

1 served Plaintiffs on March 20, 2009, after the close of
2 fact discovery on February 23, 2009, with Supplemental
3 Invalidity Contentions ("Supplemental Contentions").
4 Defendants assert the Supplemental Contentions are proper
5 because they believed their contents to be the province
6 of expert, rather than factual, discovery, and because
7 they show good cause.

8
9 **I. BACKGROUND**

10 Plaintiffs filed suit on July 17, 2007. On May 18,
11 2008, the Court issued its Civil Trial Scheduling Order,
12 in which it "adopt[ed] the provisions of Local Patent
13 Rules Nos. 2-5, 3-1, 3-3, 3-4, 3-6 and 4-1 through 4-7 of
14 the Northern District of California." The Civil Trial
15 Scheduling Order set cut-off dates for fact and expert
16 discovery which have been modified by stipulation.

17
18 On June 26, 2008, Plaintiffs propounded
19 interrogatories and document requests, including
20 interrogatory number 9, requesting "all facts and details
21 concerning Defendant's allegations . . . that the patents
22 in suit are invalid for failing to meet at least one
23 condition for patentability. Include, without
24 limitation, the dates and nature of prior patents and
25 publications . . ." (Mot. 2-3 citing Trojan Decl. Ex.
26 2.) Several document requests inquired as to prior art.
27 (Mot. 3; Trojan Decl. Ex. 3.)

1 On August 15, 2008, Defendants served Plaintiffs
2 with: (1) Preliminary Invalidity Contentions; (2)
3 responses to Plaintiffs' first set of interrogatories;
4 and (3) responses to Plaintiffs' first set of requests
5 for production of documents. (Mot. 3; see Trojan Decl. ¶
6 6.) The responses to interrogatories and requests for
7 production of documents contained little information
8 about prior art but promised supplemental information
9 would be forthcoming. (Mot. 4; Trojan Decl. Exs. 4-5.)
10

11 On October 15, 2008, Defendants deposed Bojan Cosic,
12 Tokai's vice president of administration, as a Fed. R.
13 Civ. P. 30(b)(6) witness. Plaintiffs objected to inquiry
14 into one of the noticed topics of deposition: "[t]he
15 patentable differences between the subject matter claimed
16 in the Patents-in-Suit and the prior art" on the grounds
17 that it called for expert testimony and a legal
18 conclusion. (Reply 5; Opp'n 2-3; Chan Decl. ¶¶ 5-6, Ex.
19 C 35-36.)
20

21 On January 23, 2009, the Court held the claim
22 construction hearing, requested additional briefing, and
23 took the matter under submission.
24

25 On February 23, 2009, fact discovery closed.
26 Defendants had not supplemented their discovery responses
27 regarding prior art.
28

1 Plaintiffs promptly wrote a letter to Defendants
2 informing them they would seek exclusion of any later-
3 produced discovery relating to prior art. The parties
4 continued to correspond about this subject in letters
5 dated February 26, March 5, and March 12, 2009. (Mot. 4;
6 Trojan Decl. Exs. 6-9.)

7
8 On March 20, 2009, Defendants served Plaintiffs with
9 Supplemental Contentions which, according to Plaintiffs,
10 list nine new prior art patents not disclosed during fact
11 discovery. (Mot. 5; Trojan Decl. Ex. 10.) Plaintiffs
12 continued the chain of correspondence described above
13 with a letter dated March 23, 2009, objecting to service
14 of the Supplemental Contentions without leave of Court.
15 Defendants responded with a letter dated April 9, 2009.
16 (Trojan Decl. Exs. 11-12.)

17
18 On June 2, 2009, the Court issued its claim
19 construction order. Shortly thereafter, on June 12,
20 2009, the Court modified the expert discovery cut-off,
21 setting it for June 22, 2009. The Court did not modify
22 the fact discovery cut-off.

23 24 **II. LEGAL STANDARD**

25 The Patent Local Rules of the Northern District of
26 California ("Patent Local Rules"), which this Court
27 adopted in part, are "designed specifically to 'require
28

1 parties to crystallize their theories of the case early
2 in the litigation' so as to 'prevent the 'shifting sands'
3 approach to claim construction." 02 Micro Int'l Ltd. v.
4 Monolithic Power Systems, Inc., 467 F.3d 1355 1364 (Fed.
5 Cir. 2006) (construing Patent Local Rules adopted in 2000
6 ("2000 Patent Local Rules")). Of interest here are
7 versions of the Patent Local Rules issued in 2000 and
8 2008; both require early filing of infringement
9 contentions and permit amendment under limited
10 circumstances. 2000 Patent Local R. 3-3, 3-6, 3-7;
11 Patent Local Rules adopted in 2008 ("2008 Patent Local
12 Rules") 3-3, 3-6. Where good cause is required for
13 amendment, diligence must be shown. 02 Micro Int'l Ltd.
14 v. Monolithic Power Systems, 467 F.3d 1355, 1366 (Fed.
15 Cir. 2006) (construing 2000 Patent Local Rules).

17 **III. DISCUSSION**

18 **A. Applicable Patent Local Rules**

19 Plaintiffs move the Court to find the 2008 Patent
20 Local Rules apply rather than the 2000 Patent Local
21 Rules. (Mot. 2-3.) Easton argues for the application of
22 the 2000 Patent Local Rules. (Opp'n 4.) Both versions
23 of the Patent Local Rules would require good cause for
24 the amendment sought here. See 2000 Patent Local R. 3-6,
25 3-7; 2008 Patent Local R. 3-6.

1 Plaintiffs filed suit in 2007. According to Rule 1-4
2 of the 2008 Patent Local Rules, the 2000 Patent Local
3 Rules should apply based on the date of filing.

4
5 The 2000 Patent Local Rules do not apply for two
6 reasons. First, the Northern District of California's
7 Patent Local Rules apply to disputes in the Central
8 District only to the extent they are adopted by the
9 Court; the Court did not adopt 2008 Patent Local Rule 1-
10 4. Second, the Court's Civil Trial Scheduling Order
11 adopted Patent Local Rule 4-7, a rule which exists only
12 in the 2008 Patent Local Rules, indicating the Court's
13 intent to adopt the 2008 Patent Local Rules.
14 Accordingly, the 2008 Patent Local Rules apply.

15
16 **B. Compliance with 2008 Patent Local Rules**

17 Defendants assert they should be given leave to
18 supplement their invalidity contentions outside the
19 timing framework of the 2008 Patent Local Rules because
20 they believed prior art was a topic for expert discovery;
21 alternatively, they assert they show good cause pursuant
22 to the 2008 Patent Local Rules.

23
24 **1. Expert discovery**

25 Defendants urge the Court to deny the Motion because
26 they believed "the issue of patent invalidity," in
27 particular "the patentable differences between" the
28

1 patents in suit "and the prior art," was a matter of
2 expert testimony and here subject to the expert discovery
3 deadline, rather than the earlier fact discovery cut-off.
4 (Chan Decl. ¶¶ 6-8; Opp'n 2, 4.) According to
5 Defendants, they formed this belief because Plaintiffs
6 objected during the October 15, 2008 deposition of Bojan
7 Cosic, Tokai's vice president of administration, that
8 infringement was a matter of expert testimony and were
9 caught unaware when Plaintiffs sought to bar further
10 disclosures. (Opp'n 2; Chan Decl. ¶¶ 6-8.) In other
11 words, Defendants argue the Supplemental Contentions
12 should not be struck because Defendants believed
13 disclosure of prior art in an expert report would be a
14 permissible supplemental invalidity contention so long as
15 it occurred before the expert disclosure cut-off. (See
16 Opp'n 2.)

17
18 This argument lacks merit. It suggests an exception
19 to the discovery scheme created by the Patent Local
20 Rules, which require service of Invalidity Contentions 55
21 days after the Initial Case Management Conference -
22 before expert discovery would typically close - with
23 limited opportunities to supplement thereafter. This
24 exception would swallow the rule. Many cases involve
25 issues which could credibly be considered the subject of
26 expert testimony; permitting an exception to the Patent
27 Local Rules in this case would permit it in nearly all
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1 cases. Such supplemental contentions would defeat the
2 Patent Local Rules's goal of eliciting early, reliable
3 positions from parties. (See Reply 7;) see 02 Micro
4 Int'l Ltd., 467 F.3d 1364, 1365; 2008 Patent Local R. 3-
5 1, 3-3, 3-6. Accordingly, the Court declines Defendants'
6 request to deny the Motion on this basis.

7
8 **2. No grounds for amendment pursuant to 2008**
9 **Patent Local Rule 3-6**

10 Rule 3-6 of the 2008 Patent Local Rules permits
11 "[a]mendment of . . . Invalidity Contentions . . . only
12 by order of the Court upon a timely showing of good
13 cause." As to timeliness, Defendants never moved the
14 Court for leave to file supplemental contentions; they
15 only oppose Plaintiffs' Motion.

16
17 In 02 Micro Int'l Ltd., 467 F.3d at 1367-68, the
18 Federal Circuit affirmed a district court's denial of a
19 party's motion for leave to amend invalidity contentions
20 under the 2000 Patent Local Rules, which required good
21 cause for amendment, where party waited three months to
22 seek leave to amend and failed to adequately explain
23 delay. The Court found diligence was an element of good
24 cause and that a history of negotiation did not, by
25 itself, show diligence. Id. at 1367-68. The 2008 Patent
26 Local Rules also require good cause and place special
27 emphasis on timeliness by explicitly mentioning it.

1 Accordingly, Defendants' delay in communicating with the
2 Court weighs strongly against a finding in their favor.

3
4 2008 Patent Local Rule 3-6 also provides a "[n]on-
5 exhaustive" list of "circumstances that may, absent undue
6 prejudice to the non-moving party, support a finding of
7 good cause."¹ The first example of good cause is
8 issuance of "(a) a claim construction by the Court
9 different from that proposed by the party seeking
10 amendment." The Supplemental Contentions were served
11 before the Court issued its claim construction order.
12 Accordingly, the Supplemental Contentions were not made
13 in response to a claim construction different than that
14 proposed by Defendants and condition (a) is not
15 fulfilled. See 2008 Patent Local R. 3-6(a).

16
17 2008 Patent Local Rule 3-6's second example of good
18 cause is: "(b) recent discovery of material prior art
19 despite earlier diligent search." Defendants admit they
20 did not begin their search for the prior art in question
21 until after the close of fact discovery, as discussed
22 above. (See Chan Decl. ¶¶ 6-8.) They fail to show
23 diligence and accordingly condition (b) is not fulfilled.

24
25
26 _____
27 ¹ Even if the Court were to apply the 2000 Patent
28 Local Rules, Defendants would still have to demonstrate
good cause in these circumstances. 2000 Patent Local
Rule 3-7.

1 The third example of good cause in 2008 Patent Local
2 Rule 3-6 is: "(c) recent discovery of nonpublic
3 information about the Accused Instrumentality which was
4 not discovered, despite diligent efforts, before the
5 service of the Infringement Contentions." The
6 Supplemental Contentions contain matters of public
7 record. Accordingly, condition (c) does not apply.
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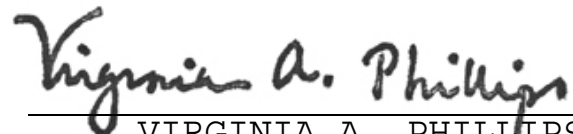
9 Although the examples of good cause in 2008 Patent
10 Local Rule 3-6 are not exhaustive, the text of the 2008
11 Patent Local Rule emphasizes the importance of early,
12 full disclosures, warning "[t]he duty to supplement
13 discovery responses does not excuse the need to obtain
14 leave of court to amend contentions." 2008 Patent Local
15 R. 3-6. Accordingly, Defendants cannot claim they show
16 good cause because they seek to comply with their duty to
17 supplement. (See Opp'n 5.)
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19 Having concluded Defendants fail to show good cause
20 the Court need not address whether Tokai will suffer
21 "undue prejudice." See Patent Local R. 3-6.
22

23 IV. CONCLUSION

24 For the above reasons, the Court GRANTS the Motion.

25
26 Dated: July 8, 2009

27 
28 VIRGINIA A. PHILLIPS
United States District Judge