

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-IT

SUPPLEMENTAL JOINT STATUS REPORT

After the Scheduling Hearing, pursuant to the Court's request, Fitbit contacted Philips regarding scheduling. Among other things, the parties met and conferred concerning a procedure for addressing Fitbit's Motion for Partial Summary Judgment of Invalidity under 35 U.S.C. §112 directed to one claim element of the '007 patent¹ ("MSJ motion"). Dkt. 44. However, the parties have been unable to agree on an approach for resolving Fitbit's indefiniteness arguments in this case.

Fitbit's introductory statement

Fitbit's counsel can sum up the actions requested from the Court in this document as follows:

- Fitbit does not want to divert the Court from what Fitbit believes is the best use of judicial resources of this Court: determination that the asserted claims of the patents in suit are patent ineligible as abstract ideas. Fitbit requests a hearing on its case-dispositive motion to dismiss at the Court's convenience.
- Fitbit properly filed its MSJ motion that is distinct from run-of-the-mill claim construction issues. The claims of the '007 patent are indefinite—there is no cure for that. It involves a legal issue that is cabined by the four corners of the specification. As the motion makes clear, resort to expert testimony or extrinsic evidence cannot be used to

¹ Fitbit expressly previewed this MSJ motion in the initial case management Joint Statement filed November 25, 2019 (Dkt 23 p.4.)

remedy the unique legal flaw.² The 15 page, concise motion should be granted and a hearing is not necessary unless the Court desires. However, Fitbit does not want the MSJ motion to detract the Court from the pending motions to dismiss.

- Fitbit needs additional time to comply with the local patent rule document production due to the amount of legacy products at issues. Fitbit will have code available for inspection pursuant to the protective order and will produce the majority of documents by the current deadline. Fitbit will make available any additional code or produce additional documents on a rolling basis as soon thereafter as practicable.

Philips' introductory statement

Philips opposes supplemental briefing of a single indefiniteness argument while claim construction proceeds in parallel, especially when Fitbit has suggested that it has *other* indefiniteness arguments that it apparently plans to raise—separately briefing all these issues is the opposite of the “streamlining” that Fitbit suggests would be obtained by separately briefing its motion—and the suggestion that claim construction is irrelevant to Fitbit’s indefiniteness arguments runs counter to both logic and Federal Circuit precedent.³ Fitbit is also wrong in arguing that expert testimony is irrelevant to indefiniteness. First, it can be relevant to claim construction, which would inherently weigh on indefiniteness. Second, both Federal Circuit and this district have stressed that whether a means-plus-function claim is supported by the specification is a question to be considered from the perspective of a person of ordinary skill in

² Dkt. 44, p. 7 (“Indeed, ‘the testimony of one of ordinary skill in the art cannot supplant the total absence of structure from the specification.’” *quoting Default Proof Credit Card Sys., Inc. v. Home Depot U.S.A.*, 412 F.3d 1291, 1302–03 (Fed. Cir. 2005)).

³ *See Lockheed Martin Corp. v. Space Systems/Loral, Inc.*, 324 F.3d 1308, 1319 (Fed. Cir. 2003) (“Once a court establishes that a means-plus-function limitation is at issue, it must identify and construe that limitation, thereby determining what the claimed function is, and what structures disclosed in the written description correspond to the ‘means’ for performing that function.”)

the art and have relied on expert testimony—including when determining whether any algorithms (if necessary) are disclosed.⁴

There is little merit to Fitbit’s argument that its MSJ argument is wholly separate from claim construction, or that separately briefing the issue would be the most efficient way to proceed. Philips suggests that all the claim construction issues should be raised in an orderly and efficient manner through the already scheduled claim construction process.

With respect to the Motion to Dismiss, Philips believes that the Court has more than sufficient information and does not need a hearing on a matter that is focused on the pleadings, which are to be taken as true at this stage of the litigation.

With regard to Fitbit’s request for additional time to produce documents in accordance with the local rules, Fitbit

An explanation of the parties’ positions follow. For the Court’s convenience, Exhibit A includes a table summarizing the parties’ positions.

Explanation of the Parties’ Positions

1. MSJ Motion

a. Fitbit’s Position

Fitbit’s position is simple: briefing for the pending MSJ motion should be completed with a two-week extension and heard at the Court’s convenience. Fitbit has no objection to the hearing occurring on the same day as the *Markman* hearing (August 6) or at an earlier time if the

⁴ See, e.g., *AllVoice Computing PLC v. Nuance Comms., Inc.*, 504 F.3d 1236, 1245-1246 (Fed. Cir. 2007) and *Michael Sandborn & Mark Sandborn Partnership v. Avid Tech., Inc.*, 53 F.Supp.3d 468, 481-482 (D. Mass. 2014).

Court prefers.⁵ Indeed, a ruling in Fitbit's favor would moot the need for the Court to even consider any other claim construction issues on the '007 patent.

Fitbit's proposal also provides the Court with the opportunity to delay consideration of the MSJ motion to focus exclusively on the pending, case dispositive Motion to Dismiss. The Motion to Dismiss demonstrates that the patents-in-suit are directed to patent-ineligible subject matter. Fitbit respectfully submits that resolution of this case dispositive motion would be the most efficient use of the Court's resources for this case.

With respect to the MSJ motion, Fitbit filed it and Philips should respond to it (rather than trying to evade it). At just 15 pages in length, the MSJ motion succinctly demonstrates that the specification of the '007 patent fails to disclose an algorithm for a single means-plus-function claim element present in all asserted claims. As detailed in the MSJ motion, this failure to disclose cannot be cured by extrinsic evidence or expert testimony and renders each asserted claim invalid under 35 U.S.C. 112.⁶

⁵ Fitbit acknowledges that the timing that it is proposing now differs from arguments it made at the status conference on March 24. In the context of explaining the rationale for the timing of the filing of the MSJ motion, Fitbit was mistaken in its belief that the IPR bar date was July 22, 2020 (one year from the filing of the Complaint). Thus, in light of *Samsung v. Priusa*, 948 F.3d 1342, 1350 (Fed. Cir. 2020), which many in the IP community believe impacts IPR practice, Fitbit believed that it was imperative to get a ruling on the MSJ before July 22, 2020. Indeed, there are currently CLE's being offered addressing the impact of *Samsung* on IPR practice. See IPO'S IP CHAT CHANNEL™: Indefiniteness After *Samsung v. Priusa* (attached as Exhibit B). However, the Complaint was actually served months after its filing date. The correct IPR bar is actually October 2, 2019 (one year from the date of service), a fact that none of the parties appreciated until after the status conference. And in contrast to Philips' representations here suggesting the *Samsung* case did not affect IPR practice, the decision is the sole topic of one of only four posts this year on Foley & Lardner's (counsel for Philips) own "PTAB Trial Insights" blog. See <https://www.foley.com/en/insights/blogs/ptab-trial-insights> ("PTAB Cannot Invalidate Challenged Claims for Indefiniteness in an IPR"), last accessed April 2, 2020 (attached as Exhibit C).

⁶ Dkt. 44, p. 7.

Rather than respond to the MSJ motion, even when Fitbit offered it a briefing extension, Philips seeks to avoid the motion entirely by asking this Court to dismiss it without prejudice. Philips' proposal requires Fitbit to raise the issues from its MSJ motion within later claim construction briefing. In proposing this, Philips is trying to force Fitbit to make truncated arguments in a page-limited, omnibus claim construction brief.⁷ This proposal will deprive Fitbit of the chance to make (and the Court to hear) its complete argument on the issue and runs counter to the goals of summary judgment of streamlining cases.

The possibility that Fitbit may raise other, non-dispositive indefiniteness arguments in connection with claim construction on the four patents-in-suit should not deprive it of the opportunity to present fulsome dispositive arguments on the '007 patent.⁸ Fitbit did not ask to be sued on so many patents, Philips made that choice. There is no legal basis for the relief Philips seeks. Indeed, its request appears to be yet another example of the vexatious litigation strategy that Philips is employing against Fitbit.⁹

⁷ Pursuant to L.L.R. 7.1(b)(4), absent leave of Court, claim construction briefs are limited to 20 pages. Philips has not offered to extend the page limit in an amount consistent with the length of the MSJ motion. Furthermore, in the introductory section of this Joint Statement, Philips characterizes the briefing on the MSJ motion as "supplemental" briefing in a further attempt to justify subsuming it within claim construction briefing. However, the briefing is not "supplemental," it is briefing on a properly, independent motion for summary judgment.

⁸ Philips' assertion below that there may be "serial (and potentially endless) motions for partial summary judgment on purportedly discrete indefiniteness issues" lacks any basis. Fitbit has and will continue to be respectful of the Court's time and resources as it defends itself against serial litigation from Philips.

⁹ The case at bar is but one of many actions brought by Philips in its serial litigation campaign in multiple venues against Fitbit to increase its bargaining leverage. Philips' current Complaint asserts four patents, three of which have expired and one soon to expire. Dkt. 23 at p.1. Foreign counterparts to three of the asserted patents in this Complaint were already found invalid in proceedings in Europe before Philips filed the Complaint in this action. *Id.* at p.8. When Fitbit filed the Motion to Dismiss in this case, Philips made a dramatic pivot and responded by filing an ITC Investigation on three totally different patents (which they could have filed on the same patents in suit as in the case before this Court but did not), with the hearing set for October 5, 2020. Philips has since filed another infringement action, this time in Germany on

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