

O

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NANO-SECOND TECHNOLOGY CO.,)	CV 10-9176 RSWL (MANx)
LTD., a Taiwanese)	
Corporation)	
Plaintiff,)	ORDER Re: Defendants'
	Motion for Leave to Add
v.)	One Piece of Prior Art
	to Their Preliminary
	Invalidity Contentions
	[103]
DYNAFLEX INTERNATIONAL,)	
a California Corporation.,)	
and GFORCE Corp. d/b/a DFX)	
SPORTS & FITNESS, a Nevada)	
Corporation)	
Defendants.)	

On May 18, 2012, Defendants Dynaflex International and GForce Corporation's ("Defendants") Motion for Leave to Add One Piece of Prior Art to Their Preliminary Invalidity Contentions came on for regular calendar before the Court [103]. The Court having reviewed all papers submitted pertaining to this Motion and having considered all arguments presented to the Court, **NOW FINDS AND RULES AS FOLLOWS:**

The Court hereby **DENIES** Defendants' Motion for

1 Leave to Add One Piece of Prior Art to Their
2 Preliminary Invalidity Contentions.

3 **I. BACKGROUND**

4 This Motion stems from a patent infringement case.
5 Plaintiff alleges that Defendant Dynaflex International
6 and Defendant GForce Corporation d/b/a DFX Sports &
7 Fitness ("Defendants") have sold and continue to sell
8 products that infringe on Plaintiff's patent, which is
9 United States Patent No. 5,800,311 ("`311 Patent").

10 On May 3, 2011, the parties submitted a joint Rule
11 26(f) report and proposed schedule [13]. In this
12 report, the parties stipulated to follow the Patent
13 Local Rules of the Northern District of California,
14 which the Court has chosen to apply for the purposes of
15 this Motion. On May 10, 2011, the Court conducted a
16 Rule 16 Scheduling Conference, adopting most of the
17 parties' proposed schedule [14].

18 In the proposed schedule, the Parties agreed to
19 exchange Preliminary Invalidity Contentions and
20 Disclosures on July 8, 2011. Plaintiff served its own
21 Invalidity Contentions on Defendant Dynaflex on that
22 date, but Defendant Dynaflex failed to serve Plaintiff
23 until July 14, 2011. Defendant Dynaflex's counsel was
24 in trial in San Diego at that time and stated in his
25 declaration that the late service was due to mere
26 inadvertence on his part. On July 27, 2011, Plaintiff
27 filed a Motion to Strike Defendant's Invalidity
28 Contentions [25]. On August 24, 2011, the Court denied

1 Plaintiff's Motion to Strike despite the late service
2 of the Invalidity Contentions [32].

3 **II. ANALYSIS**

4 Under Patent Local Rule 3-6 of the Northern
5 District of California ("Patent Local Rules"), a
6 plaintiff may amend its invalidity contentions upon a
7 timely showing of good cause. The good cause inquiry
8 considers (1) whether plaintiff was diligent in
9 amending its contentions, and (2) the prejudice to the
10 non-moving party. See 02 Micro Int'l Ltd. v.
11 Monolithic Power Sys., 467 F.3d 1355, 1366-68 (Fed.
12 Cir. 2006).

13 Regarding the first prong of the good cause
14 inquiry, the Court finds that Defendants cannot meet
15 their burden to establish their diligence in seeking to
16 amend their Preliminary Invalidity Contentions.
17 Defendants have had in their possession a copy of the
18 '311 Patent since the filing of the Complaint on
19 November 30, 2010, and the language of the '311 Patent
20 is clear that FIG. 5 is a depiction of prior art. More
21 specifically, FIG. 5 is referenced in the body of the
22 '311 Patent twice, and in both these references, the
23 '311 Patent inventor explicitly calls FIG. 5 "prior
24 art." In the "background of the invention," under the
25 heading "related arts," the '311 Patent gives a
26 description of a "conventional wrist exerciser" and
27 directs the reader to "FIG. 5" for an illustration of
28 the "prior art." '311 Patent, Col. 1:14-49. On the

1 same page, under the "Brief description of the
2 Drawings," the inventor states that "FIG. 5 is a
3 perspective view showing a **prior art wrist exerciser.**"
4 (emphasis added). Thus, due to the consistency of
5 references to FIG. 5 as prior art in the '311 Patent,
6 the Court finds that Defendants should have at least
7 known that FIG. 5 was a representation of prior art
8 when Defendants reviewed the '311 Patent for the
9 purpose of serving its initial Preliminary Invalidity
10 Contentions.

11 Defendants argue that their failure to amend sooner
12 was the result of Plaintiff's own mislabeling of FIG. 5
13 in the '311 Patent. The Court, however, finds
14 Defendants' argument unpersuasive. Defendants cite to
15 the USPTO's Manual of Patent Examining Procedure as
16 evidence that all drawings that depict prior art must
17 be labeled as prior art. Though it is true that FIG. 5
18 is not separately labeled as prior art on the same page
19 on which it appears, the Court finds that pursuant to
20 the above analysis that the '311 Patent is nonetheless
21 unequivocal in referring to FIG. 5 as prior art.

22 In addition, in addressing the second prong of the
23 good cause inquiry, the Court finds that Plaintiff will
24 be prejudiced by allowing the requested amendment.
25 Though expert reports are now not due until June 29,
26 2012, Plaintiff has stated that it prepared its claim
27 construction briefing based in part on Defendants'
28 original invalidity contentions. The Court finds that

1 allowing the proposed amendment now in light of
2 Defendants' lack of diligence in seeking amendment
3 "would undercut one of the purpose of the patent local
4 rules to provide the parties with certainty as to the
5 opposing party's legal theories." Apple, Inc. v.
6 Samsung Electronics Co. Ltd., 2012 WL 1067548, at *7
7 (N.D. Cal. Mar. 27, 2012) (citing 02 Micro, 467 F.3d at
8 1363).

9 In sum, in applying the Northern District Local
10 Rules, the Court finds that good cause to amend does
11 not exist because Defendants were not diligent in
12 amending their contentions and an amendment would be
13 prejudicial to Plaintiff.

14 **III. CONCLUSION**

15 For the foregoing reasons, the Court hereby **DENIES**
16 Defendants' Motion for Leave to Add One Piece of Prior
17 Art to Their Preliminary Invalidity Contentions.

18
19 **IT IS SO ORDERED.**

20 DATED: June 6, 2012

21 **RONALD S.W. LEW**

22 **HONORABLE RONALD S.W. LEW**

23 Senior, U.S. District Court Judge
24
25
26
27
28