IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

PHILIPS NORTH AMERICA LLC, Plaintiff, v. FITBIT, INC., Defendant.	Civil Action No. 1:19-cv-11586-FDS **Leave to file granted during April 21, 2021 status conference**

DEFENDANT'S SUR-REPLY IN OPPOSITION TO PLAINTIFF'S MOTION FOR LEAVE TO AMEND L.R. 16.6(d)(1) INFRINGEMENT CONTENTIONS

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Philips continues to offer contradictory excuses for its delay in seeking to add four new products to this litigation after the close of fact discovery. Philips could and should have sought leave to amend its contentions long ago. Nonetheless, despite another chance to explain its delay, Philips gives no credible justification for its lack of diligence. That alone warrants denying Philips's Motion and should resolve this issue.

Seemingly acknowledging that it was far from diligent, Philips focuses much of its Reply (D.I. 176) on the assertion that the newly-proposed contentions could not prejudice Fitbit because, according to Philips, they do not introduce new infringement theories. But Philips incorrectly contends that its new contentions only accuse features that were previously identified for earlier accused products. Contrary to Philips's assertion that its infringement contentions for the new Charge 4, Sense, Inspire 2, and Versa 3 products accuse the "very same features" previously disclosed for the Charge 3, Inspire HR, and Versa 2 products (*see* Reply at 1, 4-5), the new contentions actually accuse ***additional features*** that were not included in any prior contentions for the Charge 3, Inspire HR, and Versa 2 and introduce new infringement theories after the close of fact discovery that prejudice Fitbit.

Moreover, even if Philips does not intend to introduce new theories of infringement, applying Philips's earlier theories to four new products still prejudices Fitbit. As an example, the new products include new features and functionalities. Philips accused those new features in its December 2020 infringement charts but has now removed those accusations from its contentions, ostensibly to try to argue that no new features are accused. Philips's remolding of its infringement contentions in the middle of briefing on its Motion is the epitome of the "shifting sands" that the infringement contention disclosure rules seek to prevent. Philips's shift also raises significant new questions, including whether and how Philips contends the new features should be valued and

factored into damages for the new products. The new features, which Philips does not now accuse of infringement, present potential non-infringing alternatives as well as features that should be accounted for in apportioning the value of accused and non-accused features. Fitbit is prejudiced by not being able to seek discovery regarding Philips's contentions for those issues, as well as any additional discovery that might be necessitated by Philips's positions. That prejudice cannot be reconciled now, as the time for complicating this case with new issues has long passed.

Philips also cannot escape the legal impact of the conversion in the '377 Patent's priority chain. Patent term is cut a year short when a provisional application is converted to a non-provisional application. As a result, the '377 Patent expired before the four new products were released in 2020. Philips's effort to require the public to uncover a purported error in its priority chain disclosure—arguing that the "conversion" language was merely "colloquial"—fails because the burden is on patentees to accurately state their priority claims. Philips's argument is further undermined by its inability to explain how the priority claim language would have been any different if the patentee had actually intended a conversion instead of using colloquialisms. Philips's additional explanations of why a patentee generally may not want to convert a provisional application simply reinforce the legal implications of the language actually used in the priority claim in this case—language that the public is entitled to rely on. The inescapable consequence of the priority claim (even if made in error) is that the '377 Patent expired prior to the release of any of the four new products. Thus, Philips's amendments would be futile even if good cause were found.

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