UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	SACV 18-1580 JVS (ADx)	Date	March 14, 2019
Title	Universal Electronics Inc. v. Roku Inc.		

Present: The Honorable	James V. Selna

Lisa Bredahl	Not Present
Deputy Clerk	Court Reporter
Attorneys Present for Plaintiffs:	Attorneys Present for Defendants:
Not Present	Not Present

Proceedings: **(IN CHAMBERS) Order Regarding Motion to Limit Number of Asserted Claims**

Defendant Roku, Inc. ("Roku") filed a motion to limit the number of patent claims asserted by Plaintiff Universal Electronics Inc. ("UEI"). Mot., Docket No. 41. UEI filed an opposition. Opp'n, Docket No. 50. Roku replied. Reply, Docket No. 52.

For the following reasons, the Court **grants in part** the motion.

I. BACKGROUND

UEI sued Roku on September 5, 2018. Docket No. 1. UEI's First Amended Complaint ("FAC") alleges that Roku infringes nine UEI patents[1] by selling certain Roku streaming players with remote controls, and by making the Roku Mobile App available for use in connection with certain of its streaming players. FAC, Docket No. 28 ¶¶ 28, 47, 67, 93, 113, 136, 158, 180, 199. On December 24, 2018, UEI served its Disclosure of Asserted Claims and Infringement Contentions ("Infringement Contentions"). Infringement Contentions, Docket No. 41-1.

UEI's Infringement Contentions assert 106 claims from nine patents. Id. at 2–3. Roku now moves to limit the number of asserted claims to 20 claims on the grounds that (1) the current volume of claims will impose an undue burden on the parties and the

[1] UEI alleges that Roku infringes U.S. Patent Nos. 7,589,642 ("the '642 Patent"); 8,004,389 ("the '389 Patent"); 9,911,325 ("the '325 Patent"); 9,716,853 ("the '853 Patent"); 7,782,309 ("the '309 Patent"); 7,821,504 ("the '504 Patent"); 7,821,505 ("the '505 Patent"); 7,895,532 ("the '532 Patent"); and 8,015,446 ("the '446 Patent"). Infringement Contentions, Docket No. 41-1 at 2.

Court; (2) courts routinely limit the number of claims asserted prior to claim construction; and (3) UEI will not suffer any prejudice if required to limit its asserted claims. See generally, Mot., Docket No. 41.

II. LEGAL STANDARD

District courts may limit the number of patent claims asserted in an action for patent infringement for the sake of judicial economy and management of a court's docket. In re Katz Interactive Call Processing Patent Litig., 639 F.3d 1303, 1313 (Fed. Cir. 2011); see also Stamps.com Inc. v. Endicia, Inc., 437 Fed.Appx. 897, 902 (Fed. Cir. 2011); Medtronic Minimed Inc. v. Animas Corp., No. CV 12-04471 RSWL RZX, 2013 WL 3322248, at *1 (C.D. Cal. Apr. 5, 2013) (collecting cases). "In determining whether to require parties [to] limit the number of claims asserted, courts look to the number of patents and claims at issue and the feasibility of trying the claims to a jury. Courts should also look to whether the patents at issue have common genealogy, whether the patents contain terminal disclaimers, and whether the asserted claims are duplicative." Thought, Inc. v. Oracle Corp., No. 12-CV-05601-WHO, 2013 WL 5587559, at *2 (N.D. Cal. Oct. 10, 2013) (citing In re Katz, 639 F.3d at 1311). "Even after requiring parties to limit the number of claims at issue for claim construction or trial, courts should allow patent holders to bring back in non[-]selected claims upon a showing of 'good cause' that the non-selected claims present unique issues of infringement or invalidity." Id. (citing Masimo Corp. v. Philips Elecs. N. Am. Corp., 918 F. Supp. 2d 277, 284 (D. Del. 2013)).

III. DISCUSSION

A. Additional Discovery Is Not Necessary

UEI argues first that additional discovery is necessary for it to discern which claims it will assert at trial. Opp'n, Docket No. 50 at 5–8. The Court disagrees. Limiting the number of asserted claims at this stage will not "unfairly prejudice[] the claimant's opportunity to present its claims." In re Katz, 639 F.3d at 1311. Infringement contentions, invalidity contentions, and core technical documents have been exchanged. Declaration of Jonathan Baker ("Baker Decl."), Docket No. 52-1 ¶¶ 4, 5. Roku has completed much of its document production in response to UEI's requests for production, and produced source code for the accused products. Id. ¶¶ 4, 6. UEI conducted source code inspections on February 22, and at the time this motion was filed, had source code

inspections planned for February 28, and March 1.[2] Id. ¶ 6. As Roku points out, by the hearing on this motion, UEI will have had Roku's confidential technical information for four weeks, Roku's invalidity contentions for more than three weeks, and will have spent at least three days examining Roku's source code. Thus, the circumstances of this case do not comport with UEI's contention that it has not had "a sufficient opportunity to obtain and consider discovery." Opp'n, Docket No. 50 at 5. For instance, UEI cites Arctic Cat v. Polaris Indus. Inc., No. 13-3579 (JRT/FLN), 2015 WL 3756409 (D. Minn. June 12, 2015), to support the contention that claim limitation is premature. However, the defendant in Arctic Cat had not yet provided its invalidity and non-infringement defenses, unlike Roku. Furthermore, other district courts have limited claims at similar stages of discovery. See, e.g., Univ. of Va. Patent Foundation v. General Elec. Co., No. 3:13cv51, 2015 WL 6958073, at *6 (W.D. Va. Nov. 10, 2015) ("[T]he Court finds that the parties' exchange of infringement and invalidity contentions and GE's provision of core technical documents provide the appropriate foundation for an initial claim reduction."); Thought, 2013 WL 5587559, at *3. Therefore, the Court rejects UEI's argument that in the "normal course" of patent infringement litigation, courts limit the number of asserted claims only after claim construction and the completion of fact discovery. See Opp'n, Docket No. 50 at 9.

To the extent UEI argues that it is deprived of due process by claim limitation at this stage, its concerns are addressed by the procedure approved by the Federal Circuit in In re Katz – after the Court limits the number of asserted claims, UEI will have the opportunity to add additional claims upon showing that they present unique issues. In re Katz, 639 F.3d at 1311 ("We reject Katz's due process argument. Katz has not shown that the claim selection procedure the district court employed was inadequate to protect Katz's rights with respect to the unasserted claims."); see also Masimo Corp., 918 F. Supp. 2d at 283–84 ("[S]ignificant to the In re Katz and Stamps.com decisions were the safety valve provisions of the lower courts, which did not make the limitation on the number of claims immutable.").

B. Limiting the Number of Asserted Claims Is Proper Prior to Claim Construction

[2] The parties are directed to advise the Court at the hearing on this motion as to whether the February 28 and March 1 inspections occurred as planned.

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UEI argues that the Court should defer limiting the asserted claims until after claim construction. Opp'n, Docket No. 50 at 8–15. The Court disagrees. The weight of authority holds that claim limitation is proper prior to claim construction, particularly where defendants have already served invalidity contentions. See, e.g., Arctic Cat, 2015 WL 3756409, at *4 ("the vast majority of courts that have ordered claim reduction have done so prior to claim construction"); Memory Integrity LLC v. Intel Corp., No. 3:15-cv-00262-SI, 2015 WL 6659674, at *3 (D. Or. Oct. 30, 2015) (collecting cases). The cases on which UEI relies are distinguishable from this action. For instance, in four of the cases UEI cites for the proposition that courts should defer limiting asserted claims until after claim construction, the defendants did not file their motions to limit until after the completion of claim construction. See Quest Integrity USA, LLC v. Clean Harbors Indus. Servs., Civ. No. 14-1482-SLR, 2016 U.S. Dist. LEXIS 151588, at *4 (D. Del. Nov. 1, 2016); Fujifilm Corp. v. Motorola Mobility LLC, No. 12-cv-03587-WHO, 2015 WL 757575, at *4 (N.D. Cal. Feb. 20, 2015); Gen-Probe Inc. v. Becton Dickinson & Co., No. 09-cv-2319 BEN (NLS), 2012 WL 579490, at *1 (S.D. Cal. Feb. 21, 2012); Havco Wood Prods., LLC v. Indus. Hardwood Prods., No. 10-cv-565-WMC, 2011 WL 5513214, at *1 (W.D. Wis. Nov. 10, 2011). Furthermore, in Fleming v. Cobra Elecs. Corp., No. 1:12-cv-392-BLW, 2013 WL1760273, *2-*3 (D. Idaho Apr. 24, 2013), and Certusview Techs., LLC v. S&N Locating Servs., LLC, No. 2:13cv346, 2014 WL 4930803, *5 (E.D. Va. Oct. 1, 2014), the courts denied motions to limit the number of asserted claims before service of defendant's invalidity contentions. Therefore, those authorities are distinguishable as well. As Roku points out, despite citing 12 cases in support of its argument that claim limitation should be deferred, UEI doesn't cite a single post-Katz case in which a district court denied a motion to limit the number of asserted claims after delivery of defendant's invalidity contentions, but prior to claim construction.

UEI also argues that limiting asserted claims is inappropriate because the Court has already limited the total number of claims to be construed to 10 terms. Declaration of Evan Woolley ("Wooley Decl."), Ex. B, Docket No. 50-3. However, "[i]t would be a waste of time and resources to conduct a claim construction hearing for a multitude of claims that Plaintiff may later elect not to pursue during the claim selection process." Joao Control and Monitoring Systems, LLC v. Ford Motor Co., Nos. 13-cv-13615, 13-cv-13957, 2014 WL 106926, at *4 (E.D. Mich. Jan. 10, 2014). Accordingly, limiting claims at this stage is efficient despite the fact that there will be only 10 terms construed because it increases the likelihood that the Court will construe the correct 10 terms, i.e., the terms

relevant to the claims that UEI will actually assert at trial. And UEI concedes that if the Court limits the number of asserted claims by granting this motion, Roku will be in a better position to select the terms it wants construed. Opp'n, Docket No. 50 at 8.

Furthermore, where courts have limited asserted claims prior to claim construction, it was not only a reduction in the number of terms for construction which motivated the courts' limitation of claims. For instance, in Broadcom Corp. v. Emulex Corp., No. CV 10-03963-JVS (ANx), at *5 (C.D. Cal. June 30, 2010), the Court found it "untenable" to maintain 178 asserted claims from eleven patents through claim construction, summary judgment motions, and trial. As Roku points out, UEI doesn't cite any cases holding that limiting the number of terms for construction is a sufficient proxy for limiting the number of asserted claims. On the contrary, multiple courts have limited the number of asserted claims in addition to limiting the number of terms to be construed, which would be redundant if the two limitations led to the same practical result. See, e.g., Univ. of Va. Patent Foundation, 2015 WL 6958073, at *7; High Point Sarl v. Sprint Nextel Corp., No. 09-2269-CM-DJW, 2010 WL 9497168, at *3 (D. Kan. Aug. 18, 2010). The difference between limiting terms to be construed and limiting asserted claims is demonstrated by the prejudice Roku would experience without any claim limitation even though the Court has already limited terms for construction. Roku would be required to develop its non-infringement defenses, invalidity defenses, and damages theories on all the asserted claims, and to work with experts in preparing expert reports on those issues as to all the asserted claims, even though only a fraction of the 100-plus asserted claims will proceed to trial. Therefore, the fact that the Court has already limited the number of terms to be construed does not foreclose the limitation of asserted claims here.

C. Limiting the Number of Asserted Claims to 25 Claims Is Appropriate Based on the Facts of this Case

Roku argues that limiting the asserted claims to 20 is appropriate because it has made an initial showing that the asserted claims are duplicative. Reply, Docket No. 52 at 16–17. As an initial matter, the Court agrees with other district courts holding that a defendant is not required to make a prima facie showing that the claims are duplicative in order to justify a limitation on the number of asserted claims. See Masimo Corp., 918 F. Supp. 2d at 284 (rejecting argument that "duplicativeness of the claims" is the only standard for limiting claims); Memory Integrity, 2015 WL 6659674, at *3 (rejecting argument that district court should not limit the number of asserted claims because the

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