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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

SMART MODULAR TECHNOLOGIES,  
INC.,

Plaintiff and  
Counterdefendant,

v.

NETLIST, INC.,

Defendant and  
Counterclaimant.

No. 2:12-cv-02319-TLN-EFB

**ORDER**

The matter is before the Court on Plaintiff and Counterdefendant Smart Modular Technologies, Inc.'s ("Plaintiff") Motion to Dismiss, Motion to Strike and Motion for Partial Judgment on the Pleadings or in that alternative Partial Summary Judgment (ECF No. 66). Defendant and Counterclaimant Netlist, Inc. ("Defendant") opposes the motion. (ECF No. 80.) Plaintiff filed a reply. (ECF No. 140.) Having reviewed the arguments raised by both parties and for the reasons set forth below, the Court hereby GRANTS IN PART and DENIES IN PART Plaintiff's Motion (ECF No. 66).

**I. FACTUAL AND PROCEDURAL BACKGROUND**

Plaintiff is the assignee and owner of all rights, title, and interest in U.S. Patent Number 8,250,295 ("the '295 Patent") entitled "Multi-Rank Memory Module That Emulates A Memory

1 Module Having A Different Number of Ranks.” (Compl., ECF No. 1 at 7.) The ’295 Patent was  
2 issued on August 21, 2012, by the United States Patent and Trademark Office (“PTO”). The  
3 Patent involves a memory module with rank multiplication capability. It enables a memory  
4 module to provide a given memory capacity using greater numbers of lower-capacity, lower-cost  
5 Dynamic Random Access Memory (“DRAM”) devices, as opposed to using lower numbers of  
6 higher-capacity, higher-cost-DRAM devices that would otherwise be imposed by memory  
7 controller limitations. (*See* ECF No. 1.) The ’295 Patent is composed of eight claims. (ECF No.  
8 1 at 7.) Plaintiff alleges Defendant’s Hypercloud memory module products infringe at least one  
9 of claims one through seven of the ’295 Patent. (ECF No. 22 at 6.) Infringement of at least one  
10 of the claims means that the entire patent is being infringed. Thus, Plaintiff alleges Defendant is  
11 infringing upon Plaintiff’s exclusive right to exclude others from making, using, offering to sell,  
12 and selling articles covered by the ’295 Patent.

13 Defendant brought counterclaims alleging the ’295 Patent is invalid. (*See* Answer and  
14 Countercl., ECF No. 49.) Defendant alleges it has been a member of the Joint Electron Device  
15 Engineering Council (“JEDEC”) since 2000. (Counterclaims ¶ 16.) The JEDEC is a standard-  
16 setting organization designed to facilitate standardization within the solid-state, microelectronics,  
17 and associated industries.<sup>1</sup> (Req. for Judicial Notice, ECF No. 68, Ex. 1 at 1 (“JEDEC Manual”).)  
18 The JEDEC is committed to creating, publishing, and promoting global acceptance of standards,  
19 and providing a forum for technical exchange on industry topics. (JEDEC Manual 1.1.) JEDEC  
20 established committees to perform tasks for the JEDEC including developing proposed standards,  
21 guideline, registrations, and related technical publications for the committee. (JEDEC Manual  
22 2.1.) Committees are divided into two categories, service committees and product committees.  
23 (JEDEC Manual 2.) Product committees are designated with the first digit of the two digit

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26 <sup>1</sup> Plaintiff requests the Court take judicial notice of the JEDEC Manual of Organization and Procedure and  
27 proposed JEDEC Standard JESD82-xx. (*See* Req. for Judicial Notice, ECF No. 69.) Defendant does not oppose the  
28 request. These documents are quoted in part in the complaint. A court “may consider the full texts of documents that  
the complaint only quotes in part.” *Delgado v. United Facilities, Inc.*, No. 2:11-cv-00485-MCE-DAD, 2012 WL  
10717266, at \*4 (E.D. Cal. Feb. 21, 2012). Accordingly, the Court hereby GRANTS Plaintiff’s Request for Judicial  
Notice (ECF No. 69).

1 designator being 2 or higher. (JEDEC Manual 2.) Defendant is a member of several JEDEC  
2 committees including two product committees, JC-40 and JC-45. (Counterclaims ¶ 16.)

3 Defendant alleges Plaintiff was a member of JEDEC and several committees including  
4 JC-40 and JC-45 at all times relevant to this action. (Counterclaims ¶ 17.) JEDEC enforces a  
5 patent policy requiring committee members to “disclose potentially essential patents . . . and to  
6 offer to license their essential patent claims to all potential licenses on RAND terms and  
7 conditions.” (JEDEC Manual 8.2.2.1.) Defendant alleges Plaintiff breached its duty to disclose  
8 the ’295 patent by not disclosing the patent during the eight years the patent application was  
9 pending before the PTO. (Counterclaims ¶ 19.) Defendant alleges the ’295 patent application  
10 was filed on January 5, 2004, and Plaintiff did not disclose the patent until about August 27,  
11 2012, when it submitted License Assurance/Disclosure form to the JEDEC. (Counterclaims ¶¶  
12 19–20.) Defendant alleges that under the JEDEC policies Plaintiff was also required to offer  
13 Defendant a license to use the ’295 patent, but failed to do so. (Counterclaims ¶ 21.)

14 As a result of Plaintiff’s alleged violations of JEDEC Policy, Defendant asserts six  
15 counterclaims against Plaintiff: (1) Declaratory Judgment of Noninfringement of the ’295 patent;  
16 (2) Declaratory Judgment of Invalidity of the ’295 patent; (3) Unenforceability Based on patent  
17 Misuse; (4) Negligent Misrepresentation; (5) Equitable Estoppel; and (6) Breach of Contract.  
18 (See ECF No. 49.) Plaintiff moves to dismiss Defendant’s second, third, fifth and sixth  
19 counterclaims. (See ECF No. 67.) Plaintiff also moves to strike the defenses associated with the  
20 above counterclaims as well as Defendant’s affirmative defense of intervening rights and general  
21 reservation of defenses. (See ECF No. 67.)

## 22 II. STANDARD OF LAW

### 23 A. Motion to Dismiss

24 Federal Rule of Civil Procedure 8(a) requires that a pleading contain “a short and plain  
25 statement of the claim showing that the pleader is entitled to relief.” On a motion to dismiss, the  
26 factual allegations of the complaint are assumed to be true. *Cruz v. Beto*, 405 U.S. 319, 322  
27 (1972). A court is bound to give plaintiff the benefit of every reasonable inference to be drawn  
28 from the well-pleaded allegations of the complaint. *Retail Clerks Int’l Ass’n v. Schermerhorn*,

1 373 U.S. 746, 753 n.6 (1963). A plaintiff need not allege “‘specific facts’ beyond those necessary  
2 to state his claim and the grounds showing entitlement to relief.” *Bell Atlantic v. Twombly*, 550  
3 U.S. 544, 570 (2007) (citing *Swierkiewicz v. Sorema N.A.*, 534 U.S. 506, 508 (2009)). “A claim  
4 has facial plausibility when the pleaded factual content allows the court to draw the reasonable  
5 inference that the defendant is liable for the misconduct alleged.” *Ashcroft v. Iqbal*, 556 U.S.  
6 662, 678–79 (citing *Twombly*, 550 U.S. at 556).

7         Nevertheless, a court “need not assume the truth of legal conclusions cast in the form of  
8 factual allegations.” *United States ex rel. Chunie v. Ringrose*, 788 F.2d 638, 643 n.2 (9th Cir.  
9 1986). While Rule 8(a) does not require detailed factual allegations, “it demands more than an  
10 unadorned, the defendant-unlawfully-harmed-me accusation.” *Iqbal*, 556 U.S. at 678. A  
11 pleading is insufficient if it offers mere “labels and conclusions” or “a formulaic recitation of the  
12 elements of a cause of action.” *Twombly*, 550 U.S. at 555; *see also Iqbal*, 556 U.S. at 678  
13 (“Threadbare recitals of the elements of a cause of action, supported by mere conclusory  
14 statements, do not suffice.”). Additionally, it is inappropriate to assume that the plaintiff “can  
15 prove facts that it has not alleged or that the defendants have violated the . . . laws in ways that  
16 have not been alleged.” *Associated Gen. Contractors of Cal., Inc. v. Cal. State Council of*  
17 *Carpenters*, 459 U.S. 519, 526 (1983).

18         Ultimately, a court may not dismiss a complaint in which the plaintiff has alleged “enough  
19 facts to state a claim to relief that is plausible on its face.” *Iqbal*, 556 U.S. at 678 (quoting  
20 *Twombly*, 550 U.S. at 570). While the plausibility requirement is not akin to a probability  
21 requirement, it demands more than “a sheer possibility that a defendant has acted unlawfully.”  
22 *Id.* at 678. This plausibility inquiry is “a context-specific task that requires the reviewing court to  
23 draw on its judicial experience and common sense.” *Id.* at 679.

24         In ruling upon a motion to dismiss, the court may consider only the complaint, any  
25 exhibits thereto, and matters which may be judicially noticed pursuant to Federal Rule of  
26 Evidence 201. *See Mir v. Little Co. of Mary Hosp.*, 844 F.2d 646, 649 (9th Cir. 1988); *Isuzu*  
27 *Motors Ltd. v. Consumers Union of United States, Inc.*, 12 F. Supp. 2d 1035, 1042 (C.D. Cal.  
28 1998).

1           If a complaint fails to state a plausible claim, “[a] district court should grant leave to  
2 amend even if no request to amend the pleading was made, unless it determines that the pleading  
3 could not possibly be cured by the allegation of other facts.” *Lopez v. Smith*, 203 F.3d 1122,  
4 1130 (9th Cir. 2000) (en banc) (quoting *Doe v. United States*, 58 F.3d 484, 497 (9th Cir. 1995));  
5 *see also Gardner v. Marino*, 563 F.3d 981, 990 (9th Cir. 2009) (finding no abuse of discretion in  
6 denying leave to amend when amendment would be futile). Although a district court should  
7 freely give leave to amend when justice so requires under Federal Rule of Civil Procedure  
8 15(a)(2), “the court’s discretion to deny such leave is ‘particularly broad’ where the plaintiff has  
9 previously amended its complaint[.]” *Ecological Rights Found. v. Pac. Gas & Elec. Co.*, 713  
10 F.3d 502, 520 (9th Cir. 2013) (quoting *Miller v. Yokohama Tire Corp.*, 358 F.3d 616, 622 (9th  
11 Cir. 2004)).

12                           B. Motion to Strike

13           Federal Rule of Civil Procedure 12(f) provides that a court “may strike from a pleading an  
14 insufficient defense or any redundant, immaterial, impertinent, or scandalous matter.” “[T]he  
15 function of a 12(f) motion to strike is to avoid the expenditure of time and money that must arise  
16 from litigating spurious issues by dispensing with those issues prior to trial.” *Sidney-Vinsein v.*  
17 *A.H. Robins Co.*, 697 F.2d 880, 885 (9th Cir. 1983). Rule 12(f) motions, however, are “generally  
18 regarded with disfavor because of the limited importance of pleading in federal practice, and  
19 because they are often used as a delaying tactic.” *Neilson v. Union Bank of Cal., N.A.*, 290 F.  
20 Supp. 2d 1101, 1152 (C.D. Cal. 2003). “Ultimately, whether to grant a motion to strike lies  
21 within the sound discretion of the district court.” *Id.* Unless it would prejudice the opposing  
22 party, courts freely grant leave to amend stricken pleadings. *Wyshak v. City Nat’l Bank*, 607 F.2d  
23 824, 826 (9th Cir. 1979); *see also* Fed. R. Civ. P. 15(a)(2). If the court is in doubt as to whether  
24 the challenged matter may raise an issue of fact or law, the motion to strike should be denied,  
25 leaving the assessment of the sufficiency of the allegations for adjudication on the merits after  
26 proper development of the factual nature of the claims through discovery. *See generally*  
27 *Whittlestone, Inc. v. Handi-Craft Co.*, 618 F.3d 970, 974–75 (9th Cir. 2010).

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1           **III. ANALYSIS**

2           Plaintiff moves to dismiss Defendant’s third and sixth counterclaims which are based on  
3 alleged violations of JEDEC’s patent policy. Plaintiff argues Defendant cannot allege it uses the  
4 standard upon which Plaintiff licenses use of the ’295 patent and therefore it was not required to  
5 offer Defendant a license prior to filing suit. Plaintiff also seeks to strike the associated  
6 affirmative defenses because they are similarly based on the premise that Plaintiff was required to  
7 offer Defendant a license.

8           Plaintiff moves to dismiss Defendant’s invalidity counterclaim and strike its associated  
9 affirmative defense. Plaintiff argues Defendant’s second counterclaim consists of mere legal  
10 conclusions and its affirmative defense fails no better. Plaintiff seeks to strike Defendants  
11 intervening rights affirmative defense because the defense relies on 35 U.S.C. § 252 which  
12 permits intervening rights only for reissued patents. Plaintiff asserts the patent has not been  
13 reissued and therefore no intervening rights exist under Section 252. Plaintiff also moves to  
14 strike Defendant’s general reservation clause, reserving the right to assert affirmative defenses at  
15 a later date. Finally, Plaintiff moves to dismiss Defendants fifth counterclaim for equitable  
16 estoppel. Plaintiff contends equitable estoppel is not a claim for relief and thus cannot be asserted  
17 as a counterclaim. The Court addresses each of Plaintiff’s arguments in turn.

18           A. Counterclaims Three and Six: JEDEC Counterclaims and Associated Defenses

19           Plaintiff argues the Court should dismiss Defendant’s JEDEC related claims and defenses  
20 because Defendant did not and cannot plead that it qualifies for a JEDEC license to use the ’295  
21 patent. (ECF No. 67 at 6.) Specifically, Plaintiff moves for judgment on the pleadings for  
22 counterclaims three and six and moves to strike Defendant’s fifth and sixth affirmative defenses  
23 to the extent they rely on the JEDEC licensing commitment. (ECF No. 67 at 8–11.) In the  
24 alternative, Plaintiff seeks summary judgment on the counterclaims. (ECF No. 67 at 11–14.)

25                           *i. Judgment on Counterclaims Three and Six*

26           Defendant’s third and sixth counterclaims for patent misuse and breach of contract,  
27 respectively, rest on two allegations: (1) Plaintiff did not timely disclose the ’295 patent to the  
28 JEDEC committee; and (2) Plaintiff was required to offer Defendant a license to use the patent

1 prior to bringing a lawsuit, but failed to do so. (Counterclaims ¶ 22.) In its motion, Plaintiff  
2 argues it was not required to license the '295 patent to Defendant. (ECF No. 67 at 10.) Plaintiff  
3 asserts in its reply that it did not violate the JEDEC's patent disclosure policy. (ECF No. 140 at  
4 8–9.)

5 Federal Rule of Civil Procedure 12(c) permits a party to seek judgment on the basis of  
6 plaintiff's failure to state a claim upon which relief may be granted. Fed. R. Civ. P. 12(h)(2)(B).  
7 "Such a motion is essentially equivalent to a Rule 12 (b)(6) motion to dismiss, so a district court  
8 may dispose of the motion by dismissal rather than judgment." *Technology Licensing Corp. v.*  
9 *Technicolor USA, Inc.*, No. CIV 2:03-1329 WBS EFB, 2010 WL 4070208, at \*1 (E.D. Cal. Oct.  
10 18, 2010) (citations omitted).

11 a. License Requirement

12 Plaintiff contends the licensing obligation Defendant uses as the base for its patent misuse  
13 and breach of contract claims requires Plaintiff to offer a license to "applicants desiring to utilize  
14 the license for the purpose of implementing the JEDEC Standard." (ECF No. 67 at 9.) Defendant  
15 alleges the '295 patent uses the JEDEC standard "JESD82-xx, JC40.4, JC45.4, MB Specification,  
16 JESD82-20A." (Counterclaims ¶ 20.) Plaintiff asserts Defendant has not and cannot plead its  
17 products implement the JESD82-xx standard. (ECF No. 67 at 9.) Defendant asserts that it need  
18 not plead that it utilizes the appropriate standard because under the JEDEC manual and  
19 procedures any standard would qualify for a RAND license. (ECF No. 80 at 10.)

20 Having reviewed the entirety of the JEDEC manual, the Court finds that both parties are  
21 partially correct. The JEDEC manual details a committee member's obligations under the RAND  
22 Patent Licensing Commitment. (*See* Jensen Decl., ECF No. 68, Ex. 1 at 25.) "Th[e] commitment  
23 applies to any standard that was pending in the committee or task group while the Committee  
24 Member Participated in that committee or task group." (JEDEC Manual 8.2.4.) A Committee  
25 Member may also "not agree to grant a license to all other Potential Licensees under such  
26 Potential Licensee's Essential Patent Claims of that Standard on RAND term and conditions for  
27 the approved Standard." (JEDEC Manual 8.2.4.)

28 Defendant is incorrect that use of "any standard" means Plaintiff is "obligated to offer a

1 RAND license to [Defendant] before filing this lawsuit.” (ECF No. 80 at 10 (emphasis in  
2 original).) Plaintiff is not required to offer a license for any standard, but any standard that was  
3 *pending in the committee when Plaintiff was a member of that committee*. Defendant alleges it  
4 “has been a member of JEDEC since 2000 and a member of several committees including JC-40  
5 and JC-45.” (Counterclaims ¶ 16.) Defendant further alleges “[Plaintiff] was a member of the  
6 JEDEC and a member of several JEDEC committees, including JC-40 and JC-45.”  
7 (Counterclaims ¶ 17.) Plaintiff’s membership in the same committees as Defendant does not  
8 mean the standard was pending in the committee they shared. Furthermore, Defendant states it  
9 uses a separate standard specified as RDIMM. (ECF No. 80 at 10.) Thus, Defendant would have  
10 had to plead that the RDIMM standard was implemented in one of the committees in which  
11 Plaintiff was a member during the time Plaintiff was a member. Defendant pleads no such  
12 allegations.

13 b. Duty to Disclose

14 A duty to disclose may arise out of membership in a standard-setting organization.  
15 *Rambus Inc. v. Infineon Technologies Ag*, 318 F.3d 1081, 1096 (Fed. Cir. 2003); *Qualcomm*  
16 *Incorporated v. Broadcom Corp.*, 548 F.3d 1004, 1012 (Fed. Cir. 2008). The scope of the duty  
17 may be defined by the JEDEC’s written policy and can also be implied by the conduct of  
18 JEDEC’s members. *Rambus*, 318 F.3d at 1098. The existence of a duty to disclose is a question  
19 of law with factual underpinnings. *Qualcomm*, 548 F.3d at 1012.

20 Defendant alleges Plaintiff violated the JEDEC’s patent disclosure policy and therefore  
21 the patent should be unenforceable. (Counterclaims ¶¶ 19–23.) In its opposition, Defendant  
22 asserts Plaintiff reads the claims in a vacuum and does not address the issue of its untimely patent  
23 disclosure. (ECF No. 80 at 8–11.) Defendant cites *Qualcomm* for the proposition that Defendant  
24 may bring a claim for patent misuse for violations of JEDEC’s standards. (ECF No. 80 at 10–11.)  
25 Plaintiff asserts *Qualcomm* allows the Court to make the patent unenforceable only against  
26 products implementing the JESD82-xx standard. (ECF No. 140 at 9.)

27 In *Qualcomm*, the Federal Circuit reviewed a district court’s decision finding a patent  
28 unenforceable against the world because the patent holder violated a standard-setting



1 organization's duty to disclose. *Qualcomm*, 548 F.3d at 1008. The Federal Circuit upheld the  
2 district court's finding that a duty to disclose existed and rendered the patent unenforceable. *Id.*  
3 at 1019. However, the Federal Circuit held the patent could not be unenforceable against all  
4 potential infringers, but only against the products that were compliant with the given standard.  
5 *Id.* at 1026. As discussed above, Defendant fails to plead its product is compliant with the  
6 JESD82-xx standard for which Plaintiff's patent is licensed. Accordingly, Defendant's  
7 allegations do not adequately plead use of the described JEDEC standard such that the patent is  
8 unenforceable against Defendant's use.

9 For the foregoing reasons, Defendant has failed to adequately allege facts to support its  
10 counterclaims of patent misuse and breach of contract under either a duty to disclose or a license  
11 requirement. Accordingly, Defendant's third and sixth counterclaims are hereby DISMISSED.  
12 *See Technology Licensing*, 2010 WL 4070208, at \*1 (explaining a court may dispose of a Rule  
13 12(c) motion through dismissal).

14 *ii. Striking the Fifth and Sixth Defenses*

15 Plaintiff seeks to strike Defendant's fifth defense (equitable defense) and sixth defense (no  
16 injunction) as insufficient. (ECF No. 67 at 11.) An affirmative defense is insufficient where it  
17 lacks merit "under any set of facts the defendant might allege." *McArdle v. AT&T Mobility LLC*,  
18 657 F. Supp. 2d 1140, 1150 (N.D. Cal. 2009), *rev'd on other grounds by* 474 Fed. App. 515  
19 (2012). Plaintiff contends the fifth and sixth defenses rely on the premise that Plaintiff was  
20 required to offer Defendant a RAND license prior to initiating litigation. (ECF No. 67 at 11.)  
21 Plaintiff argues Defendant could not plead any set of facts such that Plaintiff had to offer it a  
22 license because Defendant does not utilize the JESD82-xx standard. (ECF No. 67 at 11.)

23 As the Court discussed above, Defendant could plead that the RDIMM standard was  
24 implemented in one of the committees in which Plaintiff was a member during the time Plaintiff  
25 was a member. Plaintiff does not suggest that this is impossible. Accordingly, a set of facts  
26 exists that would require Plaintiff to offer Defendant a license. It cannot be said that the fifth and  
27 sixth defenses are insufficient. As a consequence, the Court hereby DENIES Plaintiff's motion to  
28 strike Defendant's fifth and sixth affirmative defenses.

1                   B. Counterclaim Two: Invalidity and Associated Defense

2           Plaintiff moves to dismiss Defendant’s second counterclaim for invalidity and to strike its  
3 second affirmative defense.<sup>2</sup> (ECF No. 67 at 15.) Plaintiff argues the invalidity counterclaim is  
4 comprised of legal conclusions and thus fails to state a claim. (ECF No. 67 at 15.) Defendant  
5 does not dispute that paragraph 14 consists of legal conclusions. Instead, Defendant contends  
6 Plaintiff focuses solely on one paragraph of the claim and does not take into consideration all of  
7 the factual allegations incorporated by reference from the rest of the countercomplaint and  
8 answer. (ECF No. 80 at 15.) Furthermore, Defendant asserts Exhibit A attached to the  
9 countercomplaint also “spells out the necessary factual allegations for Count Two.” (ECF No. 80  
10 at 15.)

11           A pleading is considered a shotgun pleading when a party pleads multiple claims and does  
12 not identify which specific facts are allocated to which claim. *See In re Mortgages Ltd.*, No. 2013  
13 WL 1336830, at \*12 (Bankr. D. Ariz. March 29, 2013); *Magulta v. Samples*, 256 F.3d 1282, 1284  
14 (11th Cir. 2001). Here, Defendant’s second counterclaim is devoid of any factual statements  
15 which would provide notice to Plaintiff of what allegations give rise to an invalidity claim.  
16 Paragraph 11 incorporates by reference the preceding allegations of Defendant’s counterclaims.  
17 However, even the factual allegations in the remainder of the counterclaims are minimal and  
18 without reference to specific facts. Defendant states that Exhibit A spells out the factual  
19 allegations, but counterclaim two does not reference Exhibit A. Even if Exhibit A was  
20 incorporated by reference and mentioned in counterclaim two, Defendant still has not identified  
21 which portions of Exhibit A would give rise to an invalidity counterclaim.

22           Accordingly, Defendant has failed to meet the pleading requirement of Federal Rule of  
23 Civil Procedure 8(a). The Court hereby DISMISSES without prejudice Defendant’s second  
24 counterclaim and STRIKES Defendant’s second affirmative defense for invalidity.

25                   C. Fourth Affirmative Defense: Intervening Rights

26           Plaintiff requests the Court strike Defendant’s fourth affirmative defense asserting

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27           <sup>2</sup> The second affirmative defense is virtually identical to the second counterclaim. Courts have viewed the  
28 two in tandem when determining whether to dismiss a claim and strike an identical affirmative defense. *See Iconfind, Inc. v. Google, Inc.*, No. 2:11-cv-00319-GEB-JFM, 2011 WL 4505779, at \*1 (E.D. Cal. Aug. 2, 2011).

1 intervening rights pursuant to 35 U.S.C. § 252. Section 252 grants protection from infringement  
2 when a product potentially infringes a patent reissued with modified or added claims. 35 U.S.C §  
3 252. “Intervening rights originated as a defense against patents modified through reissue  
4 procedures.” *Marine Polymer Technologies, Inc. v. HemCon, Inc.*, 672 F.3d 1350, 1362 (Fed.  
5 Cir. 2012). However, intervening rights are now granted to *ex parte* and *inter partes*  
6 reexaminations. *See* 35 U.S.C. §§ 307(b), 316(b), respectively. Defendant has not asserted an  
7 intervening rights defense under either reexamination section. (ECF No. 140 at 10–11.) As  
8 Defendant has not asserted the ’295 patent has been reissued, Defendant cannot not assert an  
9 intervening right under Section 252. Accordingly, the Court hereby STRIKES Defendant’s  
10 fourth affirmative defense for intervening rights under 35 U.S.C. § 252.

#### 11 D. Reservation of Additional Defenses

12 Plaintiff seeks to strike Defendant’s clause “reserve[ing] all defenses available under Rule  
13 8(c) of the Federal Rules of Civil Procedure.”<sup>3</sup> (Answer ¶ 31.) “An attempt to reserve  
14 affirmative defenses for a future date is not a proper affirmative defense in itself.” *U.S. v. Global*  
15 *Mortgage Funding, Inc.*, No. SACV 07-1275 DOC (PJWx), 2008 WL 5264986, at \* 5 (C.D. Cal.  
16 May 15, 2008). Defendants seeking to add affirmative defenses at a later date must comply with  
17 Federal Rule of Civil Procedure 15. *Id.* Defendant “is either entitled to raise additional defenses  
18 at a later time or he is not; his attempt to reserve his rights to do so is a legal nullity.” *Id.* The  
19 court in *Global Mortgage* stated it was “somewhat puzzled by the [plaintiff’s] request to strike  
20 this defense since it is legally ineffective and could have no impact on the proceeding.” *Id.*  
21 However, for the sake of “helping [plaintiff] to rest easier,” the court struck the defense. *Id.*

22 Likewise here, the clause reserving all affirmative defenses can have no legal effect in the  
23 answer. However, as it appears to be an issue Plaintiff wants clarified and bearing no legal effect,  
24 the Court hereby STRIKES Defendant’s reservation of all affirmative defenses. Defendant may  
25 request to raise affirmative defenses at a later time in accordance with the Federal Rules and  
26 Local Rules.

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27 <sup>3</sup> Plaintiff seeks to strike “Netlist’s general reservation” of affirmative defenses. (ECF No. 67 at 17.) Plaintiff  
28 does not assert Defendant raised the reservation as an affirmative defense in itself. Likewise, the Court does not view  
it as such, but rather as a general reservation clause.

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2 E. Counterclaim Five: Equitable Estoppel

3 Plaintiff argues Defendant's fifth counterclaim for equitable estoppel should be dismissed  
4 because equitable estoppel is a defense not a claim. (ECF No. 67 at 18.) Plaintiff is correct.  
5 "Equitable estoppel is a defense, not a claim." *Resource Lenders, Inc. v. Source Solutions, Inc.*,  
6 No. 1:05CV09990WWLJO, 2005 WL 3525670, at \* 4 (E.D. Cal. Dec. 22, 2005). Defendant  
7 argues the Court should treat the pleading as if there has been a proper designation regardless of  
8 whether Defendant mistakenly designated "its counterclaim as a defense." (ECF No. 80 at 16.)  
9 Defendant asserts both a counterclaim and a defense for equitable estoppel. Therefore, it cannot  
10 be said that Defendant misclassified a counterclaim or defense. Furthermore, Defendant does not  
11 dispute that equitable estoppel is not an independent claim for relief. Because equitable estoppel  
12 is an affirmative defense, Defendant's fifth counterclaim for equitable estoppel is hereby  
13 DISMISSED with prejudice.

14 **IV. CONCLUSION**

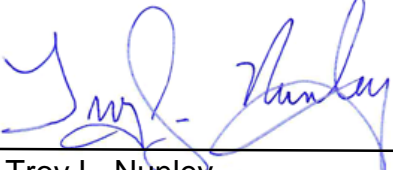
15 For the above stated reasons, the Court hereby orders as follows:

- 16 1. Defendant's third and sixth counterclaims are DISMISSED WITHOUT  
17 PREJUDICE;
- 18 2. Plaintiff's motion to strike Defendant's fifth and sixth affirmative defenses is  
19 DENIED;
- 20 3. Defendant's second counterclaim is DISMISSED WITHOUT PREJUDICE;
- 21 4. Defendant's second affirmative defense is STRICKEN;
- 22 5. Defendant's fourth affirmative defense is STRICKEN;
- 23 6. Defendant's general reservation of defenses is STRICKEN; and
- 24 7. Defendant's fifth counterclaim is DISMISSED WITH PREJUDICE.

25 Plaintiff shall file an amended countercomplaint within thirty (30) days of entry of this order.

26 IT IS SO ORDERED.

27 Dated: July 13, 2017

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Troy L. Nunley  
United States District Judge