directly or indirectly, literally or under the doctrine of equivalents, including by providing, making, using, offering for sale, or selling its Xfinity TV Anywhere or Xfinity.TV.net services accused of infringement in the November 12, 2015, presentation. For example, the accused services do not meet at least the limitation of “determining, using an electronic program guide, an interactive application associated with a broadcast program.”

91. As set forth above, an actual controversy exists between Comcast and Defendants with respect to infringement of the ‘327 Patent and this controversy is likely to continue. Accordingly, Comcast desires a judicial determination and declaration of the respective rights and duties of the parties with respect to the ‘327 Patent.

92. Such a declaration is necessary and appropriate at this time in order that the parties may ascertain their respective rights and duties with respect to the matters set forth above.

Paragraphs 89, 91, and 92 use boilerplate language repeated for each of counts one through ten and contribute no factual allegations (except by incorporating prior allegations by reference).

1 The crux of our inquiry is therefore paragraph 90 and its counterparts in other counts, each of
2 which follows essentially the same format but plugs in specific information for (1) the patent
3 number, (2) the name of the accused products or services, (3) the date of the presentation that
4 accused said products or services of infringement, and (4) the limitation allegedly not met by
5 the accused products or services.

6 Comcast also points out that the amended complaint incorporates by reference
7 allegations about the January 2016 presentation, as well as the attached slides from the
8 November 2015 presentation (Dkt. No. 53 at 9). That incorporation, however, adds little to the
9 allegations described above. The amended complaint alleges that defendants asserted some
10 patents and declined to assert others at the January 28 meeting, but says nothing further as to
11 any specific claims or accused products or services (*see* Dkt. No. 24 at 6). For each asserted
12 patent, the November 2015 presentation summarizes what the patent does, identifies accused
13 products or services, and quotes a relevant claim. It does not, however, explain how any
14 accused product or service meets the claim limitations of a corresponding patent (*see* Dkt. No.
15 24-2). In short, neither presentation incorporated by reference in the amended complaint
16 significantly bolsters the factual allegations set forth in the actual counts of non-infringement.

17 Defendants claim such allegations are insufficient under *Twombly/Iqbal* because they
18 fail to state any facts about *how* the accused products or services actually work. Thus,
19 defendants contend, the amended complaint contains no factual, non-conclusory allegations
20 from which to infer that an accused product or service fails to meet at least one limitation at
21 issue (Dkt. No. 43 at 6–9).

22 Comcast responds that allegations identifying (1) the asserted patent, (2) the accused
23 products or services, and (3) at least one limitation not met by said products or services are
24 sufficient under *Twombly/Iqbal* (Dkt. No. 53 at 8–10). This order disagrees and concludes that,
25 under *Twombly/Iqbal*, the complaint must contain factual allegations sufficient to show how or
26 why a claim limitation is not met.

27 Neither the Supreme Court nor our court of appeals has had occasion to apply
28 *Twombly/Iqbal* to a non-infringement claim in a patent case following the abrogation of Form

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