

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

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

FUJIFILM CORPORATION,  
Plaintiff,  
v.  
MOTOROLA MOBILITY LLC,  
Defendant.

Case No. 12-cv-03587-WHO  
**ORDER REGARDING JOINT STATUS  
REPORT**  
Re: Dkt. No. 343

On June 16, 2015, the parties filed a Joint Status Report concerning various issues that remain unresolved following entry of the jury verdict in the patent infringement trial held in this case. *See* Dkt. No. 343 (“Rpt.”). This order addresses each issue below.

**I. INEQUITABLE CONDUCT**

“Inequitable conduct is an equitable defense to patent infringement that, if proved, bars enforcement of a patent.” *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276, 1285 (Fed. Cir. 2011). To prevail on the defense, the accused infringer must prove that the patent applicant “misrepresented or omitted material information with the specific intent to deceive the PTO.” *Id.* at 1287. “The accused infringer must prove both elements – intent and materiality – by clear and convincing evidence.” *Id.*

Motorola concedes that, in light of the jury’s finding of no invalidity under 35 U.S.C. § 102(f), it cannot satisfy the materiality element of its inequitable conduct defense. Rpt. at 1. It states that I may rule on the defense without the introduction of additional evidence. *Id.* Fujifilm agrees. *See* Rpt. at 1-2.

I will issue a decision on inequitable conduct in conjunction with a decision on laches, discussed below. The parties shall not submit additional briefing or evidence on inequitable conduct.

1     **II.     LACHES**

2             The equitable defense of laches may bar a patentee’s claim for pre-suit damages. *A.C.*  
3     *Aukerman Co. v. R.L. Chaides Const. Co.*, 960 F.2d 1020, 1028 (Fed. Cir. 1992). “[A]pplication  
4     of the defense . . . is committed to the sound discretion of the district court.” *Id.* at 1032. A  
5     defendant seeking to invoke the defense must prove two elements: (1) that the patentee “delayed  
6     filing suit for an unreasonable and inexcusable length of time from the time [it] knew or  
7     reasonably should have known of its claim against the defendant;” and (2) that “the delay operated  
8     to the prejudice or injury of the defendant.” *Id.* A presumption of laches arises “upon proof that  
9     the patentee delayed filing suit for more than six years after actual or constructive knowledge of  
10    the defendant’s alleged infringing activity.” *Id.* at 1035-36.

11            Motorola asserts laches as a defense to infringement of the ’763 patent, the one patent in  
12    suit that the jury found valid and infringed. To adjudicate the defense, Motorola proposes a short  
13    evidentiary hearing at which it would require no more than thirty minutes and would call only one  
14    witness. Rpt. at 2. Motorola further proposes that within ten days of the evidentiary hearing, the  
15    parties would submit proposed findings of fact and conclusions of law. *Id.*

16            Fujifilm objects to this proposal on several grounds, including that: (1) Motorola has  
17    already exhausted its allotted eighteen hours of trial time; (2) the one witness that Motorola  
18    intends to offer in support of its laches defense, David Yen, is not a technology expert (and thus,  
19    according to Fujifilm, cannot possibly provide testimony sufficient to establish that the relevant  
20    Motorola product infringes the ’763 patent) and was not disclosed as a laches witness;<sup>1</sup> (3) the  
21    parties already submitted proposed findings of fact and conclusions of law on the defense, “so  
22    additional submissions on [the] issue would be redundant;” and (4) more generally, the defense  
23    “plainly [has] no merit” and should be summarily rejected on this ground. Rpt. at 4-5.

24            I tentatively am inclined, based on the argument in the Joint Status Report, to find that Yen

25            \_\_\_\_\_

26    <sup>1</sup> In its pretrial witness list, Motorola stated that Yen would testify regarding the following  
27    subjects: “Operation of the accused devices. Invalidity of and workarounds for the asserted  
28    claims. May also be called as a rebuttal witness on issues, defenses or claims raised by Fujifilm,  
or for impeachment purposes.” Dkt. No. 215-9 at 1. The sentence starting with, “May also be  
called,” is a boilerplate sentence that Motorola included in its description of the testimony of  
nearly all of its witnesses. *See id.* at 1-10.

1 was not disclosed as a laches witness and to prohibit him from testifying in support of the defense.  
2 The boilerplate description of his testimony quoted in footnote 1 above is hardly sufficient.  
3 However, if Motorola wishes to file a brief of ten pages or less that explains what previously  
4 disclosed evidence regarding laches it intends to produce and why Yen is an appropriate laches  
5 witness, procedurally and substantively, it may do so on or before July 1, 2015. Fujifilm may  
6 respond with a brief of similar length on or before July 8, 2015. There will be no reply.

7 **III. OBJECTIVE PRONG OF WILLFULNESS**

8 To prove willful infringement, “a patentee must show by clear and convincing evidence  
9 that the infringer acted despite an objectively high likelihood that its actions constituted  
10 infringement of a valid patent.” *In re Seagate Tech., LLC*, 497 F.3d 1360, 1371 (Fed. Cir. 2007).  
11 “If this threshold objective standard is satisfied, the patentee must also demonstrate that this  
12 objectively defined risk . . . was either known or so obvious that it should have been known to the  
13 accused infringer.” *Id.* A willful infringement determination thus “requires a two-pronged  
14 analysis entailing separate objective and subjective inquiries.” *Powell v. Home Depot U.S.A., Inc.*,  
15 663 F.3d 1221, 1236 (Fed. Cir. 2011). The objective inquiry is question of law for the court,  
16 while the subjective inquiry is a fact question for the jury. *Bard Peripheral Vascular, Inc. v. W.L.*  
17 *Gore & Associates, Inc.*, 682 F.3d 1003, 1007-08 (Fed. Cir. 2012).

18 The jury in this case was given the subjective prong and returned a verdict of no willful  
19 infringement with respect to each of the asserted claims. Dkt. No. 337 at 9. Motorola  
20 nevertheless asks that I now rule on the objective prong “to avoid the potential for multiple,  
21 fractured decisions on willfulness.” Rpt. at 6. Motorola explains that if Fujifilm succeeds in  
22 overturning the jury’s findings on the subjective prong, then the matter will return to this Court for  
23 a determination on the objective prong – unless the determination is made now. *Id.* Fujifilm  
24 responds that in light of the jury’s findings on the subjective prong, willfulness should only be  
25 addressed, if at all, in the context of Rule 50 or 59 motions.

26 I agree with Fujifilm. “Because both prongs must be established for the Court to make an  
27 ultimate finding of willfulness, failure on either prong defeats a claim of willfulness. If the Court  
28 finds no objective willfulness, the inquiry is at an end, and the Court need not consider whether

1 the jury’s finding of subjective willfulness was supported by substantial evidence. Conversely,  
2 if the jury found no subjective willfulness, the Court need not consider objective willfulness, as  
3 the willfulness claim must fail either way.” *Apple, Inc. v. Samsung Electronics Co.*, 920 F. Supp.  
4 2d 1079, 1107 (N.D. Cal. 2013) (assessing objective willfulness only for those patents for which  
5 the jury found subjective willfulness) *aff’d in part, rev’d in part on other grounds*, 2015 WL  
6 2343543 (Fed. Cir. May 18, 2015).

7 Here, the jury found no subjective willfulness. Accordingly, the willfulness claim must  
8 fail, and there is no need for me to decide objective willfulness before judgment may be entered.  
9 If the parties raise willfulness in their Rule 50 or 59 motions, I will consider it there.

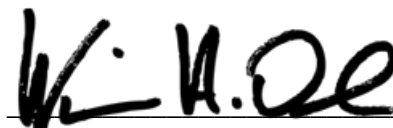
10 **IV. REIMBURSEMENT OF EXPENSES INCURRED IN REBUTTING FUJIFILM’S**  
11 **SUBSTITUTE EXPERT REPORT**

12 Several months before trial, I allowed Fujifilm to designate a substitute damages expert,  
13 but only on the condition that it “pay for all fees and costs associated with rebutting the substitute  
14 report.” Dkt. No. 147. The parties now dispute the reasonableness of certain expenses for which  
15 Motorola seeks reimbursement. Rpt. at 7. They seek leave to file a joint letter on the issue and  
16 ask that they be allowed to attach “limited exhibits” to the letter. *Id.* This request is GRANTED.  
17 The letter (which shall be no more than five pages, double-spaced) is due by July 1, 2015.

18 Motorola asks that it be allowed to submit its counsel’s invoices for in camera review “to  
19 protect the confidentiality of any billing rates and/or privileged information.” Rpt. at 7. This  
20 request is DENIED. If Motorola has a good faith basis for believing that there exists good cause  
21 to seal part or all of the invoices, it may file an administrative motion to file under seal pursuant to  
22 Civil Local Rule 79-5.

23 **IT IS SO ORDERED.**

24 Dated: June 24, 2015

25   
26 WILLIAM H. ORRICK  
27 United States District Judge  
28