UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

APPLE INC.,

Plaintiff,

vs.

WI-LAN, INC.,

Defendant.

AND ALL RELATED COUNTERCLAIMS.

CASE NO. 14cv2235 DMS (BLM)

ORDER GRANTING WI-LAN'S MOTION TO STRIKE APPLE'S AMENDED INVALIDITY CONTENTIONS

This case comes before the Court on Wi-LAN's motion to strike Apple's amended invalidity contentions. Apple filed an opposition to the motion, and Wi-LAN filed a reply. After reviewing the parties' briefs and the Patent Local Rules as they appeared on the Court's website, the Court discovered Patent Local Rule 3.6.b.2 as it appeared on the Court's website was incorrect. Therefore, the Court requested supplemental briefing from the parties to address the requirements of the Rule as correctly stated, namely, how specific amendments to the invalidity contentions were necessitated by the Court's claim construction. The parties have submitted their supplemental briefs, and the motion is now ready for disposition.

Patent Local Rule 3.6.b.2 provides, "absent undue prejudice to the opposing party, a party opposing infringement may only amend its validity contentions: ... if, not

later than fifty (50) days after service of the court's Claim Constructing Ruling, the party opposing infringement believes in good faith that amendment is necessitated by a claim construction that differs from that proposed by such party[.]" Patent Local Rule 3.6.b.2.a. Here, Apple served its amended invalidity contentions on January 2, 2018, fifty (50) days after the Court issued its Markman order. The amended contentions were allegedly in response to that order, and more specifically in response to the Court's constructions of the "subscriber" terms, "connections" terms and the terms "queue" and "packing sub-header."

On each of these terms, the Court rejected Apple's proposed construction in favor of Wi-LAN's proposed construction. Each of the Court's constructions was also consistent with the constructions given in the previous case between these parties. Thus, the Court's constructions could not have come as a surprise to Apple. On the contrary, Apple should have been "'aware of the risk that the Court could adopt these constructions.'" *Slot Speakers Techs., Inc. v. Apple, Inc.*, No. 13-cv-01161-HSG, 2017 U.S. Dist. LEXIS 161400, at *10 (N.D. Cal. Sep. 29, 2017) (citing *Verinata Health, Inc. v. Sequenom, Inc.*, No. C 12-00865 SI, 2014 U.S. Dist. LEXIS 25406, at *2 (N.D. Cal. Feb. 26, 2014)). And faced with that risk, Apple could have either made accommodations for these constructions in its original invalidity contentions or moved to amend its original contentions when it received Wi-LAN's proposed constructions, which were served by at least August 10, 2017. Apple chose neither of those options, and instead waited until the last possible day to amend its invalidity contentions, which it was entitled to do if it believed "in good faith" that those amendments were necessitated by the Court's claim constructions. Apple did not submit any evidence of its good faith belief, therefore the Court is unable to determine whether that standard is met here.

Nevertheless, even if that standard is met, Wi-LAN has shown it would suffer undue prejudice if Apple were allowed to amend its invalidity contentions at this late date. As stated above, Apple served its amended invalidity contentions on January 2,

2018. At that time, the fact discovery cut off was only ten days away, leaving Wi-LAN with insufficient time to conduct any fact discovery on the amended contentions. *See Google, Inc. v. Netlist, Inc.*, No. C 08-4144 SBA, 2010 U.S. Dist. LEXIS 144392, at *8-9 (N.D. Cal. May 3, 2010) (finding Google would suffer undue prejudice if defendant were allowed to amend infringement contentions where motion to amend filed "on the day before the close of fact discovery.")

Apple argues Wi-LAN will have had more than two months to address its amended contentions as rebuttal expert reports are not due until March 15, 2018. Given the nature of the amendments, however, that deadline does not refute Wi-LAN's showing of undue prejudice. Apple's amendments include at least two new obviousness combinations (Chuah and Sau, Ericsson and Ericsson IP Traffic), twenty-two new background references, two new claim charts (UMTS and Carvalho) and amendments to Apple's Section 112 defenses. In a case that is nearly four years old, involves six patents and where the parties are in the process of completing expert discovery and will soon be filing dispositive motions, Wi-LAN would be unduly prejudiced in having to investigate and address Apple's new invalidity theories.

For this reason, the Court grants Wi-LAN's motion to strike Apple's amended invalidity contentions.

IT IS SO ORDERED.

DATED: March 2, 2018

HON. DANA M. SABRAW
United States District Judge