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3
4 UNITED STATES DISTRICT COURT
5 NORTHERN DISTRICT OF CALIFORNIA

6
7 CONTOUR IP HOLDING, LLC,
8 Plaintiff,
9 v.
10 GOPRO, INC.,
11 Defendant.

Case No. [17-cv-04738-WHO](#)

**ORDER GRANTING MOTION TO
STAY PENDING INTER PARTES
REVIEW**

Re: Dkt. No. 262

12
13 **INTRODUCTION**

14 GoPro Inc. (“GoPro”) seeks to stay this patent infringement litigation until its inter partes
15 review (“IPR”) petitions are resolved before the Patent Trial and Appeal Board (“PTAB”).
16 According to GoPro, a stay is appropriate because the IPR process might moot all of Contour IP
17 Holdings, LLC’s (“CIPH”) claims, without undue prejudice to CIPH or disruption at this stage of
18 the case. CIPH opposes any stay, asserting that the PTAB is unaware of recently discovered
19 misrepresentations and fraud allegedly perpetrated by GoPro.¹ There is little doubt that a ruling
20 from the PTAB will simplify the issues here, and there is scant prejudice to CIPH in a brief stay
21 while the PTAB considers the claims (again). This case is at an early enough stage to warrant the
22 stay. For the reasons discussed below, GoPro’s motion is GRANTED.

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24 _____
25 ¹ CIPH filed its opposition under seal, including portions referring to Exhibits 6 and 15 which are
26 documents designated highly confidential by GoPro. GoPro filed a separate declaration not
27 seeking to seal portions already cited in CIPH’s opposition, but instead requesting the remaining
28 portions of Exhibits 6 and 15 be redacted. GoPro simply asserts these portions are “not
insignificant” and “irrelevant,” but has not explained why portions not cited should be sealed. As
GoPro has been apprised already in this litigation, it must provide good cause to preserve sealed
materials attached to non-dispositive briefs. *Foltz v. State Farm Mut. Auto. Ins. Co.*, 331 F.3d
1122, 1135 (9th Cir. 2003) (“‘good cause’ suffices to warrant preserving the secrecy of sealed
discovery material attached to nondispositive motions.”). Accordingly, the motion to file
materials under seal is DENIED. *See* Dkt. No. 270.

BACKGROUND

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2 In November 2014, the Patent Office issued U.S. Patent Nos. 8,890,954 (“the ’954 Patent”) and 8,896,694 (“the ’694 Patent”) to non-party Contour LLC. The patents claimed a priority date
3 of September 13, 2010, making the one-year period for prior art September 13, 2009. Contour
4 LLC, as the then-assignee of the patents, sued GoPro in the United States District Court for the
5 District of Utah in January 2015 alleging infringement of the ’694 and ’954 patents. *See Contour,*
6 *LLC v. GoPro, Inc., et al.*, Case No. 2:14-cv-864 (D. Utah 2015).
7

8 In response, GoPro filed IPR petitions challenging the validity of the patents in April 2015.
9 *See* Oppo. Ex. 1, GoPro Appeal Brief at 7 (Dkt. No. 270-4). It relied on a 2009 GoPro catalog
10 (the “Catalog”) as prior art to challenge the validity on obviousness grounds. *See id.* at 7. It also
11 introduced the declaration of a GoPro employee, Damon Jones, who attested that the Catalog was
12 made available to the public at a Tucker Rocky Dealer Show before September 13, 2009. *See*
13 Oppo. Ex. 3, Jones Decl. ¶ 9 (Dkt. No. 270-7).

14 In October 2015, the PTAB granted GoPro’s IPR petitions, finding that it was reasonably
15 likely that claims 1, 2, and 11-30 of the ’954 Patent and claims 1-20 of the ’694 Patent were not
16 patentable. When GoPro moved for a stay, Contour LLC voluntarily dismissed the case on
17 November 30, 2015. *See* Utah Dkt. No. 57. That same day, however, CIPH filed a similar action
18 against GoPro in the United States District Court for the District of Delaware. *See Contour IP*
19 *Holding, LLC v. GoPro, Inc.*, Case No. 1:15-cv-1108 (D. Del. 2015). GoPro moved for a stay
20 pending IPR proceedings once again, and the court granted the motion in July 2016. *See* Del. Dkt.
21 No. 70.

22 In October 2016, the PTAB issued a final decision against GoPro’s allegations that the
23 claims were unpatentable, finding that GoPro did not prove that the Catalog was a prior art printed
24 publication. IPR2015-01080, Paper 55, at 27–28. However, the PTAB stopped short of reaching
25 the merits of GoPro’s unpatentability claims. *See id.* GoPro appealed the decision to the Federal
26 Circuit. *See GoPro, Inc., v. Contour IP Holding LLC*, No. 2017–1894 (Fed. Cir.) (Dkt. No. 1).

27 Meanwhile, the Delaware court lifted the stay after the PTAB’s decision, and in November
28 2016, GoPro filed a motion to transfer venue to the United States District Court for the Northern

1 District of California. *See* Del. Dkt. No. 83. In July 2017, the motion to transfer was granted and
 2 the case was assigned to me. *See* Del. Dkt. No. 174. GoPro moved to dismiss, which I denied.
 3 *See* Dkt. No. 213. The parties then prepared for claim construction. A technology tutorial and
 4 *Markman* hearing were held in June. On July 16, 2018 I issued an Order Regarding Claim
 5 Construction. *See* Dkt. No. 251.

6 On July 27, 2018, the Federal Circuit vacated and remanded the PTAB’s final decision
 7 pursuant to GoPro’s appeal. *See GoPro, Inc. v. Contour IP Holding LLC*, 898 F.3d 1170 (Fed.
 8 Cir. 2018). The month before the remand, however, CIPH submitted a Federal Rule of Appellate
 9 Procedure 28(j) letter regarding supplemental authority to the Clerk of the Court, attempting to
 10 alert it to a reversal in the testimony of Mr. Jones on the prior art publication—and potential false
 11 representations by GoPro. *See* Oppo. Ex. 26, McDermott Letter. This letter was not referenced in
 12 the Federal Circuit opinion. *See* Oppo. Ex. 28 at 6 (“The parties do not dispute any of the facts or
 13 evidence presented by GoPro regarding the distribution of its catalog.”).

14 Shortly thereafter, in August 2018, CIPH filed a combined petition for rehearing and
 15 rehearing en banc of the Federal Circuit’s decision to vacate. *GoPro, Inc., v. Contour IP Holding*
 16 *LLC*, No. 2017–1894 (Fed. Cir.) (Dkt. No. 41). The parties briefed the petition for rehearing, and
 17 the Federal Circuit took the matter under submission. The court ultimately denied the petition for
 18 rehearing on November 1, 2018. *Gopro, Inc. v. Contour IP Holding LLC*, 898 F.3d 1170, 1177
 19 (Fed. Cir. 2018), opinion modified and superseded, No. 2017-1894, 2018 WL 5660650 (Fed. Cir.
 20 Nov. 1, 2018), and opinion withdrawn on denial of reh’g sub nom. *GOPRO, INC., v. CONTOUR*
 21 *IP HOLDING LLC*, No. 2017–1894, 2018 WL 5777326 (Fed. Cir. Nov. 1, 2018) (“On remand, the
 22 [PTAB] shall consider the GoPro Catalog as prior art and evaluate the merits of GoPro’s
 23 unpatentability claims.”).

24 **DISCUSSION**

25 Three factors are relevant in deciding whether a civil action should be stayed pending IPR
 26 proceedings: “(1) whether discovery is complete and whether a trial date has been set; (2) whether
 27 a stay would simplify the issues in question and trial of the case; and (3) whether a stay would
 28 unduly prejudice or present a clear tactical disadvantage to the non-moving party.” *PersonalWeb*

1 *Techs., LLC v. Apple Inc.*, 69 F. Supp. 3d 1022, 1025 (N.D. Cal. 2014) (“*PersonalWeb IP*”). These
2 factors are “general considerations that are helpful in determining whether to order a stay,” but
3 “ultimately the Court must decide stay requests on a case-by-case basis.” *Asetek Holdings, Inc v.*
4 *Cooler Master Co.*, Case No. 13–cv–00457–JST, 2014 WL 1350813, at *1 (N.D. Cal. Apr. 3,
5 2014).

6 **I. STAGE OF THE CASE**

7 The earlier the stage of litigation, the more favored the stay. *See Telemac Corp. v.*
8 *Teledigital, Inc.*, 450 F. Supp. 2d 1107, 1111 (N.D. Cal. 2006). Courts often weigh a stay for IPR
9 proceedings considering whether: (i) “parties have engaged in costly expert discovery and
10 dispositive motion practice;” (ii) “the court has issued its claim construction order;” and (iii) “the
11 court has set a trial date.” *PersonalWeb II*. This patent infringement litigation is almost three
12 years old; it is not in its most early stages, but it also has yet to reach the more significant and
13 costly work that lies ahead.

14 The parties give dissimilar accounts of the scope of discovery completed so far, as well as
15 which party bears the blame for any purported tactical delay. CIPH contends that in the past year,
16 five depositions have been taken, sixteen third party subpoenas served, and thousands of
17 documents produced. *See* Oppo. at 18–19. It claims that expert discovery has begun; its technical
18 expert is reviewing records and the parties exchanged damages contentions from damages experts.
19 *Id.* at 19. On the other hand, GoPro emphasizes that no expert discovery has begun, no party
20 depositions have been taken, and expert reports have not been served. *See* Mot. to Stay at 6 (Dkt.
21 No. 262). It also asserts that no third-party depositions have occurred so far in this case. *See*
22 Reply at 14 (Dkt. No. 278).

23 Even accepting CIPH’s perspective regarding discovery, the stage of this case favors a
24 stay. I have not yet set discovery or dispositive motion deadlines, or a trial date. *See Personal*
25 *Web Technologies, LLC v. Facebook, Inc.*, Case No. 13–cv–01356–EJD, 2014 WL 116340, at *4
26 (N.D. Cal. Jan. 13, 2014) (“*PersonalWeb I*”) (granting a stay in part because the “parties have yet
27 to engage in the significant and costly work of conducting expert discovery and preparing
28 summary judgment motions.”); *Verinata Health, Inc. v. Ariosa Diagnostics, Inc.*, Case No. 12–cv–

1 05501–SI, 2014 WL 121640, at *2 (N.D.Cal. Jan. 13, 2014) (denying stay in part because “a trial
2 date has been set for February 23, 2015...and discovery is well underway.”). Although claim
3 construction is complete and some substantial discovery has already occurred, several costlier
4 stages of pretrial preparation remain, not to mention the trial itself. As in *PersonalWeb I and II*,
5 even with a lengthy procedural history in other courts like Utah, Delaware, the PTAB, and the
6 Federal Circuit, the most significant aspects of the litigation are still ahead. This case is not too
7 advanced to make a stay improper or untenable.

8 **II. SIMPLIFYING THE ISSUES**

9 A stay is favored under the second factor when “the outcome of the reexamination would
10 be likely to assist the court in determining patent validity and, if the claims were canceled in the
11 reexamination, would eliminate the need to try the infringement issue.” *Evolutionary Intelligence*
12 *LLC v. Apple, Inc.*, Case No. 13–cv–04201–WHA, 2014 WL 93954, at *2 (N.D. Cal. Jan. 9, 2014)
13 (internal quotations and citations omitted). CIPH recognizes that in almost every motion to stay
14 pending IPR, courts find the PTAB’s decision is likely to simplify the issues because “if the PTAB
15 invalidates any of the claims at issue in the IPR petition, those claims will be mooted in the
16 litigation.” *DSS Tech. Mgmt., Inc. v. Apple, Inc.*, No. 14–cv–05330–HSG, 2015 WL 1967878, at
17 *4 (N.D. Cal. May 1, 2015).

18 Here, GoPro’s IPR petition met the “reasonable likelihood” standard for claims 1, 2, and
19 11-30 of the ’954 Patent and claims 1-20 of the ’694 Patent, after the PTAB granted the petitions
20 in October 2015. After the PTAB found that GoPro did not establish that the Catalog was a prior
21 art printed publication, the Federal Circuit disagreed and vacated and remanded the case to the
22 PTAB for a merits determination. After the parties briefed the motion to stay in this case, CIPH’s
23 pending petitions for rehearing were denied by the Federal Circuit and the case is again
24 proceeding in the PTAB. *See* Statement of Recent Decisions, Exs. A–D (Dkt. No. 283).
25 Therefore, “[e]ither the claims, already found reasonably likely to be invalid, will become moot, or
26 the Court will have the benefit of the PTAB’s findings.” *PersonalWeb I*.

27 CIPH contends that because there is a false record before the PTAB, there is no benefit to
28 its findings and there will not be a simplification of the issues. It insists that in the IPR

1 proceedings, GoPro falsely asserted unpatentability in reliance on the GoPro Catalog as a prior art
 2 publication based on a declaration from GoPro employee Damon Jones. *See* *Oppo*. at 5–6. GoPro
 3 claims that the Catalog referenced a wireless remote control. *Id.* In his declaration, Jones stated
 4 that GoPro made the Catalog available to customers through its website, direct mail, and other
 5 distributions before the date of September 13, 2009 at the Tucker Rocky Dealer Show. *See id.* at
 6 Ex. 3 Jones Decl. ¶ 11.

7 For whatever reason, CIPH did not take Jones’s deposition during the IPR process. It did
 8 during this litigation. Jones testified that he could not remember if the Catalog he distributed at
 9 the trade show was on the GoPro website at the time, and he could not remember if GoPro
 10 competitors were at the Tucker Rocky Dealer Show. *See id.* at Ex. 6, Jones Dep. Tran., at 33:2–
 11 35:2, 101:2–102:13, 197:10–17.

12 CIPH contends that it apprised the Federal Circuit of these new facts regarding Jones’s
 13 testimony in a letter to supplement the record. *See id.* at Ex. 26 (“Mr. Jones recently testified,
 14 however, he has no such personal knowledge” that the GoPro Catalog distributed at the trade show
 15 was on the website after the trade show.). However, the Federal Circuit’s opinion did not
 16 reference it. Instead, the court stated, “the parties do not dispute any of the facts or evidence
 17 presented by GoPro regarding the distribution of its catalog,” despite CIPH’s statements to the
 18 contrary. *See id.* at Ex. 28 at 6. CIPH raised this issue again in its petition for rehearing, and the
 19 court again denied the petition. *See* Statement of Recent Decisions, Exs. A–D (Dkt. No. 283).

20 In addition to the letter to the Federal Circuit regarding Jones’s deposition, CIPH engaged
 21 in other investigations about which it did not and allegedly could not make a part of the record at
 22 the PTAB or Federal Circuit. For instance, CIPH examined the GoPro Catalog and found that the
 23 Internet Archive had no record of the Catalog during an image capture in June 2009 or August
 24 2009. *See id.* at Ex. 9, Decl. of C. Butler, at Ex. A at 73–74 (June 26, 2009 capture); 70–72 (June
 25 29, 2009 capture); 67–69 (August 3, 2009 capture). A nearly identical catalog to the one at issue
 26 was identified in October 2009, and its metadata showed the page was created on September 22,
 27 2009. *See id.* at Ex. 10.

28 When CIPH requested an original electronic version of the Catalog, GoPro objected. *See*

1 *id.* at Ex. 12, GoPro’s Responses at 6 (Response to RFP No. 87). CIPH then had a private
2 investigator attempt to locate the wireless remote control image on the internet by applying
3 proprietary techniques, without success. *See id.* at Ex. 13, May 24, 2018 Pipkins Decl. ¶¶ 4–5.
4 The investigator concluded that “there was no wireless remote control available in 2009-2011 as it
5 was shown in the GoPro July 2009 Sales Catalog.” *Id.*

6 CIPH also investigated the printed paper Catalog to determine if it was authentically
7 printed during the period that GoPro claims it was. CIPH hired a forensic chemist to
8 microscopically examine the document; he concluded that it was unlikely the Catalog was printed
9 in 2009 as GoPro asserted. *See id.* at Ex. 19, Speckin Decl. ¶ 16. Specifically, the forensic
10 chemist explained that before 2000, certain printers embedded a code identifying the machine and
11 the date as a counterfeit protection, which was absent on the inspection of the Catalog. *See id.* ¶
12 12. He also concluded that it was unlikely that a FedEx/Kinkos, where the Catalog was allegedly
13 printed, would have printers without the counterfeit protection. *Id.* ¶ 14.

14 As I have just summarized, CIPH extensively described the fraud and misrepresentations
15 that GoPro allegedly committed during the IPR process. GoPro vigorously opposes the entire
16 exercise as an excuse to relitigate the authenticity of the Catalog. The Federal Circuit had the
17 opportunity to review CIPH’s characterization of Jones’s “recanted” testimony and did not change
18 its view of the case. Similarly, I do not find the argument compelling at this stage. Nor do I agree
19 with the significance CIPH gives to its expert declarations.

20 Jones’s testimony does not demonstrate that he recanted his prior statements or was
21 intentionally misrepresenting his understanding of the Catalog during the IPR process. He
22 testified that he could not remember if there were competitors at the trade show or exactly when in
23 2009 GoPro put the Catalog on the website. *See Oppo.* at Ex. 6, Jones Dep. Tran., at 101:2–
24 102:13, 197:10–17; *see also* Reply Ex. E at 33:1–24. But he repeatedly stated that he distributed
25 the Catalog at issue during the Trucker Rocky Dealer Show and explained why he was certain of
26 that fact. *See Reply*, Ex. E. at 121:15–122:7 (stating he recognized Ronnie Renner on the cover
27 and “The contents of [the Catalog] as well.”); 229:2–9 (stating he recognized the picture of Ronnie
28 Renner); 232:12–233:10 (confirming he had a specific memory of talking with customers); 247:6–

1 8 (“I recognize the contents of this catalog...as being what we had at the show, what we passed
2 out.”); 340:18–341:7 (confirming he handed out the Catalog to customers).

3 As for the expert opinions, CIPH draws much broader conclusions than I would. First,
4 Pipkin’s declaration describes using “specialized proprietary technologies” to try and locate web
5 artifacts related to the GoPro wireless remote control. *See* Oppo. at Ex. 13, Pipkin Decl. ¶ 4. That
6 this search using undisclosed “proprietary technologies” was not successful for finding the remote
7 control while other product part numbers used in the Catalog were located (without more
8 explanation) does not mean that the Catalog was not posted on the internet. CIPH ignores that
9 Jones was sure he distributed the Catalog to trade show attendees. Second, Speckin’s declaration
10 identified a lack of an embedded code on the Catalog that is used with certain printers and copiers
11 and presumed that a FedEx/Kinkos would have that type of printer; he did not explain why. *See*
12 *id.* at Ex. 19 Speckin Decl. ¶ 12. Even accepting this presumption, Speckin only concludes that it
13 was “unlikely” that the Catalog was printed where GoPro claims it was. *See id.* ¶¶ 14–15. This
14 provides little evidentiary basis to assert an intentional misrepresentation to the PTAB and says
15 nothing about whether the Catalog was distributed at the trade show.

16 The more difficult question that neither party addressed directly during the hearing is
17 whether CIPH’s new evidence will ever be introduced in the PTAB proceedings. CIPH exercised
18 its own strategic judgment not to conduct Jones’s deposition until after the record was closed in
19 that case. After denying CIPH’s rehearing petitions, and having been informed of CIPH’s new
20 evidence, the Federal Circuit modified its opinion but reached the same outcome. The court still
21 stated, “based upon Mr. Jones’ testimony [that the dealer show was attended by dealers, retailers,
22 and customers of POV video cameras], the evidence provided by GoPro regarding the Trucker
23 Rocky Dealer Show, and the evidence of the Tucker Rocky Distributing website, we conclude that
24 GoPro met its burden to show that its catalog is a printed publication under § 102(b).” Statement
25 of Recent Decisions, Ex. B at 10. CIPH’s new evidence goes to Jones’s credibility, but mainly
26 addresses the Catalog’s web presence. The Federal Circuit’s conclusion considered more than
27 whether the Catalog on the internet.

28 CIPH’s arguments suggest caution in accepting the ruling of the PTAB on a record that is

1 not the same here. However, none of CIPH’s arguments undermine my conclusion that a PTAB
2 decision would still be at least somewhat helpful. Accordingly, this factor weighs in favor of
3 granting a stay.

4 **III. UNDUE PREJUDICE OR TACTICAL ADVANTAGE**

5 The third factor is whether a stay would unduly prejudice or present a clear tactical
6 disadvantage to the nonmoving party. This district applies a four sub-factor analysis considering:
7 (i) “the timing of the reexamination request;” (ii) “the timing of the request for stay;” (iii) “the
8 status of reexamination proceedings;” and (iv) “the relationship of the parties.” *Asetek Holdings,*
9 *Inc*, 2014 WL 1350813, at *4. CIPH does not argue directly within the context of these factors.
10 Instead it asserts prejudice stemming from both the lack of documents that GoPro has produced in
11 this litigation and evidence that allegedly was purposefully wiped from Jones’s computer by
12 GoPro. *See* *Oppo*. at 21. CIPH also claims that Contour LLC is a direct competitor to GoPro and
13 will be harmed by a stay.

14 I am not convinced that undue prejudice will result from a stay. First, there is almost
15 always a risk of prejudice from delay because evidence can be lost or witnesses’ memories can be
16 forgotten. *See Software Rights Archive, LLC v. Facebook, Inc.*, No. 12–cv–3970–RMW, 2013
17 WL 5225522, at *5 (N.D. Cal. Sept. 17, 2013) (stating there is “no question that a delay of a year
18 or longer...*could* result in prejudice.”) (emphasis in original). Apart from Jones’s computer data
19 that was already lost, however, CIPH does not argue that other evidence will be lost, or is at risk
20 of loss, and cannot be accessed elsewhere. Even if this was the case, CIPH has not demonstrated
21 that “the risk of evidence loss is greater here than in any other case and that it amounts to more
22 than the delay inherent to the reexamination process.” *Evolutionary Intelligence LLC v. Yelp Inc.*,
23 No. 13–cv–03587–DMR, 2013 WL 6672451, at *7 (N.D. Cal. Dec. 18, 2013).

24 Second, CIPH is not a direct competitor to GoPro. CIPH is a non-practicing entity that
25 does not compete in any market with GoPro and therefore it “cannot be prejudiced by a stay
26 because monetary damages provide adequate redress for infringement.” *Pragmatius AV, LLC v.*
27 *Facebook, Inc.*, No. 11–cv–02168–EJD, 2011 WL 4802958, at *4 (N.D. Cal. Oct. 11, 2011).
28 CIPH briefly remarks that because Contour LLC is a direct competitor with GoPro, this


1 consideration disfavors a stay. It is not clear that the undue prejudice factor considers the status of
2 non-parties, but assuming Contour LLC was a direct competitor with GoPro, this district still
3 “require[s] evidence to substantiate an argument that direct competition will result in prejudice to
4 the non-moving party.” *Finjan, Inc. v. FireEye, Inc.*, No. 13–cv–03133–SBA, 2017 WL 1150283,
5 at *3 (N.D. Cal. Mar. 28, 2017) (internal quotations and citations omitted). CIPH does not
6 provide evidence that Contour LLC is in direct competition with GoPro besides making the claim
7 in its opposition, and it fails to show that CIPH’s competitive position would be prejudiced. *Id.*

8 **CONCLUSION**

9 For the foregoing reasons, GoPro’s motion to stay the case is GRANTED.

10 **IT IS SO ORDERED.**

11 Dated: December 12, 2018

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14 William H. Orrick
15 United States District Judge
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