

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

LAMBETH MAGNETIC STRUCTURES,)	
LLC,)	
)	
Plaintiff,)	Civil Action No. 16-538
)	
v.)	Judge Cathy Bissoon
)	
SEAGATE TECHNOLOGY (US))	
HOLDINGS, INC., <i>et al.</i> ,)	
)	
Defendants.)	

LAMBETH MAGNETIC STRUCTURES,)	
LLC,)	
)	
Plaintiff,)	Civil Action No. 16-541
)	
v.)	Judge Cathy Bissoon
)	
WESTERN DIGITAL CORPORATION,)	
<i>et al.</i> ,)	
)	
Defendants.)	

MEMORANDUM ORDER

Pending before the Court are two sets of cross-motions for summary judgment in two related patent infringement cases, Civil Action Nos. 16-538 and 16-541. For the reasons that follow, all four motions will be granted in part and denied in part.

In Civil Action 16-538, Seagate Technology (US) Holdings, Inc. and Seagate Technology LLC (collectively, “Seagate”) move for judgment of (1) invalidity of United States Patent No. 7,128,988 (the “988 patent”) due to inadequate written description; (2) non-infringement of the '988 patent by Seagate; and (3) lack of pre-suit damages. (Seagate’s Motion for Summary Judgment, Civil Action No. 16-538, Doc. 150.) Plaintiff Lambeth Magnetic Structures, LLC

(“Lambeth”) moves for partial summary judgment in its favor on several of Seagate’s affirmative defenses: (1) invalidity of the '988 patent; (2) Seagate’s equitable defenses (equitable estoppel, laches, waiver, and unclean hands); (3) express or implied license, release, exhaustion and double recovery; and (4) standing. (Lambeth’s Motion for Summary Judgment against Seagate, Civil Action No. 16-538, Doc. 157.)

In Civil Action 16-541, Western Digital Corporation, Western Digital Technologies, Inc., Western Digital (Fremont), LLC, Western Digital (Thailand) Company Limited, Western Digital (Malaysia) Sdn.Bhd and HGST, Inc. (collectively, “Western Digital”), move for judgment of (1) non-infringement of the '988 patent by Western Digital; (2) invalidity of the '988 patent based on lack of enablement; and (3) lack of pre-suit damages. (Western Digital’s Motion for Summary Judgment, Civil Action 16-541, Doc. 158.) Lambeth moves also for partial summary judgment in its favor on several of Western Digital’s affirmative defenses: (1) failure to comply with the requirements of 35 U.S.C. §§ 102 (novelty), 103 (obviousness), and 116 (omission of joint inventors) such that the '988 patent is invalid; (2) express or implied license; (3) standing; and (4) Western Digital’s equitable defenses (laches and unclean hands). (Lambeth’s Motion for Summary Judgment against Western Digital, Civil Action No. 16-541, Doc. 159; Lambeth’s Brief in Support of Motion for Summary Judgment against Western Digital, “Lambeth’s MSJ Brief Against Western Digital,” Civil Action No. 16-541, Doc. 173.)

BACKGROUND¹

The '988 patent² concerns an atomic structure for creating thin film magnetic materials with desirable properties (specifically, uniaxial magnetic anisotropy, which the Court will define shortly), and devices containing such materials. Thin film magnetic materials with uniaxial magnetic anisotropy are useful in devices such as hard disk drives (“HDDs”) because they facilitate reliably writing and reading data. Lambeth claims that Seagate and Western Digital design and manufacture high performance HDDs that infringe the '988 patent by containing at least one recording head made from the invented structure.

¹ As the Court writes for the parties, the Court assumes familiarity with the procedural history of this case, and the Court will address only those facts that are material to resolving the instant motions. The Court draws facts from the following sources: Seagate’s Concise Statement of Material Facts in Support of Summary Judgment (“Seagate’s SOF,” Civil Action No. 16-538, Doc. 164) and the exhibits thereto (“Seagate’s SOF Exhibits,” Civil Action No. 16-538, Docs. 165-171) as well as Lambeth’s Response to Seagate’s SOF (Civil Action No. 16-538, Doc. 218) and the exhibits thereto (“Lambeth’s Counter-SOF Exhibits against Seagate,” Civil Action No. 16-538, Doc. 218); Lambeth’s Concise Statement of Material Facts in Support of its Motion for Summary Judgment (“Lambeth’s SOF against Seagate,” Civil Action No. 16-538, Doc. 173) and the exhibits thereto (“Lambeth’s SOF Exhibits against Seagate,” Civil Action No. 16-538, Doc. 173) as well as Seagate’s Response to Lambeth’s SOF (Civil Action No. 16-538, Doc. 202) and the exhibits thereto (“Seagate’s Counter-SOF Exhibits,” Civil Action No. 16-538, Docs. 202, 203); Western Digital’s Statement of Undisputed Facts in Support of Summary Judgment (“Western Digital’s SOF,” Civil Action No. 16-541, Doc. 166) and the exhibits thereto (“Western Digital’s SOF Exhibits,” Civil Action No. 16-541, Docs. 163, 168-172) as well as Lambeth’s Response to Western Digital’s SOF (Civil Action No. 16-541, Doc. 208) and the exhibits thereto (“Lambeth’s Counter-SOF Exhibits against Western Digital,” Civil Action No. 16-541, Doc. 208); and Lambeth’s Concise Statement of Material Facts in Support of its Motion for Summary Judgment (“Lambeth’s SOF against Western Digital,” Civil Action 16-541, Doc. 174) and the exhibits thereto (“Lambeth’s SOF Exhibits against Western Digital,” Civil Action 16-541, Doc. 174) as well as Western Digital’s Response to Lambeth’s SOF (Civil Action No. 16-541, Doc. 206) and the exhibits thereto (“Western Digital’s Counter-SOF Exhibits,” Civil Action No. 16-541, Doc. 206). Unless otherwise noted, the facts addressed in this section are undisputed.

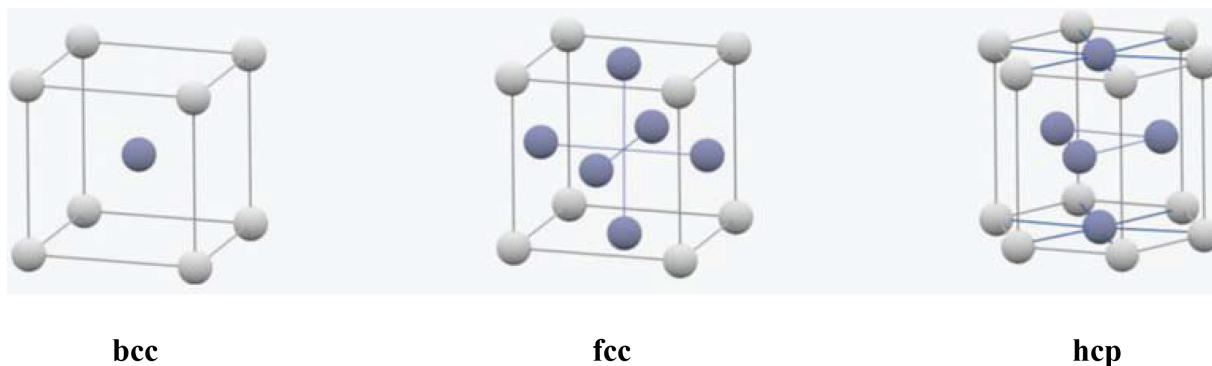
² The '988 patent, titled “Magnetic Material Structures, Devices and Methods,” issued on October 31, 2006 and has an effective filing date of August 29, 2001. (Lambeth’s Response to Seagate’s SOF at ¶ 1.)

I. Crystalline Materials

Some background on crystalline materials is necessary to understand the parties' dispute as well as the specialized terms and notation the Court will use throughout this Memorandum Order. In crystalline materials, "the atoms are arranged in an ordered three-dimensional pattern that extends over a long range atomic scale." (Lambeth's Response to Seagate's SOF at ¶ 3.)³ A "unit cell" is a three-dimensional repeating unit in a crystalline material. (*Id.* at ¶¶ 3, 5.)

Crystalline materials can be "single crystal," meaning that if one were to follow a fixed direction from one atom in the crystal, there is a constant, repeating distance between subsequent atoms in the crystal, or "polycrystalline," meaning the material contains multiple crystals that are sometimes called "grains." (*Id.* at ¶¶ 6-9.)

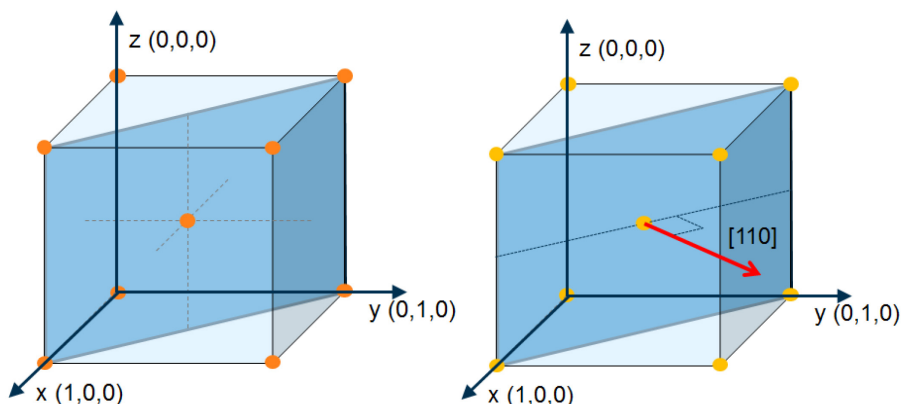
The three predominant types of unit cells found in nature for metallic crystals are body centered cubic ("bcc"), face centered cubic ("fcc"), and hexagonal close packed ("hcp"), as depicted below:



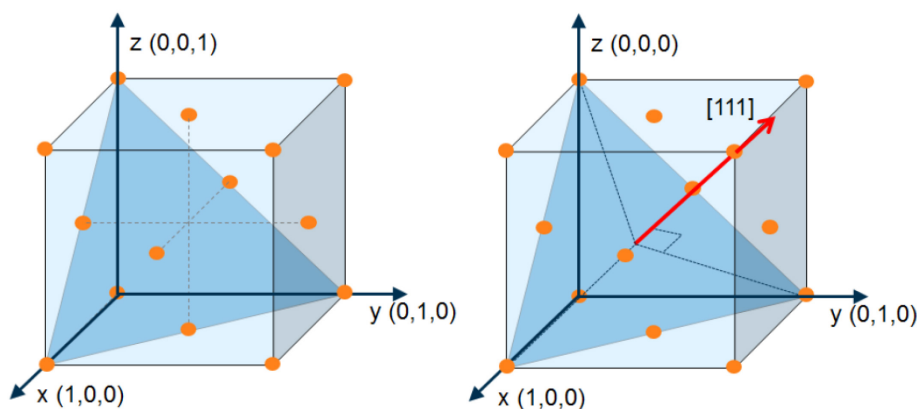
(Lambeth's Response to Western Digital's SOF at ¶¶ 20, 21.)

³ Lambeth's Response to Seagate's SOF and Lambeth's Response to Western Digital's SOF both contain similar expressions of agreement among the parties as to the background on crystalline materials. For brevity, the Court cites Lambeth's Response to Seagate's SOF. Unless otherwise noted, there are no material differences between Seagate's and Western Digital's statements concerning the nature of crystalline materials.

“For a given crystal, the orientation of crystal planes and crystal directions can be described using a coordinate system called the ‘Miller Index,’” which “uses x, y, z coordinates to denote directions and planes within a cubic crystal.” (Lambeth’s Response to Seagate’s SOF at ¶¶ 14-15.) Using the notation of this coordinate system, the “(110)” plane of a bcc crystal, and the “[110]” direction of a bcc crystal, which is perpendicular to that plane, are shown below in blue and red, respectively:



(Id. at ¶¶ 19-20.) Also using this notation system, the (111) plane of an fcc crystal and the [111] direction of an fcc crystal, which is perpendicular to that plane, are shown in blue and red respectively:



(Id. at ¶¶ 24-25.)

When describing the orientation of a crystal, a “bcc (110) crystal” means that the bcc crystal’s (110) plane is parallel to the substrate and its [110] direction is perpendicular to the

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