

E-filed: 2/18/2009

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

FORTINET, INC.,

Plaintiff,

v.

TREND MICRO INC.,

Defendant.

No. C-08-05371 MMC

ORDER NOT RELATING CASES

[Re Docket No. 12]

TREND MICRO INC.,

Plaintiff,

v.

FORTINET, INC.,

Defendant.

No. C-04-01785 RMW

[Re Docket No. 56]

Pursuant to Civil Local Rule 3-12(c), the court in C-08-05371 entered a *sua sponte* judicial referral to determine whether that action is related to C-04-01785.

The prior case involved allegations by Trend Micro that Fortinet infringed U.S. Patent No. 5,623,600. *See* Docket No. 1 (May 5, 2004). The case proceeded to claim construction with the filing of the parties' joint claim construction statement but got no further. The parties continued the hearing on claim construction and eventually stipulated to dismiss the case. Docket No. 53 (Feb. 13,

ORDER NOT RELATING CASES
C-08-05371 MMC & C-04-01785 RMW
TSF

2006). The stipulation of dismissal is very terse, and it contains no language about the court retaining jurisdiction to enforce a settlement agreement. *See id.*

The peace does not appear to have lasted. In the 08-05371 case, Fortinet seeks a declaratory judgment that it does not owe royalties to Trend Micro because of the '600 patent's invalidity and/or unenforceability. Docket No. 11 ¶¶ 46-50 (Feb. 3, 2009). Fortinet seeks similar declaratory relief as to a second patent, U.S. Patent No. 5,889,943, which was not involved in the prior litigation. *Id.* ¶¶ 51-55. Fortinet further alleges a monopolization claim against Trend Micro based on its procurement of the '600 patent and accuses Trend Micro of unfair competition. *See id.* ¶¶ 56-83.

Civil Local Rule 3-12(a) defines a "related case" as one that concerns "substantially the same parties, property, transaction or event" and "[i]t appears likely that there will be an unduly burdensome duplication of labor and expense or conflicting results if the cases are conducted before different Judges." Though the second action adds a patent, the court is satisfied that the bulk of the second action turns on the '600 patent, which was also the subject of the first action. The first prong of Rule 3-12(a) is met.

But the second prong is not. There is no risk of conflicting results because nothing happened in the first action. *See* Docket No. 11 ¶ 27 ("The Prior Fortinet Northern District Action was stayed during the [ITC] Investigation."). Nor will there be a burdensome duplication of labor, as the court did not even hold a claim construction hearing before the parties settled the first action. *Compare with Hynix Semiconductor, Inc. v. Rambus Inc.*, 2008 WL 3916304 (N.D. Cal. Aug. 24, 2008) (denying motion to relate).

For the foregoing reasons, the court has determined that the two cases are not related under the local rules and that no reassignments shall occur.

DATED: 2/18/2009



RONALD M. WHYTE
United States District Judge

Notice of this document has been electronically sent to counsel in:

C-04-01785:

Michael A. Berta	mberta@wsgr.com
Terrence J.P. Kearney	tkearney@wsgr.com
Kenneth S. Korea	ken.korea@dechert.com
Michael Brett Levin	mlevin@wsgr.com
Keaton Parekh	kparekh@mwe.com
Christopher R. Parry	cparry@wsgr.com
Sarah Elizabeth Piepmeier	spiepmeier@gibsondunn.com
Stefani Elise Shanberg	sshanberg@wsgr.com
Jimmy Minjae Shin	jshin@mwe.com
Ron Eleazer Shulman	rshulman@wsgr.com
Kenneth Brian Wilson	kwilson@carrferrell.com

C-08-05371:

Robin Lynn Brewer	rbrewer@wsgr.com
Robert D. Fram	rfram@cov.com
Michael A. Ladra	mladra@wsgr.com
Michael Myles Markman	mmarkman@cov.com
Stefani Elise Shanberg	sshanberg@wsgr.com

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Dated: 2/18/2009

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Chambers of Judge Whyte