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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

CHRIMAR SYSTEMS INC, et al.,  
Plaintiffs,  
v.  
RUCKUS WIRELESS, INC.,  
Defendant.

Case No. [16-cv-00186-SI](#) (Dkt. No. 131)  
And related cases:  
3:16-cv-00558-SI (Dkt. No. 109)  
3:16-cv-00624-SI (Dkt. No. 132)  
3:16-cv-00897-SI (Dkt. No. 102)

ORDER GRANTING DEFENDANTS'  
MOTION TO DISMISS

Before the Court is defendants' motion to strike, or in the alternative, to dismiss Count I of plaintiff Chrimar's Third Amended Complaint ("TAC"). Dkt. No. 129. Having reviewed the parties' submissions, the Court hereby GRANTS the motion to dismiss.

**BACKGROUND**

Plaintiff Chrimar Systems Inc. and Chrimar Holding Company LLC (collectively, "Chrimar") filed these patent infringement actions against Juniper Networks Inc. ("Juniper"), Ruckus Wireless Inc. ("Ruckus"), Netgear Inc. ("Netgear"), and Fortinet Inc. ("Fortinet") (collectively, "defendants") on July 1, 2015, in the Eastern District of Texas. See Dkt. No. 1 (Complaint). The complaint alleges infringement of four patents held by Chrimar: U.S. Patent Nos. 8,115,012 ("the '012 patent"), 8,942,107 ("the '107 patent"), 8,902,760 ("the '760 patent"), and 9,019,838 ("the '838 patent"). *Id.* The actions were transferred from Texas to the Northern District of California in December 2015. Dkt. No. 89. On July 8, 2016, defendant Juniper filed petitions for Inter Partes Review ("IPR") of the four patents and was later joined by defendants Ruckus and Netgear. Dkt. No. 126 at 2. For the '107 patent, defendant Juniper requested review of claims 1, 5,

1 31, 43, 70, 72, 74, 75, 83, 103 (across 1, 5, 31, 43, 70, 72, and 75), 104, 111, 123, and 125 (across  
2 104, 111, and 123). Dkt. No. 132-3. On September 26, 2016, this Court stayed the patent  
3 infringement actions, until the Patent Trial and Appeal Board (“PTAB”) reached final written  
4 decisions with respect to the four IPR petitions. Dkt. No. 96 at 10. Between December 2016 and  
5 January 2017, the PTAB instituted an IPR for each asserted patent, including the ’107 patent. Dkt.  
6 No. 132-6.

7 In IPR, defendants Juniper, Ruckus, and Netgear successfully asserted the challenged claims  
8 of the ’107 patent were obvious<sup>1</sup> over prior art Hunter, Bulan, Bloch, Huizinga, and IEEE 802.3.  
9 Dkt. No. 132-8 at 15, 49. Claim 103 of the ’107 patent is a multiple dependent claim and recites  
10 “wherein the piece of Ethernet terminal equipment is a piece of powered-off Ethernet terminal  
11 equipment.” ’107 patent, at 22:13-16. The PTAB found “that the ‘powered-off’ limitation is shown  
12 by the combination of Hunter and Bulan.” Dkt. No. 132-8 at 16. The PTAB stated that “claims 1,  
13 5, 31, 43, 70, 72, 74, 75, 83, 103, 104, 111, 123, and 125 of the ’107 patent would have been obvious  
14 over Hunter and Bulan.” *Id.* at 48 (emphasis added). The PTAB also found that “the combination  
15 [of Bloch, Huizinga, and IEEE] and specifically Bloch discloses ‘powered off’ terminal  
16 equipment.” *Id.* at 64. The PTAB ultimately “ORDERED claims 1, 5, 31, 43, 70, 72, 74, 75, 83,  
17 103, 104, 111, 123, and 125 of the ’107 patent ... unpatentable.” *Id.* at 84.

18 The PTAB reached final written decisions in the other three IPR petitions and ordered those  
19 challenged claims unpatentable as well. Dkt. No. 126 at 3. However, an ex parte reexamination  
20 was filed by a third party on the ’760 patent prior to final written decision, and claims 73-100, 104-  
21 169, and 173-219 were amended and found patentable, as amended. Dkt. No. 122 at 2. The PTAB  
22 did not review the amended claims of the ’760 patent that were found patentable during  
23 reexamination. *Id.* Chrimar appealed all four of the PTAB’s Final Written Decisions to the U.S.  
24 Court of Appeals for the Federal Circuit, which upheld the PTAB decisions. Dkt. No. 126. Chrimar  
25 filed a petition for Writ of Certiorari in the U.S. Supreme Court challenging the Federal Circuit’s

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27 <sup>1</sup> Under 35 U.S.C. § 103 (a) a patent claim is invalid as obvious if the differences between  
28 the claimed invention and the prior art are “such that the subject matter as a whole would have been  
obvious at the time the invention was made to a person having ordinary skill in the art to which said  
subject matter pertains.” Dkt. No. 132-8 at 14.

1 affirmations. *Id.* On February 24, 2020, the Supreme Court denied Chrimar’s petition.<sup>2</sup> Dkt. No.  
2 131 at 3.

3 In December 2019, this Court lifted the stay on the patent infringement actions and set a case  
4 management conference for January 24, 2020. Dkt. No. 123. At the case management conference,  
5 Chrimar requested permission to add an additional claim from the ’107 patent based on a new claim  
6 construction that came out of the IPR proceedings. Dkt. No. 133 at 2. On January 30, 2020, the  
7 Court issued a scheduling order permitting Chrimar to “file an Amended Complaint adding only (1)  
8 allegations relating to the ex parte reexamination certificate of the ’760 patent and (2) allegations  
9 regarding the ’825 patent.” Dkt. No. 127 (Scheduling Order). The Court also permitted Chrimar to  
10 file corresponding amended infringement contentions. *Id.* On February 7, 2020, Chrimar filed the  
11 TAC, which included four causes of action: (1) Infringement of the ’107 Patent; (2) Infringement  
12 of the ’760 Patent; (3) Infringement of the ’838 Patent; and (4) Infringement of the ’825 Patent.  
13 Dkt. No. 129. On the same day, Chrimar sent defendants the First Amended Infringement  
14 Contentions alleging direct infringement of claim 103 (across claim 87) of the ’107 patent. Dkt.  
15 No. 131-5.

16 On February 28, 2020, defendants filed the instant Motion to Strike, or in the alternative, to  
17 Dismiss, arguing the Court should strike the first cause of action for infringement of the ’107 patent  
18 because it violates the scheduling order, or alternatively, the Court should dismiss the first cause of  
19 action because it fails to recite a plausible claim of patent infringement. Dkt. No. 131 (Motion). In  
20 the latter argument, defendants argue claim 103 of the ’107 patent was invalidated without  
21 qualification, and an invalid claim cannot be infringed. *Id.* at 6. In its Opposition, Chrimar seeks  
22 permission to amend its infringement contentions to include claim 103 (across claim 87) of the ’107  
23 patent. *Id.* at 9.

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27 <sup>2</sup> The Federal Circuit judgment of the ’107 patent and the U.S. Supreme Court’s Order List  
28 denying Chrimar’s petition were attached to Defendant’s Joint Motion to Strike, or in the alternative,  
to Dismiss. Dkt. Nos. 131-4, 131-8. The Court sua sponte takes judicial notice of these two  
documents.

1 **LEGAL STANDARD**

2 Under Federal Rule of Civil Procedure 12(b)(6), a district court must dismiss a complaint if  
3 it fails to state a claim upon which relief can be granted. To survive a Rule 12(b)(6) motion to  
4 dismiss, the plaintiff must allege “enough facts to state a claim to relief that is plausible on its face.”  
5 *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570, 127 S.Ct. 1955, 167 L.Ed.2d 929 (2007). This “facial  
6 plausibility” standard requires the plaintiff to allege facts that add up to “more than a sheer  
7 possibility that a defendant has acted unlawfully.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678, 129 S.Ct.  
8 1937, 173 L.Ed.2d 868 (2009). While courts do not require “heightened fact pleading of specifics,”  
9 a plaintiff must allege facts sufficient to “raise a right to relief above the speculative level.”  
10 *Twombly*, 550 U.S. at 555, 570, 127 S.Ct. 1955.

11 To state a claim for patent infringement, “a patentee need only plead facts sufficient to place  
12 the alleged infringer on notice. This requirement ensures that the accused infringer has sufficient  
13 knowledge of the facts alleged to enable it to answer the complaint and defend itself.” *Phonometrics,*  
14 *Inc. v. Hospitality Franchise Sys., Inc.*, 203 F.3d 790, 794 (Fed. Cir. 2000).

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16 **DISCUSSION**

17 In defendants’ instant Motion, they argue the Court should dismiss the first cause of action  
18 in the TAC because it fails to state a plausible claim of patent infringement.<sup>3</sup> Dkt. No. 131. The  
19 first cause of action alleges infringement of the ’107 patent, specifically infringement of claim 103  
20 (across 87). Dkt Nos. 129, 131-5. Claim 103 is not a new claim in this case and was previously  
21 asserted by plaintiffs in their original complaint and infringement contentions. Dkt. No. 132-2 at 3.  
22 As part of the IPR proceedings, claim 103 was challenged by defendants as unpatentable. Dkt. No.

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25 <sup>3</sup> Defendants make several arguments for striking claim 103 (across 87) of the ’107 patent  
26 from the TAC, including the assertion that it violates the Court’s Scheduling Order from January  
27 30, 2020. Dkt. No. 131 at 5. Plaintiffs’ disagree in the Opposition and, without stating so explicitly,  
28 make a motion for leave to amend to include claim 103 (across 87) of the ’107 patent. Dkt. No. 132  
at 9 (“Chrimar explains below why it should be permitted to amend its contentions to include claim  
103 (across claim 87) of the ’107 patent.”). The Court does not find it appropriate to analyze  
plaintiffs’ arguments for amendment because ultimately this Court does not agree with plaintiffs  
that claim 103 was partially invalidated by the PTAB. As such, granting leave to amend only to  
dismiss Count 1 of the TAC would be futile.

1 132-3 at 4, 46, 71. Defendants argue claim 103 was deemed unpatentable by the PTAB, and the  
2 decision was affirmed by the Federal Circuit. Dkt. No. 131 at 6.

3 In plaintiffs' Opposition, they argue the first cause of action states a plausible claim of patent  
4 infringement. Dkt. No. 132 at 11. Plaintiffs argue that claim 103 (across 87) is a different claim  
5 from the claims challenged by defendants in IPR because claim 103 was not previously asserted  
6 across claim 87. As such, plaintiffs argue claim 103 (across 87) was not invalidated by the PTAB.  
7 *Id.*

8 Claim 103 is a multiple dependent claim and reads as follows: The piece of Ethernet terminal  
9 equipment of any one of claims 1, 17, 18, 19, 21, 22, 31, 32, 46, 47, 67, 68, 85, and 86-89 and  
10 wherein the piece of Ethernet of terminal equipment is a piece of powered-off Ethernet terminal  
11 equipment. '107 patent, at 22:13-16.

12 Section 112 of the patent and trademark statute defines a multiple dependent claim as  
13 referring to "more than one claim previously set forth [that specifies] a further limitation of the  
14 subject matter claimed. A multiple dependent claim shall be construed to incorporate by reference  
15 all the limitations of the particular claim in relation to which it is being considered." 35 U.S.C. §  
16 112 ¶ 5. In plaintiffs' original infringement contentions, they argue defendants infringed claim 103  
17 across claims 1, 5, 23, 31, 43, 53, 58, 70, 72, and 75 of the '107 patent.<sup>4</sup> Dkt. No. 132-2 at 3. In the  
18 Opposition, plaintiffs argue because defendants only challenged those claims in IPR, claim 103  
19 across claim 87 was never reviewed by the PTAB. Dkt. No. 132 at 11. Defendants argue claim 103  
20 was invalidated in its entirety – not just in relation to the named dependent claims. Dkt. No. 133 at  
21 6. The Court agrees with defendants.

22 In its Final Written Decision, the PTAB considered whether claim 103 is obvious over  
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24 <sup>4</sup> Chrimar argues they would have asserted claim 103 across claim 87 of the '107 patent in  
25 the original infringement contentions had they anticipated the PTAB's construction of the term  
26 "powered-off." Dkt. No. 132 at 7. Specifically, the PTAB interpreted "powered-off" to mean  
27 "without operating power" with the caveat that power may be applied to some components and the  
28 device may still be off. Dkt. No. 132-8 at 13. This was hardly a surprise to Chrimar, as this was  
the same definition they advocated for in a parallel district court case. See Dkt. No. 133-2 at 19-20.  
In fact, the PTAB relied on Chrimar's previous construction of "powered-off" in the '760 patent  
IPR proceeding. See Dkt. No. 133-4 at 36 ("Our determination is consistent with Patent Owner's  
position in a related district court case"). As such, the Court finds Chrimar could not have been  
caught off guard by the PTAB's construction of "powered-off".

1 Hunter, Bulan, Bloch, Huizinga, and IEEE 802.3. Dkt. No. 132-8 at 31, 55. The PTAB found the  
2 limitation of claim 103 is shown by a combination of those prior arts. *Id.* at 34, 56. The PTAB found  
3 “that claims 1, 5, 31, 43, 70, 72, 74, 75, 83, 103, 104, 111, 123, and 125 of the ’107 patent would  
4 have been obvious over Hunter and Bulan.” *Id.* at 48 (emphasis added). The PTAB made a similar  
5 finding combining Bloch, Huizinga, and IEEE 802.5. The PTAB concluded “that claims 1, 5, 31,  
6 43, 70, 72, 74, 75, 83, 103, 104, 111, 123, and 125 of the ’107 patent would have been obvious over  
7 Bloch, Huizinga, and IEEE 802.3.” *Id.* at 64 (emphasis added). Ultimately, the PTAB “ORDERED  
8 claims 1, 5, 31, 43, 70, 72, 74, 75, 83, 103, 104, 111, 123, and 125 of the ’107 patent ...  
9 unpatentable.” *Id.* at 84 (emphasis added). Defendants argue “the PTAB’s Final Written Decision  
10 did not order that claim 103 (across claims 1, 5, 23, 43, 53, 58, 72, and 75) is held unpatentable, and  
11 it did not rewrite the claims to strike out only those dependencies. The Final Written Decision did  
12 this because the entire claim became unpatentable.” Dkt. No. 133 at 6. The Court agrees.

13 As such, the Court GRANTS defendants’ Motion to Dismiss Count I of plaintiff’s TAC with  
14 prejudice.

15  
16 **CONCLUSION**

17 For the foregoing reasons and for good cause shown, the Court hereby GRANTS defendants’  
18 motion to dismiss Count I of plaintiff’s TAC for infringement of the ’107 patent with prejudice.

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20 **IT IS SO ORDERED.**

21 Dated: April 16, 2020

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SUSAN ILLSTON  
24 United States District Judge