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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

MLC INTELLECTUAL PROPERTY, LLC,
Plaintiff,
v.
MICRON TECHNOLOGY, INC.,
Defendant.

Case No. [14-cv-03657-SI](#)

**ORDER DENYING DEFENDANT’S
MOTION FOR LEAVE TO
SUPPLEMENT INVALIDITY
CONTENTIONS**

Re: Dkt. No. 50

Defendant Micron Technology Inc.’s motion for leave to amend its invalidity contentions is scheduled for a hearing on July 8, 2016. Pursuant to Civil Local Rule 7–1(b), the Court finds the matter appropriate for disposition without oral argument. For the reasons set forth below, the Court DENIES defendant’s motion.¹

BACKGROUND

On August 12, 2014, plaintiff MLC brought suit against defendant Micron, alleging infringement of United States Patent No. 5,764,571 (“the ’571 patent” or “the asserted patent”). Dkt. No. 1. On October 15, 2014, Micron answered and asserted several affirmative defenses, including double patenting, as well as a counterclaim for declaratory judgment of non-infringement and invalidity for double-patenting. Dkt. No. 13. On January 20, 2015 Micron served its invalidity contentions. In the invalidity contentions, Micron again alleged that the

¹ The court has received Micron’s motion for summary judgment of invalidity based on an obviousness-type double patenting theory referencing the patent ’851. The court will address whether Micron has provided adequate notice of this theory (through its answer and counterclaim) when ruling on that motion.

1 claims of the '571 patent are invalid due to double patenting in view of U.S. Pat. Nos. 5,394,362
2 and/or 5,218,569 and pursuant to the judicially-created doctrine of obviousness-type double
3 patenting.

4 On December 24, 2014, approximately one month before filing its invalidity contentions,
5 Micron filed a petition for *inter partes* review (“IPR”) at the U.S. Patent and Trademark Office
6 (“PTO”), challenging the patentability of at least each asserted claim. Dkt. No. 31. On February
7 3, 2015, the Court granted Micron’s motion to stay this case pending IPR of the '571 patent. *Id.*
8 On July 20, 2015 the PTAB denied Micron’s petition to institute the IPR, and on August 19, 2015
9 Micron filed a request for rehearing of that determination. Dkt. No. 48. The stay in this case
10 continued by agreement, until MLC moved to lift the stay on February 24, 2016. *Id.* On March
11 29, 2016, the Court granted MLC’s motion to lift the stay. Dkt. No. 43. On March 31, 2016, the
12 PTO denied Micron's rehearing request. Dkt. No. 48.

13 On May 13, 2016, Micron notified MLC that it intended to supplement its invalidity
14 contentions to include (1) two publications made of record during the IPR proceedings² and (2)
15 two MLC patents as references based on double patenting, U.S. Patent No. 7,911,851 (“the '851
16 patent”) and U.S. Patent No. 8,570,814 (“the '814 patent”). Micron then filed the instant motion
17 for leave to amend its invalidity contentions.

18 The '571 patent was filed on February 27, 1995, issued on June 9, 1998, and expired on
19 June 9, 2015. Both '851 and '814 patents were filed and issued later than the '571 patent, but
20 claimed priority to the '571 patent and contained claims directed to the same alleged invention as
21 the '571 patent. Because the applications for these patents were filed after June 8, 1995, when
22 changes to U.S. patent law imposed a 20-year patent term measured from the earliest effective
23 filing date, both later-filed patents expired on February 27, 2015, just over three months before the
24 earlier-filed '571 patent expired.

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28 ² The publications are *VLSI – Design Techniques for Analog and Digital Circuits*, 1990,
Geiger, Allen, Strader (McGraw-Hill) and *Fundamentals of Digital Systems Design*, 1973, V.
Thomas Rhyne (Prentice-Hall, Inc.).

1 **LEGAL STANDARD**

2 Patent Local Rule 3-6 provides,

3 Amendment of the Infringement Contentions or the Invalidity
4 Contentions may be made only by order of the Court upon a timely
5 showing of good cause. Non-exhaustive examples of circumstances
6 that may, absent undue prejudice to the non-moving party, support a
7 finding of good cause include:

- 8 (a) A claim construction by the Court different from that
- 9 proposed by the party seeking amendment;
- 10 (b) Recent discovery of material, prior art despite earlier diligent
- 11 search; and
- 12 (c) Recent discovery of nonpublic information about the Accused
- 13 Instrumentality which was not discovered, despite diligent efforts,
- 14 before the service of the Infringement Contentions.

15 N.D. Cal. Patent Local Rule 3-6.

16 “The local patent rules in the Northern District of California . . . requir[e] both the plaintiff
17 and the defendant in patent cases to provide early notice of their infringement and invalidity
18 contentions, and to proceed with diligence in amending those contentions when new information
19 comes to light in the course of discovery. The rules thus seek to balance the right to develop new
20 information in discovery with the need for certainty as to the legal theories.” *O2 Micro Int’l Ltd.*
21 *v. Monolithic Power Sys., Inc.*, 467 F.3d 1355, 1365–66 (Fed. Cir. 2006). In determining whether
22 a motion for leave to amend invalidity contentions should be granted, this Court has examined
23 such factors as the relevance of newly-discovered prior art, whether the request to amend is
24 motivated by gamesmanship, and whether the opposing party will be prejudiced by the
25 amendment. *See Yodlee, Inc. v. CashEdge, Inc.*, 2007 WL 1454259, *2-3 (N.D. Cal. May 17,
26 2007).

27 In contrast to the more liberal policy for amending pleadings, “the philosophy behind
28 amending claim charts is decidedly conservative, and designed to prevent the ‘shifting sands’
approach to claim construction.” *LG Elecs. Inc. v. Q-Lity Computer Inc.*, 211 F.R.D. 360, 367
(N.D. Cal. 2002) (citation omitted). The patent local rules were “designed to require parties to
crystallize their theories of the case early in the litigation and to adhere to those theories once they
have been disclosed.” *O2 Micro*, 467 F.3d at 1366 n. 12 (quoting *Nova Measuring Instruments*
Ltd. v. Nanometrics, Inc., 417 F.Supp.2d 1121, 1123 (N.D. Cal. 2006)).

1 2015, defeats a showing of good cause.

2 Micron argues that there is good cause to add these references because “PTAB’s
3 interpretation of the ’571 patent and the prior art renders these references highly material to
4 invalidity of the ’571 patent.” Dkt. No. 50 at 8. The Court finds this argument unpersuasive.
5 Under the local rules, Micron was required to include in its invalidity contentions all prior art
6 references of which it was aware and that it believed were relevant, regardless of whether
7 subsequent events rendered those references more significant. *See Altera Corp. v. PACT XXP*
8 *Techs., AG*, No. 14-cv-02868 JD, 2015 WL 3832389, at *3 (N.D. Cal. June 19, 2015) (denying
9 motion to add three references to “strengthen” invalidity contentions where proposed new
10 references were not newly discovered, and noting “Altera had nothing to lose by charting the
11 references in the first place. Presumably, a party asserting invalidity would want each of their
12 theories to be as strong as possible, even if it thought it had other, more squarely on-point theories
13 that depended on later art.”); *Catch a Wave Techs., Inc. v. Sirius XM Radio, Inc.*, No. C. 12-05791
14 WHA, 2014 WL 186405, at *2 (N.D. Cal. Jan. 16, 2014) (denying the defendant’s motion to
15 amend infringement contentions to add prior art reference previously known to the defendant but
16 “which, according to defendant, only became relevant in light of plaintiff’s claim construction
17 reply brief” because “[t]he rules do not state that defendants can limit themselves to only
18 references they believe are relevant to plaintiff’s read of the patent. Defendant could have (and
19 perhaps should have) charted the reference but defendant did not. Defendant must now live with
20 that choice.”).

21

22 **II. Patents ’851 and ’814**

23 Micron seeks to add the ’851 and ’814 patents as references to its obviousness-type double
24 patenting defense. “[T]he obviousness-type double patenting doctrine prohibits an inventor from
25 extending his right to exclude through claims in a later-expiring patent that are not patentably
26 distinct from the claims of the inventor’s earlier-expiring patent.” *Gilead Sciences, Inc. v. Natco*
27 *Pharma Ltd.*, 753 F.3d 1208, 1210 (Fed. Cir. 2014). When faced with a double patenting
28 challenge during litigation, a patentee can assure the validity of the patent as against a defendant’s

1 claim of double patenting by filing a terminal disclaimer with the Patent and Trademark Office,
2 which limits the term of a later expiring patent to the term of an earlier expiring patent. *See*
3 *Boehringer Ingelheim Int'l GmbH v. Barr Labs., Inc.*, 592 F.3d 1340, 1347 (Fed. Cir. 2010).

4 Micron contends that it has good cause for this supplementation because when it filed its
5 original invalidity contentions, the '851 and '814 patents “did not present a dispositive invalidity
6 defense,” since they “had not yet expired.” Dkt. No. 50 at 7. Micron asserts that “MLC could
7 have chosen to disclaim the term of the '571 patent that extended beyond the term of the '851 and
8 '814 patents (February 27, 2015 to June 9, 2015) and therefore eliminated those patents as
9 obviousness-type double patenting references.” Dkt. No. 50 at 7. Micron argues that because
10 MLC did not file a terminal disclaimer of the '571 patent, “the now-expired '851 and '814 patents
11 invalidate all asserted claims and present a case-dispositive defense.” *Id.*

12 MLC responds that Micron has not demonstrated good cause for amendment because
13 Micron’s delay in identifying the '851 and '814 patents as double patenting references was
14 deliberate and strategic. MLC asserts that Micron does not deny that it knew about the '851 and
15 '814 patents, which issued before the case was filed and are in the same family as the asserted
16 '571 patent, when it served its original invalidity contentions. MLC argues that “Micron
17 deliberately elected to conceal its erroneous double patenting theory until the later-filed, but
18 earlier-expiring, patents expired so that MLC, lacking notice that a far-fetched theory would be
19 asserted, would not have the opportunity to hedge against the risk of an expansion of the law by
20 filing a terminal disclaimer that would shorten the term of the '571 patent by a few months.” Dkt.
21 No. 53 at 5.

22 The Court concludes that Micron has not demonstrated good cause for the proposed
23 amendment. Micron asserts that “good cause exists for Micron’s proposed amendments because
24 the particular double patenting references expired while this litigation was stayed and MLC chose
25 not to disclaim the portion of the asserted '571 patent term that extended beyond MLC’s '851 and
26 '814 patents.” Dkt. No. 55 at 5. However, Micron does not cite any authority holding that
27 expiration of the patents is a condition precedent to assert an obviousness-type double patenting
28 defense. To the contrary, both this district and the Federal Circuit have reviewed obviousness-type

1 double patenting issues in which the reference patents were unexpired. *See Gilead Sciences, Inc.*
2 *v. Natco Pharma Ltd.*, 753 F.3d 1208 (Fed. Cir. 2014) (addressing the obviousness-type double
3 patenting defense in 2014 despite expiration of the reference patent in February 2015); *see also*
4 *Apple, Inc. v. Samsung Elecs. Co.*, 920 F. Supp. 2d 1079, 1095 (N.D. Cal. 2013), *aff'd in part,*
5 *rev'd in part*, 786 F.3d 983 (Fed. Cir. 2015) (deciding an obviousness-type double patenting
6 challenge with an unexpired reference patent). Furthermore, the Federal Circuit has explained that
7 “a patentee may [assure the validity of a patent by filing] a disclaimer after issuance of the
8 challenged patent or during litigation, even after a finding that the challenged patent is invalid for
9 obviousness-type double patenting” insofar as the terminal disclaimer was filed before the
10 expiration of the earlier patent. *Boehringer Ingelheim Int'l GmbH*, 592 F.3d at 1347-48 (holding
11 that a terminal disclaimer filed after the expiration of the earlier patent over which claims have
12 been found obvious cannot cure obviousness-type double patenting). Thus, Micron did not need
13 to wait until the '851 and '814 patents expired in order to seek amendment, and Micron does not
14 dispute that it knew about these patents when it filed its original invalidity contentions. Therefore,
15 Micron has failed to show diligence, which defeats a showing of a good cause.³

16 Micron argues that because Patent Local Rule 3-3 is silent regarding obviousness-type
17 double patenting, Micron was not required to include this defense in its invalidity contentions.
18 Docket No. 50 at 5. Micron further argues that obviousness-type double patenting references are
19 not prior art and therefore need not be claim charted, because Patent Local Rules 3-3(a)-(c) only
20 require such charts for "prior art." *Id.* at 5-6. Micron finally adds that because Patent Local Rule
21 3.3(d) explicitly addresses statutory defenses, disclosure requirements under this rule cannot apply to
22 non-statutory defenses such as obviousness-type double patenting. *Id.* at 6. Micron's narrow reading
23 of Patent Local Rules 3-3 is not supported by any decisions of this District and is, in any event,
24 irrelevant to the motion at hand. Patent Local Rule 3-6, which governs the amendment of invalidity
25

26 ³ To the extent Micron suggests it need not have good cause to amend its invalidity
27 contentions because Patent Local Rule 3-3 does not expressly reference nonstatutory double
28 patenting, the Court disagrees. This argument has been rejected by other courts in this District.
See Synopsys, Inc. v. Mentor Graphics Corp., No. 12-6467 MMC, 2013 WL 6577143, at *2 n.3
(N.D. Cal. Dec. 13, 2013).

1 contentions, expressly requires a “timely showing of good cause.” Pat. L.R. 3-6; *See also Synopsys,*
2 *Inc. v. Mentor Graphics Corp.*, No. 12-6467 C MMC, 2013 WL 6577143, at *2 n.3 (N.D. Cal.
3 Dec. 13, 2013). As explained above, no good cause could be found. The motion is therefore
4 DENIED.

5
6 **CONCLUSION**

7 For the foregoing reasons, the Court DENIES defendant’s motion to amend invalidity
8 contentions.

9
10 **IT IS SO ORDERED.**

11 Dated: July 6, 2016



SUSAN ILLSTON
United States District Judge