IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

M2M SOLUTIONS LLC,

        Plaintiff,

v.

MOTOROLA SOLUTIONS, INC., TELIT
COMMUNICATIONS PLC, and TELIT
WIRELESS SOLUTIONS INC.,

        Defendants.

Civil Action No. 12-33-RGA

MEMORANDUM OPINION

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January 6, 2016

Richard G. Andrews

ANDREWS, U.S. DISTRICT JUDGE:

Before the Court are various Motions for Summary Judgment filed by Defendants Telit Communications PLC ("PLC") and Telit Wireless Solutions Inc. ("Telit U.S.") (collectively, "Defendants"). Defendants bring three separate motions, all of which the Court will consider here: Motion for Summary Judgment Related to Damages (D.I. 165), Motion for Summary Judgment of Invalidity (D.I. 171), and Motion for Summary Judgment of Non-Infringement (D.I. 175). The motions are fully briefed. (D.I. 166, 172, 177, 196, 198, 202, 226, 228, 230). The Court heard oral argument on October 30, 2015. (D.I. 245). For the reasons that follow, the Court will deny Defendants' Motion for Summary Judgment of Invalidity (D.I. 171) and Motion for Summary Judgment of Non-Infringement (D.I. 175) in their entirety, but will grant Defendants' Motion for Summary Judgment Related to Damages (D.I. 165) in its entirety.

I.   BACKGROUND

On January 13, 2012, Plaintiff M2M Solutions LLC ("Plaintiff") filed five patent infringement actions asserting infringement of U.S. Patent Nos. 8,094,010 ("'010 patent") and 7,583,197 ("'197 patent"). (D.I. 1). The Court held a *Markman* hearing, after which it invalidated the '197 patent and construed several claim terms in the '010 patent. (D.I. 94). In this action, the Court granted a stipulation as to Defendant Motorola Solutions, Inc., for entry of final judgment of invalidity and non-infringement of the '197 patent, which reserved Plaintiff's right to appeal. (D.I. 158). Accordingly, the present motions relate solely to Plaintiff's remaining claims against the Telit Defendants for infringement of the '010 patent.

The '010 patent, broadly speaking, relates to mobile communications technology. ('010 patent, col. 2, ll. 56–57). It discloses "a programmable wireless communications apparatus" that "serves to address [] diverse communication requirements" and allows for "remote data

monitoring." (*Id.* col. 1, ll. 22–23; *id.* col. 7, ll. 24–30). Plaintiff asserts that Defendants

indirectly infringe numerous dependent claims of the '010 patent.[1] Plaintiff dropped its direct

infringement contentions and now only asserts contributory infringement and induced

infringement. (D.I. 198 at 7–8). The asserted apparatus claims all depend from either unasserted

independent Claim 1 or Claim 52. Defendants' non-infringement contentions revolve

exclusively around these two independent claims. Claim 1 of the '010 patent reads as follows:

> 1.   A programmable communicator device comprising:
>
> a wireless communications circuit for communicating through an antenna over a
> communications network;
>
> an identity module for storing a unique identifier that is unique to the
> programmable communicator device;
>
> a processing module for authenticating an at least one transmission sent from a
> programming transmitter and received by the programmable communicator
> device, the at least one transmission including a coded number and at least one
> telephone number or Internet Protocol (IP) address corresponding to an at least
> one monitoring device, wherein the processing module authenticates the at least
> one transmission by determining if the at least one transmission contains the
> coded number, the processing module authenticating the at least one transmission
> if the transmission includes the coded number;
>
> a memory module for storing the at least one telephone number or IP address
> from the authenticated transmission as one of one or more permitted callers if the
> processing module authenticates the at least one transmission by determining that
> the at least one transmission includes the coded number; and
>
> wherein the at least one transmission from a programming transmitter comprises a
> Short Message Service (SMS) data message, or a General Packet Radio Service
> (GPRS) or other packet switched data message.

('010 patent, claim 1).

I construed the term "wireless communications circuit for communicating through an

antenna" to require the inclusion of an antenna. (D.I. 94 at 15). Plaintiff, and its expert on

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[1] Specifically, Plaintiff asserts infringement of Claims 2, 5, 19, 26, 42, 54, 57–58, 62–64, 66–67, 70–71, 78–79, 81, 94, and 97. (D.I. 199-1 ¶¶ 1, 34).

infringement, Dr. Ray W. Nettleton, opine that, as sold out-of-the-box, Defendants' accused modules literally meet and embody all but one of the recited claim limitations. (D.I. 198 at 7–8; D.I. 199-1 at 11–12, ¶ 29). They allege that the accused products contain pads or connectors specifically designed for connecting to an antenna. (D.I. 198 at 8; D.I. 199-1 at 15, ¶ 41). Plaintiff thus argues that in order to use the accused products at all, customers will have to connect them to an antenna, something which Defendants instruct customers to do. (D.I. 198 at 8). Accordingly, the crux of Plaintiff's infringement contentions is that "[o]nce the customers connect an accused product to an antenna, it then literally meets and embodies every limitation of M2M's asserted apparatus claims, and consequently any use of that product by the customer would constitute an act of direct infringement." (*Id.* (citing D.I. 199-1 at 11–12, ¶ 29)).

II.   LEGAL STANDARD

"The court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." FED. R. CIV. P. 56(a). The moving party has the initial burden of proving the absence of a genuinely disputed material fact relative to the claims in question. *Celotex Corp. v. Catrett*, 477 U.S. 317, 330 (1986). Material facts are those "that could affect the outcome" of the proceeding, and "a dispute about a material fact is 'genuine' if the evidence is sufficient to permit a reasonable jury to return a verdict for the nonmoving party." *Lamont v. New Jersey*, 637 F.3d 177, 181 (3d Cir. 2011) (quoting *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986)). The burden on the moving party may be discharged by pointing out to the district court that there is an absence of evidence supporting the non-moving party's case. *Celotex*, 477 U.S. at 323.

The burden then shifts to the non-movant to demonstrate the existence of a genuine issue for trial. *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586–87 (1986);

Williams v. Borough of West Chester, Pa., 891 F.2d 458, 460–61 (3d Cir. 1989). A non-moving

party asserting that a fact is genuinely disputed must support such an assertion by: "(A) citing to

particular parts of materials in the record, including depositions, documents, electronically stored

information, affidavits or declarations, stipulations . . . , admissions, interrogatory answers, or

other materials; or (B) showing that the materials cited [by the opposing party] do not establish

the absence . . . of a genuine dispute . . . ." FED. R. CIV. P. 56(c)(1).

When determining whether a genuine issue of material fact exists, the court must view

the evidence in the light most favorable to the non-moving party and draw all reasonable

inferences in that party's favor. *Scott v. Harris*, 550 U.S. 372, 380 (2007); *Wishkin v. Potter*,

476 F.3d 180, 184 (3d Cir. 2007). A dispute is "genuine" only if the evidence is such that a

reasonable jury could return a verdict for the non-moving party. *Anderson*, 477 U.S. at 247–49.

If the non-moving party fails to make a sufficient showing on an essential element of its case

with respect to which it has the burden of proof, the moving party is entitled to judgment as a

matter of law. *See Celotex Corp.*, 477 U.S. at 322.

III.   DISCUSSION

A.   Motion for Summary Judgment of Non-Infringement (D.I. 175)

Defendants' non-infringement arguments can be broken down into several overarching

categories. First, Defendants argue that the '010 patent does not claim functional capability but

instead covers structures and method steps, and that Plaintiff failed to prove that anyone directly

infringed by not showing that the product inherently contains these structures or that any of these

method steps actually occurred. (D.I. 177 at 17–19). Second, Defendants argue that even if the

'010 patent claims cover capability, there is no infringement because users must modify the

device to enable the alleged capability. (*Id.* at 19). Third, Defendants make three specific

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