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UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA SAN JOSE DIVISION

IN RE: PERSONALWEB TECHNOLOGIES, LLC ET AL PATENT LITIGATION

Case No. <u>18-md-02834-BLF</u>

ORDER DECLINING TO CLARIFY OR SUPPLEMENT CLAIM CONSTRUCTION ORDER

[RE: ECF 507]

AMAZON.COM, INC., et al.,

Plaintiffs,

v.

PERSONAL WEB TECHNOLOGIES, LLC, et al.,

Defendants.

PERSONALWEB TECHNOLOGIES, LLC, et al.,

Plaintiffs,

v.

TWITCH INTERACTIVE, INC.,

Defendant.

Case No. <u>18-cv-00767-BLF</u>

[RE: ECF 137]

Case No. 18-cv-05619-BLF

[RE: ECF 48]

On August 16, 2019, this Court issued its Claim Construction Order in this multidistrict litigation ("MDL"), construing all ten disputed claims terms identified by the parties. Mere hours later, the parties began a heated dispute about whether any of PersonalWeb Technologies, LLC's ("PersonalWeb") infringement theories were valid in light of the Court's constructions. As a result,

PersonalWeb filed the present Motion to Clarify or Supplement Claim Construction Order, seeking clarification or supplementation of the Court's construction of the term "unauthorized or unlicensed." *See* Motion, ECF 507. PersonalWeb asserts that it "needs clarification to determine if the Court meant something different than 'valid rights to content' (*i.e.*, a narrower/license instrument-type of meaning)." Motion at 2. If so, PersonalWeb states that it will withdraw its technical expert's infringement report and dismiss the case, preserving its appellate rights. *Id*.

After the Motion was filed, the Court held a telephone conference and heard the parties' positions. ECF 514. Subsequently, Amazon filed an Opposition (Opp'n, ECF 521) and PersonalWeb filed a Reply (Reply, ECF 527). Pursuant to Civil Local Rule 7-1(b), the Court finds the instant motion suitable for decision without oral argument and hereby VACATES the hearing set for December 12, 2019. For the reasons discussed below, the Court DENIES PersonalWeb's motion.

I. BACKGROUND

In this MDL, PersonalWeb alleges patent infringement by Amazon.com, Inc. and Amazon Web Services, Inc., and separately by dozens of Amazon's customers (collectively, "Amazon"), related to the customers' use of Amazon's CloudFront and Simple Storage Service ("S3") in connection with downloading files from S3. Two of the cases comprising this MDL are proceeding at this time: *Amazon v. PersonalWeb* (Case No. 5:18-cv-00767-BLF), in which PersonalWeb asserts counterclaims of patent infringement, and *PersonalWeb v. Twitch Interactive, Inc.* (Case No. 5:18-cv-05619-BLF), in which PersonalWeb asserts claims of patent infringement and which the Court has designated as a representative customer case. In each of these two actions, PersonalWeb alleges infringement of four patents: U.S. Patent Nos. 6,928,442 ("the '442 patent"); 7,802,310 ("the '310 patent"); 7,945,544 ("the '544 patent"); and 8,099,420 ("the '420 patent").

PersonalWeb filed its opening claim construction brief on April 8, 2019. ECF 399. The next day, the Court issued an order instructing the parties to limit the briefing to no more than ten disputed terms, pursuant to Patent Local Rules for the Northern District of California. ECF 401, *See* Patent L.R. 4-3(c). PersonalWeb filed an amended opening claim construction brief on April



12, 2019.

The term "licensed/unlicensed," as found in claim 20 of the '310 patent and claim 10 of the '442 patent, was included in PersonalWeb's initial (and noncompliant) opening claim construction brief (ECF 399) but was dropped in the amended brief (ECF 406). The parties' respective proposals are below:

PersonalWeb's Proposal	Amazon's Proposal
"un-/licensed:" plain and ordinary meaning	valid / invalid right to content
Alternative Construction: "un/licensed:" not legally / legally permitted	

ECF 399 at 2. Claim construction briefing was concluded on April 29, 2019. *See* ECF 406; 412; 420. The Court held a tutorial on May 2, 2019, followed by a *Markman* hearing on May 24, 2019, and issued its Claim Construction Order on August 16, 2019. Order, ECF 485.

The disputed term for which PersonalWeb seeks clarification, is "unauthorized or unlicensed," as found in claim 20 of the '310 patent. The parties' proposed constructions are listed below:

PersonalWeb's Proposal	Amazon's Proposal
Plain and ordinary meaning	"not compliant with a valid license"
Alternatively: "not permitted or not permitted under a license"	

Order at 6. During the claim construction proceedings, PersonalWeb contended that in the context of the '310 patent, the plain and ordinary meaning of "authorization" equates to "permission." *See Id.* In contrast, in PersonalWeb's view, "license" was something narrower—"a specific kind of authorization." *Id.* In other words, PersonalWeb's position was that "unauthorized" should be construed differently than "unlicensed" and therefore the term "unauthorized or unlicensed," if construed at all, should be construed in a way that was boarder than "unlicensed" and consistent with the "permission" theory. *See* ECF 406 at 7 ("If Amazon's proposed construction is adopted, it should be clarified that 'unauthorized' is not limited to the legal and/or contractual



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Northern District of California

In distinguishing between "unauthorized" and "unlicensed," PersonalWeb argued the following:

> A "license," on the other hand, means something narrower. It is a specific kind of authorization. The specification discusses licenses in the sense of having legal permission to have a copy of a file. For example, the specification states that a license table 136 maintains a record of the True Names of "key files in the product (that is, files which are required in order to use the product, and which do not occur in other products)[.] Typically, for a software product, this would include the main executable image and perhaps other major files such clip-art, scripts, or online help." '310 at 31:17-22. This demonstrates the specification contemplates having a license is having legal permission to possess things like program executables and images such as clip-art, items that may be the subject, for example, of a copyright license, or a license granted by an End User License Agreement (EULA).

Id. at 2-3.

The Court rejected PersonalWeb's argument and noted that "while PersonalWeb's argument in favor of separate meanings has superficial appeal, the intrinsic record reveals that the patentee used the words 'authorized' and 'licensed' interchangeably in the '310 patent." *Id.* at 8. The Court adopted Amazon's proposed construction and held that "unauthorized or unlicensed" means "not compliant with a valid license." Order at 6-12.

During the claim construction proceedings, both parties discussed two Markman orders from the Eastern District of Texas involving some of the patents-in-suit in the instant action: (1) PersonalWeb Techs., LLC v. Amazon.com Inc., No. 6:11-cv-658, Dkt. No. 140 (E.D. Tex. Aug. 5, 2013) ("Davis Order") and (2) PersonalWeb Techs., LLC v. IBM Corp., No. 6:12-cv-661-JRG, Dkt. No. 103 at 25, 28 (E.D. Tex. Mar. 11, 2016) ("Gilstrap Order"). Order at 11. PersonalWeb argued and the Court agreed that neither the Davis Order nor the Gilstrap Order were binding in this matter. Id. The Court noted that "[n]either order addressed the 'unauthorized or unlicensed' term found in claim 20 of the '310 patent' and therefore neither order was "directly on point with the instant dispute." Id. Nevertheless, the Court found the Gilstrap Order to be the closer of two, in which Judge Gilstrap noted that "authorization' merely refers to a valid license" – a finding that was "not inconsistent with the Court's ruling on the instant dispute." Id.

counsel because Amazon believed that PersonalWeb had no viable patent infringement theories in light of the Court's constructions. Motion at 1. In response, PersonalWeb informed Amazon that because Amazon had, earlier in the claim construction proceedings, advocated for the same constructions as those in the Gilstrap Order, PersonalWeb intended to apply Judge Gilstrap's construction of "licensed/unlicensed" as "valid/invalid rights to content" to its infringement analysis. *Id.* at 1-2. Over Amazon's strong objection and threats of sanctions, PersonalWeb's expert did, in fact, apply Judge Gilstrap's construction to his infringement analysis. *Id.* at 2. In addition, PersonalWeb filed the present motion because it believes it needs "clarification to determine if the Court meant something different than 'valid rights to content' (*i.e.*, a narrower/license instrument-type of meaning)." *Id.* If so, PersonalWeb states that it will withdraw the report of the technical expert and dismiss, in order to preserve appellate rights. *Id.*

In PersonalWeb's view, this Court's Order "does not appear fully dispositive on what it means for something to be 'licensed' versus 'unlicensed." Motion at 2. Therefore, PersonalWeb asks this Court to "expressly adopt Judge Gilstrap's March 11, 2016 order, construing 'licensed' and 'unlicensed." *Id.* at 4. To support this position, PersonalWeb points to several instances in which Amazon advocated for Judge Gilstrap's constructions during the claim construction proceedings. Reply at 2-4 (citing Amazon's Patent L.R. 4-2 Disclosures; the parties' Joint Claim Construction and Prehearing Statement (ECF 380); Amazon's Responsive Claim Construction Brief (ECF 412); May 24, 2019 claim construction hearing).

Amazon responds that PersonalWeb's Motion "requests that the Court 'supplement' the claim construction order by plugging into the Court's construction of the term 'unauthorized or unlicensed' a construction by a different court of a different claim term not at issue here." Opp'n at 1. Amazon argues that "PersonalWeb had every opportunity to seek construction of different terms, or to seek different constructions of 'unauthorized' or 'unlicensed,' or to oppose Amazon's proposed construction that the Court adopted because it was 'unclear' — PersonalWeb did none of those things." *Id.* at 2. Next, Amazon points out several instances in which PersonalWeb had argued against Judge Gilstrap's constructions because PersonalWeb believed that "license' had a clear



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