

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

BLITZSAFE TEXAS, LLC,

Plaintiff,

v.

HONDA MOTOR CO., LTD., ET AL.,

Defendants.

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NO. 2:15-CV-01274-JRG-RSP  
(LEAD CASE)

JURY TRIAL DEMANDED

**HONDA'S OBJECTIONS TO THE COURT'S REPORT AND RECOMMENDATION  
DENYING DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT ON  
NONCOMPLIANCE WITH MARKING REQUIREMENTS UNDER 35 U.S.C. § 287(a)**

Pursuant to Federal Rule of Civil Procedure 72 and Local Rule CV-72(b), Defendants American Honda Motor Co., Inc., Honda of America Mfg., Inc., Honda Manufacturing of Alabama, LLC, Honda Manufacturing of Indiana, LLC (“Honda”) hereby object to the January 26, 2017 Report and Recommendation (Dkt. No. 403) denying Defendants’ Motion for Partial Summary Judgment of Noncompliance with Marking Requirements Under 35 U.S.C. § 287(a) (Dkt. No. 201).

**I. Blitzsafe bears the burden to prove its licensees complied with the marking statute.**

In denying Defendants’ motion, the Court erred in holding that Defendants bear the threshold burden of showing that an unmarked patented product exists. Dkt. No. 403 at 3. In earlier cases, courts in this District rejected improper attempts by patentees to shift the burden of proof by insisting that an accused infringer must come forward with evidence of the patentee’s failure to mark, and the Court’s denial of Defendants’ motion breaks from this precedent. *See Pact XPP Techs., AG v. Xilinx, Inc.*, No. 2:07-cv-563-RSP, 2012 U.S. Dist. LEXIS 40651, at \*9–12 (E.D. Tex. Mar. 26, 2012) (“At trial, PACT would have the burden to prove compliance with the marking statute by a preponderance of the evidence.”); *see also Soverain Software LLC v. Amazon.com, Inc.*, 383 F. Supp. 2d 904, 908, 911 (E.D. Tex. 2005) (granting summary judgment that licensees did not comply with the marking requirements because the patentee “failed to bring forth any evidence that [its licensees] complied with the statute by marking any products they offered for sale or by not selling any products at all”).

The cases from other districts upon which the Court relied in denying Defendants’ motion are outliers that deviate from the previous approach taken by this District in *Pact XPP Techs.* and *Soverain Software*. In *DR Systems, Inc. v. Eastman Kodak Co.*, No. 08-cv-669, 2009 U.S. Dist. LEXIS 75549, at \*10–13 (S.D. Cal. Aug. 25, 2009), the Southern District of California correctly described the line of cases placing the burden on an accused infringer “to

show the existence of a ‘patented article’ triggering the statute” as “the exception rather than the rule.” Specifically relying on the holding from this District in *Soverain Software*, as well as decisions from the Federal Circuit and the Supreme Court, the *DR Systems* court refused to place the burden to identify products covered by the patent on the accused infringer as the Court has done in this case. *See DR Systems*, 2009 U.S. Dist. LEXIS 75549, at \*12 (citing *Soverain Software*, 383 F. Supp. 2d at 908). As the *DR Systems* court explained, the Supreme Court and the Federal Circuit have “consistently stated the general principle that the patentee must prove its compliance with the marking statute” because “a patentee’s compliance is ‘a matter peculiarly within his own knowledge.’” *See id.* (quoting *Dunlap v. Schofield*, 152 U.S. 244, 248 (1894) and citing *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1446 (Fed. Cir. 1998); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1111 (Fed. Cir. 1996)).

Most district courts agree with the approach taken by the *DR Systems* court, and on summary judgment evidence mirroring the evidence in this case, those courts have repeatedly held that a patentee fails to comply with § 287(a) when it fails to produce summary judgment evidence showing that it made reasonable efforts to ensure that its licensees complied with the marking statute. *See, e.g., Adrea, LLC v. Barnes & Noble, Inc.*, No. 13 Civ. 4137, 2014 U.S. Dist. LEXIS 92698, at \*5–6 (S.D.N.Y. July 1, 2014) (holding “that it is the patentee who bears the burden in pleading and proving compliance with the marking statute” and granting summary judgment as to the ’851 patent based on the patentee’s infringement allegations in prior litigation); *U.S. Ethernet Innovations, LLC v. Acer, Inc.*, No. C 10-3724, 2013 U.S. Dist. LEXIS 116640, at \*36, \*51–56 (N.D. Cal. Aug. 16, 2013) (holding that the patentee “bears the burden of pleading and proving compliance with the marking statute” and granting summary judgment to the accused infringer because the patentee “ha[d] consistently taken the position that the

relevant products sold by [its licensee] Intel infringe its patents, and it ha[d] not offered any evidence . . . that they do not—instead, it just speculate[d] that the factfinder ultimately may find that [the] products do not infringe”); *Kimberly-Clark Worldwide, Inc. v. First Quality Baby Prods., LLC*, No. 1:09-cv-1685, 2013 U.S. Dist. LEXIS 61272, at \*22–23 (M.D. Pa. Apr. 30, 2013) (rejecting placing the burden on the accused infringer to identify what products, if any, practice the patent and granting summary judgment to the accused infringer where “three other companies . . . were licensed or otherwise given *carte blanche* to practice the [asserted patent],” but only one was contractually obligated to mark its products).

This Court erred when it departed from the sound reasoning of the Supreme Court, the Federal Circuit, the majority of other district courts, and earlier decisions in this District by improperly placing the burden on Defendants to prove the existence of unmarked patented products. The summary judgment evidence in this case shows that (1) Blitzsafe did not provide actual notice of infringement prior to filing these lawsuits; (2) Blitzsafe’s predecessor accused specific AAMP and Ford products of infringing the patents-in-suit; (3) Blitzsafe’s predecessor then licensed AAMP and Ford to practice the patents-in-suit; (4) no marking requirements were included in these licenses, and Blitzsafe did not endeavor to ensure that AAMP and Ford marked their products with the patents-in-suit; and (5) AAMP and Ford continued to sell these licensed, but unmarked, products prior to the filing of these lawsuits. *See* Dkt. No. 201 at 3–7, 11–15; Dkt. No. 248 at 2–7; Dkt No. 254 at 1–2. With the burden of proving compliance with § 287(a) properly placed on Blitzsafe, Defendants are entitled to summary judgment that Blitzsafe did not comply with the marking requirements and precluding Blitzsafe from recovering pre-suit damages.

## II. Defendants satisfied their initial burden as set forth in the cases relied upon by the Court.

Although the Court erred by departing from prior decisions in this District and placing “the threshold burden of showing that an unmarked product exists” on Defendants, Defendants still should have prevailed under that standard as set forth in the outlier cases upon which the Court relied. The Court adopted “the view espoused by the Northern District of California in *Oracle Am., Inc. v. Google Inc.*, 2011 WL 5576228, (N.D. Cal. Nov. 15, 2011)” but it misapplied that standard to the summary judgment evidence in this case. The *Oracle* court denied Google’s motion for summary judgment because there was *no evidence* in the summary judgment record that could establish that any patented articles were sold in the United States before Oracle first gave actual notice of specific infringement claims on July 20, 2010. *Oracle*, 2011 WL 5576228, at \*2–3. Google relied exclusively on Oracle’s infringement contentions, which “listed various ‘instrumentalities’ which Oracle claimed to ‘practice the asserted claims.’” *Id.* at \*2. Those contentions, however, were undated, did not specify the claims, and did not identify a date of sale or importation. *Id.* Defendants’ summary judgment evidence does not suffer from these deficiencies and, therefore, was sufficient to trigger Blitzsafe’s burden. Defendants produced the patentee’s prior complaints and infringement contentions mapping the claims of the patents-in-suit to AAMP and Ford products as well as evidence of sales of those unmarked products after they were licensed and prior to the filing of these lawsuits. *See* Exh. A, C, F, H, L, N, O, P, Q to Dkt. No. 201; Dkt. No. 248 at 5–6; Exh. S to Dkt. No. 254. This evidence was more than sufficient to trigger Blitzsafe’s burden under the standard adopted by the Court.

The *MobileMedia* and *Fortinet* decisions treat the accused infringer’s initial burden of production in a similar manner. The *MobileMedia* court held that an accused infringer need only “come forward with a particular unmarked product *allegedly triggering* § 287” in order to shift

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