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United States District Court
Northern District of California

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

IN RE: PERSONALWEB
TECHNOLOGIES, LLC, ET AL. PATENT
LITIGATION

Case No. 18-md-02834-BLF (SVK)

**ORDER DENYING PLAINTIFFS’
MOTION TO AMEND
INFRINGEMENT CONTENTIONS**

Re: Dkt. Nos. 448, 452; 456

I. INTRODUCTION

Before the Court is PersonalWeb Technologies, LLC and Level 3 Communications, LLC’s (collectively “PersonalWeb”) motion to amend their infringement contentions. ECF 448. In the underlying multidistrict litigation, PersonalWeb alleges that Amazon.com, Inc. and Amazon Web Services, Inc. (collectively “Amazon”), along with dozens of their customers including Twitch Interactive, Inc. (“Twitch”), infringe several of PersonalWeb’s patents based on Amazon’s cloud-computing services.¹

While PersonalWeb alleges infringement of several patents, PersonalWeb’s motion to amend its infringement contentions arises out of Amazon and Twitch’s proposed construction of claim terms in three of those patents: U.S. Patent Nos. 7,802,310 (the “310 patent”), 7,945,544 (the “544 patent”) and 8,099,420 (the “420 patent”) (collectively “patents-at-issue”). ECF 448 at 1–3. In briefing this motion, the Parties group the proposed amendments into two groups. First,

¹ The Parties agreed to designate PersonalWeb’s case against Twitch as a representative customer case that involved all four categories of infringement identified by PersonalWeb. ECF 313. PersonalWeb served its infringement contentions on Twitch on December 22, 2018. Ex. 7, ECF 452-8. As a result, Twitch’s schedule for its Patent Local Rule 4-1 and Rule 4-2 claim construction exchanges trailed Amazon’s schedule. However, Amazon and Twitch filed a joint

1 PersonalWeb seeks leave to amend its infringement contentions based on Amazon and Twitch’s
 2 proposed construction of (1) “unauthorized or unlicensed” in claim 20 of the ’310 patent as “not
 3 compliant with a valid license” and (2) “authorization” in claims 25 and 166 of the ’420 patent as
 4 “a valid license.” *Id.* at 1. The Court addresses these claim terms collectively as the
 5 “unauthorized/authorized” terms. Second, PersonalWeb seeks to amend its infringement
 6 contentions based on Amazon’s proposal to limit the terms “being based on a first function of the
 7 contents of the specific part” in claim 46 of ’544 patent and “part value” in claims 46 and 52 of the
 8 ’544 patent to a computation based only on the data in the data item. *Id.* at 3. The Court
 9 addresses this second set of claim terms as the “part/part value” terms.

10 The following table summarizes the claim terms at issue and Amazon and Twitch’s
 11 proposed constructions:

13 Claim Term Group	14 Claim Term	15 Amazon and Twitch’s Proposed Construction
16 Unauthorized/Authorized	17 “unauthorized or unlicensed” in claim 20 of the ’310 patent	18 “not compliant with a valid license” (ECF 412 at 3)
	19 “authorization” in claims 25 and 166 of the ’420 patent	20 “a valid license” (ECF 412 at 3)
21 Part/Part Value	22 “being based on a first function of the contents of the specific part” in claim 46 of ’544 patent	23 “being based on a computation where the input is all of the data in the specific part” (ECF 412 at 18)
	24 “part value” in claims 46 and 52 of the ’544 patent	25 “a value created by a computation on the sequence of bits that makes up the part” (ECF 412 at 18)

26 For the reasons set forth below, the Court **DENIES** PersonalWeb’s motion to amend its
 27 infringement contentions.

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II. PREVIOUS LITIGATION

The patents-at-issue have been the subject of extensive litigation. ECF 456 at 1. Two events in that litigation history play a role in the Parties' current dispute. First, and most significantly, on March 11, 2016, the Honorable Rodney Gilstrap issued a claim construction order that adopts the claim constructions that Amazon and Twitch now advocate for in this case. *PersonalWeb Techs., LLC v. IBM*, No. 6:12-cv-661, Dkt. 103 (E.D. Tex. Mar. 11, 2016) ("Gilstrap Order"). This order arose in a suit brought by PersonalWeb asserting the patents-at-issue here against IBM and GitHub, Inc. in the United States District Court for the Eastern District of Texas. Judge Gilstrap construed "unauthorized" as "not compliant with a valid license" and "authorization" as "a valid license." *Id.* at 25–28. Further, Judge Gilstrap construed "given function of the data [in the data item / data file]" as "computation where the input is all of the data in the [data file / data item], and *only* the data in the [data file / data item]" and "applying a function to the contents of the corresponding file" as "performing a computation where the input is all of the data in the file, and *only* the data in the file." *Id.* at 15–21 (emphasis added).

The second event, which also arises out of a suit brought by PersonalWeb in the Eastern District of Texas, is notable because Amazon was a party and argued for a similar construction of similar claim terms to those at issue here. In 2011, PersonalWeb sued Amazon, and several other companies, for patent infringement. The Honorable Leonard Davis issued a claim construction order in August 2013. *PersonalWeb Techs., LLC v. Amazon.com Inc.*, No. 6:11-cv-00658, Dkt. 140 (E.D. Tex. Aug. 5, 2013) ("Davis Order"), ECF 406-7. While the Davis Order does not construe the terms currently at issue in the present action, it does construe two terms similar to the unauthorized/authorized terms at issue here. Those similar claim terms are "licensed" and "unlicensed" in U.S. Patent No. 6,928,442 (the "'442 patent"). *Id.* at 24–26. Amazon and the other defendants proposed construing those terms as "having a license to content stored within a requested file"—a similar construction to the one Amazon and Twitch now propose for the unauthorized/authorized terms. *Id.* at 24 (internal quotation marks omitted). Judge Davis ultimately rejected Amazon's construction, concluding that the terms "require no further construction." *Id.* at

III. PROCEDURAL HISTORY

On October 29, 2018, over two years after the Gilstrap Order, PersonalWeb served its infringement contentions on Amazon. Ex. 1, ECF 448-2. PersonalWeb served its infringement connections on Twitch two months later, on December 22, 2018. Ex. 7, ECF 452-8.

A. The Unauthorized/Authorized Claim Terms

Amazon and Twitch argue that at the September 2018 preliminary case management conference, they “made clear that they would seek the same constructions” in this case as Judge Gilstrap ordered in 2016. ECF 452 at 3. On January 7, 2019, Amazon served its Patent Local Rule 4-1 disclosure of proposed terms for construction, which identified “unauthorized” and “authorization” as previously construed terms. Ex. 4, ECF 452-5 at 3. Three weeks later, on January 28, 2019, Amazon’s preliminary proposed construction disclosures under Patent Local Rule 4-2 proposed constructions of “unauthorized” as “not compliant with a valid license” and “authorization” as “a valid license.” Ex. 5, ECF 452-6 at 17; *see also* p. 2, *infra*. In support of these constructions, Amazon cited the Gilstrap order. Ex. 5, ECF 452-6 at 12–13; *see also* p. 2, *infra*. Amazon proposed the same construction for the related claim terms, “unauthorized or unlicensed.” Ex. 5, ECF 452-6 at 13.

On March 12, 2019, the Parties filed their joint claim construction and prehearing statement in which Amazon and Twitch repeated their proposal to construe the terms unauthorized/authorized in claim 20 of the ’310 patent as “not compliant with a valid license” and “authorization” in claims 25 and 166 of the ’420 patent as “a valid license.” ECF 380 at 8–15. Based on Amazon and Twitch’s proposed construction of the unauthorized/authorized claim terms, one month after receiving the proposed constructions, PersonalWeb sent Amazon proposed amended infringement contentions on April 18, 2019. ECF 448 at 1. PersonalWeb characterizes its proposed amendments as “modest additions to address the possibility the terms ‘unauthorized’ and ‘authorization’ were interpreted by the Court as requested by Amazon as well as some minor typographical errors.” *Id.* PersonalWeb informed Twitch that it intended to make similar amendments to its infringement contentions for Twitch, and on May 8, 2019, PersonalWeb

B. The Part/Part Value Claim Terms

The chronology in this case for the part/part value claim terms is similar. Amazon's January 28, 2019 preliminary proposed constructions construe "being based on a first function of the contents of the specific part" as "being based on a computation where the input is the [sic] all of the data in the specific part." Ex. 5, ECF 452-6 at 14; *see also* p. 2, *infra*. Amazon proposes construing "part value" as "a value created by a computation on the sequence of bits that makes up the part." Ex. 5, ECF 452-6 at 16; *see also* p. 2, *infra*. In support of the first proposed construction, Amazon cites both the Gilstrap and Davis Orders. Ex. 5, ECF 452-6 at 14.

In the Parties' March 12 joint claim construction statement, Amazon and Twitch jointly propose the same constructions for the part/part value claim terms as set forth in Amazon's January 28 disclosure. ECF 380 at 84–87, 91, 96–97. In its motion to amend, PersonalWeb notes the absence of the word "only" in Amazon's proposed constructions and argues that "[n]either of these proposed constructions indicated that these computations [are] limited to those *only* based on the content of the data or sequence of bits." ECF 448 at 2 (emphasis in original). Amazon and Twitch maintain that their proposed constructions necessarily limit computations to the data. ECF 452 at 9, n.6.

On April 22, 2019, Amazon and Twitch filed a joint responsive claim construction brief. ECF 412. PersonalWeb argues that the joint claim construction brief is the first place that Amazon and Twitch argue that their part/part value "claim constructions mean[] that the computation is based *only* on the contents or sequence of bits of a part." ECF 448 at 2 (emphasis in original). On May 8, 2019, PersonalWeb sent Twitch proposed amended infringement contentions, which respond to the alleged new claim constructions in Amazon and Twitch's responsive claim construction brief. *Id.* A week later, on May 14, 2019, Amazon and Twitch refused to agree to PersonalWeb's proposed amendments. During the Parties' May 24, 2019 *Markman* hearing, the Honorable Beth Labson Freeman prompted Amazon and Twitch for further clarification regarding their construction. ECF 446 at 95:2–16. Amazon and Twitch responded that their proposed constructions for the terms "being based on a first function of the contents of the specific part" in claim

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