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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

CONTOUR IP HOLDING, LLC,  
Plaintiff,  
v.  
GOPRO, INC.,  
Defendant.

Case No. [3:17-cv-04738-WHO](#)

**ORDER ON MOTION FOR AN  
ACCOUNTING OR ONGOING  
ROYALTY**

Re: Dkt. No. 514

**INTRODUCTION AND NOTIFICATION REGARDING TRIAL**

The pending motion highlights the unforeseen—but not unforeseeable—consequences of the parties’ litigation decisions. Plaintiff Contour IP Holdings, LLC (“Contour”) has accused cameras produced by defendant GoPro, Inc. (“GoPro”) of infringing various claims of several of its patents. But this motion concerns four GoPro products (“the New Cameras”) that Contour has *not* accused of infringement in this suit; they were released after the accused products. Although Contour took some preliminary steps to amend its infringement contentions to add the New Cameras, it never sought leave to do so, electing instead to move more quickly to trial on the already accused products. At summary judgment, I found that the accused GoPro cameras infringed one claim of one Contour patent. A jury trial on remaining issues, including infringement and invalidity, has been repeatedly postponed because of the COVID-19 pandemic.

Contour now moves for an accounting or an ongoing royalty on the New Cameras. It argues that the New Cameras are “essentially the same” as the products found to infringe and that, as a result, they infringe as well. Its motion is denied without prejudice. There is no authority that permits accountings to be extended to unaccused products that have not been found to infringe. And while later-released, previously unaccused products *can* be the subject of ongoing royalties,

1 Contour has not yet met its burden to show that the New Cameras meet the Federal Circuit’s test  
2 for imposing one.

3 That said, of course, Contour may pursue damages on the New Cameras as any party  
4 would be able to with later-released products, through post-trial equitable remedies (including a  
5 renewed motion for an ongoing royalty). Contour may choose to bring a second suit, perhaps to  
6 avoid waiting for a possible post-trial remedy, although GoPro has said that it will argue that  
7 Contour is precluded from accusing the New Cameras. Its position is difficult (perhaps  
8 impossible) to reconcile with its argument here that the New Cameras are not subject to an  
9 ongoing royalty. But whether a second suit is precluded is not yet before me, and I will not hazard  
10 an advisory opinion.

11 Although there may be some amount of unfairness to GoPro in adding the New Cameras  
12 (at a future stage) because Contour made the tactical choice not to do so, it would be even more  
13 unfair to deprive Contour of a full opportunity to show that later-released products infringe. The  
14 law is clear that later-released, unaccused products can be the subject of post-trial remedies like  
15 ongoing royalties provided the test is met. If Contour brings a renewed post-trial motion, GoPro  
16 will have the opportunity to respond with actual evidence and arguments on noninfringement,  
17 rather than with its current attempt to square the circle by arguing that the New Cameras might in  
18 some nebulous, unspecified way be different enough to not be included in this suit but that they  
19 are nonetheless sufficiently similar to preclude a second suit.

20 I said at the hearing on March 10, 2021, that one of my colleagues has a criminal trial that  
21 has priority over this one in the period in which the case is set for trial. Now a second criminal  
22 trial had to be set in that period as well. If by some miracle both cases resolve prior to April 6,  
23 2021, we will pick a jury on May 5, 2021 and start the trial on May 10, 2021. But if not, we will  
24 have to continue the trial yet again. I will hold a status conference at 1:30 p.m. on April 6, 2021,  
25 to apprise the parties of next steps.

26 **BACKGROUND**

27 As relevant here, Contour accused several of GoPro’s cameras of infringing claim 11 of  
28 U.S. Patent No. 8,890,954 (“the ‘954 Patent”). The suit was originally filed in November 2015

1 but was transferred to this district in August 2017. Dkt. No. 175. The case was stayed from  
2 December 2018, pending the Patent Trial and Appeal Board’s (“PTAB”) resolution of an inter  
3 partes review (“IPR”) initiated by GoPro, to September 2019. Dkt. Nos. 286, 296. The discovery  
4 deadline was set for January 14, 2020, in anticipation of an August 2020 trial. Dkt. No. 303. I  
5 continued the trial to January 2021 and then to May because of the pandemic, and will likely need  
6 to do so again.

7 The present motion concerns several GoPro products that Contour has not previously  
8 accused of infringement in this suit (and were therefore not at issue in summary judgment). In  
9 particular, this case has not previously concerned the New Cameras, GoPro’s HERO7, HERO8,  
10 MAX, and HERO9. The HERO7 was released in September 2018. *See* Dkt. No. 514-4. The  
11 HERO8 and MAX were released in October 2019. *See* Dkt. No. 514-5. The HERO9 was  
12 announced in September 2020. *See* Dkt. No. 514-6.

13 Contour represents that it sent GoPro infringement charts in October 2019 for the HERO7.  
14 *See* Motion for Post-Trial Accounting and Ongoing Royalty (“Mot.”) [Dkt. No. 514] Ex. 5 at 5. It  
15 also anticipated evaluating the upcoming HERO8 for infringement. *Id.* It represents that it  
16 requested the products’ technical specifications but that GoPro only produced a few technical  
17 documents for the HERO7, nothing for the HERO8, and no source code. Mot. 3. Although  
18 GoPro (according to Contour) had initially signaled it would not oppose adding the HERO7 to this  
19 case, it stated in November 2019 that it would oppose unless it were allowed to add new invalidity  
20 contentions. *Id.* 4. Using publicly available information, Contour nonetheless created  
21 infringement charts for the HERO8. According to Contour, GoPro again refused to stipulate to  
22 amending the infringement contentions and said it would, if Contour moved to amend, seek to  
23 elongate the discovery schedule. *Id.* Ex. 6.

24 In November 2019, GoPro moved to amend its invalidity contentions. Dkt. No. 313.  
25 Contour opposed that motion and did not move to amend its infringement contentions. In its  
26 opposition to GoPro’s motion, Contour said that, “[w]hile Contour contends that the GoPro  
27 HERO7 line and the HERO8 Black products infringe the asserted claims, Contour has decided not  
28 to seek leave to amend to avoid further dispute in order to keep this case streamlined for trial.”

1 Dkt. No. 318 at 6. It explained that it “intends to address these products in a separate proceeding.”  
2 *Id.* at 6 n.4. GoPro’s reply responded that “[w]hat [Contour] proposes is a waste of GoPro’s and  
3 this Court’s resources, and should be legally barred through the doctrines of claim splitting and  
4 issue preclusion.” Dkt. No. 321 at 10.

5 I granted in part and denied in part GoPro’s motion to amend. Dkt. No. 335. I permitted it  
6 to add one camera system that Contour did not oppose, *id.* 8–9, but otherwise denied the motion  
7 for GoPro’s failure to show it had been diligent. Because of that lack of diligence, I explained that  
8 there was no need to analyze prejudice to Contour and,

9 Nor do I need to address the parties’ back-and-forth over Contour’s decision not to amend  
10 its infringement contentions to add the HERO7 and HERO8 Black products, which it  
11 previously charted and served on GoPro. See *Oppo*, 6 n.4, 13 (noting that it “intends to  
12 address these products in a separate proceeding”); Reply 10 (asserting that claim splitting  
13 and issue preclusion should bar such an action). These questions are not before me.

14 *Id.* 8 n.5.

15 In August 2020, I granted partial summary judgment to Contour and determined that the  
16 accused products infringed claim 11 of the ‘954 Patent. See Order on Motions for Partial  
17 Summary Judgment, Motions to Exclude Expert Testimony, and Motions to Seal (“SJ Order”)  
18 [Dkt. No. 444] 6–10. As I explained, “[t]he parties agree that infringement of claim 11 comes  
19 down to the ‘generate’ term” and GoPro’s products met the claim as construed. *Id.* 6. In brief,  
20 infringement of that term requiring finding that the accused products had a certain dual-streaming  
21 capability, construed as “record[ing] in parallel from the video image data a first image data  
22 stream and a second image data stream, wherein the second image data stream is a higher quality  
23 than the first image data stream.” *Id.*

24 On January 21, 2021, Contour filed the present motion for an accounting or ongoing  
25 royalty that includes the New Cameras. I held a hearing on March 10.

## 26 DISCUSSION

### 27 I. PRELIMINARY CHALLENGES

28 GoPro contends that Contour is judicially estopped from receiving this relief and that it has  
failed to comply with the Patent Local Rules in doing so. Neither argument is persuasive.

1           **A. Judicial Estoppel**

2           “Judicial estoppel is an equitable doctrine that precludes a party from gaining an advantage  
3 by asserting one position, and then later seeking an advantage by taking a clearly inconsistent  
4 position.” *Hamilton v. State Farm Fire & Cas. Co.*, 270 F.3d 778, 782 (9th Cir. 2001). “[I]ts  
5 purpose is to protect the integrity of the judicial process by prohibiting parties from deliberately  
6 changing positions according to the exigencies of the moment.” *New Hampshire v. Maine*, 532  
7 U.S. 742, 749–50 (2001) (internal quotation marks and citations omitted). Although it is  
8 ultimately “an equitable doctrine invoked by a court at its discretion,” courts consider several  
9 factors to determine whether to apply it. *Id.* at 750–51 (internal quotation marks omitted); *see also*  
10 *Hamilton*, 270 F.3d at 782–83 (listing factors courts “may” consider). Those factors are: (1)  
11 whether a party’s later position is “clearly inconsistent” with its earlier position; (2) “whether the  
12 party has succeeded in persuading a court to accept that party’s earlier position, so that judicial  
13 acceptance of an inconsistent position in a later proceeding would create the perception that either  
14 the first or the second court was misled”; and (3) “whether the party seeking to assert an  
15 inconsistent position would derive an unfair advantage or impose an unfair detriment on the  
16 opposing party if not estopped.” *New Hampshire*, 532 U.S. at 750–51.

17           GoPro argues that Contour is judicially estopped because it previously represented that  
18 products after the HERO6 would be addressed “in a separate proceeding” from this one. Dkt. No.  
19 318 at 6. That previous representation was based on GoPro’s refusal to agree to adding the New  
20 Cameras to this proceeding by amending infringement contentions. After Contour said it would  
21 address the post-HERO6 products in a separate suit, GoPro stated its position that such a suit  
22 would be precluded. Dkt. No. 321 at 10. Accordingly, Contour now seeks certainty that the New  
23 Cameras will either be recompensed in this suit because they contain technology that is essentially  
24 the same as the infringing technology or that they can be the subject of a follow-on suit because  
25 they are sufficiently different. Contour did not take “clearly inconsistent” positions, *New*  
26 *Hampshire*, 532 U.S. at 749–50; the facts underlying its position changed.

27           Moreover, Contour did not “persuade the Court” to accept its position, as GoPro argues.  
28 *See* *Oppo*. 10; *New Hampshire*, 532 U.S. at 750–51. The Order that GoPro relies on, among other

1 things, denied it leave to amend its invalidity contentions. That Order was clear:

2 I need [not] address the parties’ back-and-forth over Contour’s decision not to amend its  
3 infringement contentions to add the HERO7 and HERO8 Black products, which it  
4 previously charted and served on GoPro. *See* Oppo. 6 n.4, 13 (noting that it “intends to  
5 address these products in a separate proceeding”); Reply 10 (asserting that claim splitting  
6 and issue preclusion should bar such an action). These questions are not before me.

7 Dkt. No. 335 at 8 n.5. Far from being “persuaded” by Contour’s position—let alone relying on it  
8 to resolve any disputes—I was explicit that it was not a question properly before me. GoPro  
9 attempts to escape this reality by arguing that “[t]he Court specifically countenanced [Contour’s]  
10 representation that it was not going to add new products to the case in evaluating the ‘fundamental  
11 fairness’ of GoPro’s request to amend its invalidity contentions.” Oppo. 10. Not so. I denied  
12 GoPro’s motion to add several camera systems as prior art because *it* failed to show that it was  
13 diligent. Dkt. No. 335 at 7–8.

14 Because there has been no clearly inconsistent prior statement—and, in any event, not one  
15 I relied on—judicial estoppel does not foreclose Contour’s current position.<sup>1</sup>

16 **B. Patent Local Rule 3-6**

17 GoPro also argues that Contour failed to comply with Patent Local Rule’s 3-6 requirement  
18 that “[a]mendment of the Infringement Contentions or the Invalidity Contentions may be made  
19 only by order of the Court upon a timely showing of good cause.” Oppo. 8. But Contour is not  
20 seeking to amend its infringement contentions, so that Rule does not apply. Contour eventually  
21 gave up trying to get GoPro’s assent to amend and decided to pursue the products in a separate  
22 action. GoPro then argued that it would not be able to do so.

23 I recognize that, in a sense, Contour’s motion can be regarded as an attempt to do through  
24 damages what it did not seek to do through infringement contentions. I do not foreclose the  
25 possibility that, in an appropriate case, a motion like this might be denied on that basis. Courts in  
26 this district, for example, bar new infringement theories or alleged infringing products from expert  
27 reports when they are not disclosed in infringement contentions. *See, e.g., Intel Corp. v. Tela*

28 <sup>1</sup> Even if GoPro’s argument were accepted, it would likely not apply to the HERO9, which was  
not part of Contour’s representation in that filing (because it was released later).

1 *Innovations, Inc.*, No. 3:18-CV-02848-WHO, 2020 WL 7868111, at \*21 (N.D. Cal. Dec. 22,  
2 2020), *as amended*, No. 3:18-CV-02848-WHO, 2021 WL 516529 (N.D. Cal. Feb. 11, 2021);  
3 *Fujitsu Ltd. v. Belkin Int’l, Inc.*, No. 10-CV-03972-LHK, 2012 WL 4497966, at \*9–\*10 (N.D. Cal.  
4 Sept. 28, 2012). The reason is generally that this is an end-run around the disclosure rules.

5 If Contour brought a motion to get a royalty on products that existed when the case was  
6 originally filed, the situation might be different. *Cf. Opticurrent, LLC v. Power Integrations, Inc.*,  
7 No. 17-CV-03597-EMC, 2019 WL 2389150, at \*16 (N.D. Cal. June 5, 2019), *aff’d*, 815 F. App’x  
8 547 (Fed. Cir. 2020) (“Opticurrent, however, cannot point to a single instance where the ‘not  
9 colorably different’ test was used to determine whether *past* royalty should be awarded on  
10 products that *already existed* when the plaintiff brought suit but were not included in the  
11 infringement contentions...”). Additionally, if Contour had been *denied* leave to add these  
12 products to its infringement contentions, I am skeptical that it could then use the avenue of an  
13 accounting or royalty to do so. *Cf. id.* (“...much less on products that the court had expressly  
14 excluded from the plaintiff’s infringement claims.”).

15 Accountings and ongoing royalties, however, are doctrines separate from the Patent Local  
16 Rules that have their own doctrinal requirements. Ongoing royalties can be imposed on  
17 previously unaccused products, as I explain below. Finding infringement on that basis would not  
18 be unfair to GoPro because, as I explain, it depends largely on the infringement already litigated  
19 and GoPro would have a full opportunity to respond. Under GoPro’s theory, this established  
20 remedy would apparently never be appropriate.

21 The present uncertainty to Contour—and the novel posture of this motion—is largely a  
22 result of Contour’s own tactical decisions. When GoPro decided not to stipulate to amendment,  
23 there was nothing stopping Contour from moving for leave to amend its infringement contentions.  
24 Instead, Contour made the choice to pursue the New Cameras in a different proceeding. That  
25 choice came with what Contour saw as the overriding benefit: a speedier trial. But it also had a  
26 tradeoff—uncertainty for Contour about its accusations of the New Cameras. After Contour  
27 signaled the course it was taking, GoPro responded that would it argue that a second suit was  
28 precluded. Even in the face of that, Contour still chose not to seek leave to amend. Instead, it

1 waited a year until after fact discovery was closed and while the pandemic resulted in repeated  
2 postponements of the trial.

3 **II. ACCOUNTING**

4 Contour first seeks an accounting. 35 U.S.C. § 284 provides that “[u]pon finding for the  
5 claimant the court shall award the claimant damages adequate to compensate for the  
6 infringement.” It is explicit that “[w]hen the damages are not found by a jury, the court shall  
7 assess them.” 35 U.S.C. § 284. District courts have “broad discretion” to determine the method  
8 for infringement compensation. *Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197, 1213  
9 (Fed. Cir. 2010).

10 An accounting is a method for assessing damages that the jury does not assess. *See id.*  
11 Accountings, however, generally address the problem that there is a *time period* that the jury’s  
12 determination of infringement has left out. *See Power Integrations, Inc. v. Fairchild*  
13 *Semiconductor Int’l, Inc.*, 711 F.3d 1348, 1380–81 (Fed. Cir. 2013). Often, the accounting will  
14 assess “post-verdict infringement.” *Id.* at 1380. In such a case, the jury has found that a product  
15 infringes and assesses past damages. Because of Section 284, the court must then assess the  
16 damages that result from the infringement the jury has found but that occurs after the jury verdict.  
17 *See id.* Accountings may also occur “where the jury did not consider certain periods of infringing  
18 activity.” *Apple, Inc. v. Samsung Elecs. Co.*, 67 F. Supp. 3d 1100, 1118 (N.D. Cal. 2014) (internal  
19 quotation marks and citation omitted).

20 Contour seeks to do something different. It seeks to assess infringement of products that  
21 were *not accused* in the suit but that it alleges infringe to the same extent already found and to  
22 calculate the damages owed on *that* infringement. This use of an accounting appears to be novel.  
23 I am unaware of a case in which it has been used this way, and Contour points to none.

24 Accountings are essentially a mechanism for assessing the amount of damages, not a  
25 substantive determination of whether an unaccused product infringes (as can be involved in an  
26 injunction or ongoing royalty). *See, e.g., Warsaw Orthopedic, Inc. v. NuVasive, Inc.*, 515 F.  
27 App’x 882 (Fed. Cir. 2012) (contrasting accountings and ongoing royalties). Their nature is  
28 underscored by the fact that jurisdiction can lie in the Federal Circuit when a case is “final except



1 for an accounting.” 28 U.S.C § 1292(c)(2). Under Contour’s novel approach, a case could be  
2 appealed to the Federal Circuit and the district court could, under the guise of an accounting, find  
3 infringement for newly accused products.

4 Rather than acknowledge the transformation of the accounting doctrine that it proposes—  
5 from one that remedies a problem of timing to one that extends to unadjudicated products—  
6 Contour attempts to show that the doctrine already permits this maneuver. It primarily relies on a  
7 statement from *Power Integrations* that “the district court on remand shall limit the scope of its  
8 accounting to those post-verdict infringing sales, if any, *which are substantially related to the*  
9 *direct infringement.*” *Power Integrations*, 711 F.3d at 1381 (emphasis added). To Contour, this  
10 sentence means that *unadjudicated* products can be the subject of an accounting so long as they  
11 are “substantially related” to the infringement already found. *See* Mot. 7; Reply in Support of the  
12 Mot. (“Reply”) [Dkt. No. 516] 4–5. That reading takes the Federal Circuit’s statement out of  
13 context. The court was instructing the district court to limit the accounting to sales “substantially  
14 related” *to the infringement already “supported by the existing record.”* *Power Integrations*, 711  
15 F.3d at 1381 (internal quotation marks omitted, emphasis added). Its concern was that a wider-  
16 ranging inquiry would give the prevailing party a “second bite at the apple” and turn the  
17 accounting into an “after-hours hunting license.” *Id.* *Power Integrations* did not state or imply  
18 that unaccused (or, with the phrasing sometimes used for post-trial remedies, “newly accused”)   
19 products could factor into the accounting. To the contrary, the opinion exclusively discusses the  
20 accounting in terms of the products found by the jury to infringe.

21 Contour also relies on *Finjan*. *See* Mot. 9. Like *Power Integrations*, *Finjan* dealt only  
22 with products that were accused and found to infringe, not with other products that had not been  
23 adjudicated. *Finjan*, 626 F.3d at 1212–13. And Contour cites several district court cases that  
24 performed accountings, but they all did so for the products that were actually found to infringe  
25 too. *PCT Int’l Inc. v. Holland Elecs. LLC*, No. CV-12-01797-PHX-JAT, 2015 WL 5210628, at  
26 \*18 (D. Ariz. Sept. 8, 2015), *aff’d*, 668 F. App’x 367 (Fed. Cir. 2016); *ActiveVideo Networks, Inc.*  
27 *v. Verizon Commc’ns, Inc.*, No. 2:10CV248, 2011 WL 4899922, at \*3 (E.D. Va. Oct. 14, 2011),  
28 *aff’d*, 694 F.3d 1312 (Fed. Cir. 2012); *Hynix Semiconductor Inc. v. Rambus Inc.*, 609 F. Supp. 2d

1 951, 960–61 (N.D. Cal. 2009) (awarding supplemental damages pre-*Finjan*). Despite Contour’s  
2 claims that limiting an accounting to accused and adjudged infringing products “is nowhere  
3 supported in the case law,” Reply 5, it cites no case in which one has been used in this way.

4 Contour’s motion for an accounting for the New Cameras is DENIED. This order does not  
5 foreclose Contour bringing a later motion for an accounting should it prevail at trial and show that  
6 it is entitled to one on the products found to infringe.

### 7 **III. ONGOING ROYALTY**

8 An ongoing royalty is one of “several types of relief for ongoing infringement that a court  
9 can consider.” *Whitserve, LLC v. Computer Packages, Inc.*, 694 F.3d 10, 35 (Fed. Cir. 2012).  
10 Other options include injunctions, ordering parties to negotiate, and granting no relief. *Id.* Unlike  
11 in accountings, the Federal Circuit has recognized that products that were not accused and found  
12 to infringe can be the subject of an injunction if “the party seeking to enforce the injunction  
13 . . . prove[s] both that the newly accused product [(1)] is not more than colorably different from  
14 the product found to infringe and [(2)] that the newly accused product actually infringes.” *TiVo*  
15 *Inc. v. EchoStar Corp.*, 646 F.3d 869, 882 (Fed. Cir. 2011) (en banc).

16 Although “[t]he Federal Circuit has not squarely addressed the standard for evaluating  
17 claims for ongoing royalties on newly accused products,” several courts have concluded that this  
18 colorably different test applies to ongoing royalties too. *Apple Inc. v. Samsung Elecs. Co.*, No. 12-  
19 CV-00630-LHK, 2018 WL 905943, at \*4–\*5 (N.D. Cal. Feb. 15, 2018) (collecting cases). An  
20 injunction and an ongoing royalty serve the same purpose: remedying ongoing infringement after  
21 an infringement finding. *Whitserve*, 694 F.3d at 35. Because adjudged infringers cannot skirt  
22 injunctions with “new products” that are, in reality, just the same infringing products in all  
23 meaningful ways, they should not be able to skirt ongoing royalties under the same theory. As a  
24 Federal Circuit judge sitting by designation has explained, “[a]n order basing ongoing royalty  
25 payments on future sales . . . implicitly extends to any products that are not colorably different  
26 from those products.” *Bianco v. Globus Med., Inc.*, 53 F. Supp. 3d 929, 942 (E.D. Tex. 2014).  
27 Accordingly, I join these courts in concluding that an ongoing royalty can include previously  
28 unaccused, unadjudicated products to the same extent as an injunction—that is, when they meet

1 *TiVo*'s two-step test (and GoPro applies the same standard).

2 As a preliminary matter, Contour does not request a full determination about an ongoing  
3 royalty. Among other things, as Contour effectively admits, there would be no way to determine  
4 the royalty rate now. *See* Reply 6. Consequently, Contour moves to make certain "the scope of  
5 products [that will be] covered by the ongoing royalty." *Id.* This piecemeal approach to an  
6 ongoing royalty is not how it works. An ongoing royalty is an equitable remedy that is determined  
7 post-verdict.

8 Contour's motion is denied for two independent reasons. First, the motion is premature.  
9 While my summary judgment order found that the accused products infringed claim 11 of the '954  
10 Patent, that does not mean that Contour is entitled to judgment in its favor. GoPro will seek to  
11 show at trial that the '954 Patent is invalid. *See, e.g.*, Dkt. No. 476 at 2 (Joint Pretrial Conference  
12 Statement laying out GoPro's invalidity position). If GoPro is successful, Contour will not be  
13 entitled to equitable relief.

14 Second, despite its strong argument that GoPro's own positions foreclose the issue,  
15 Contour has not met its burden to show that the New Cameras should be subject to an ongoing  
16 royalty based on infringement of claim 11 on the record as it stands (though it seems possible that  
17 it will be able to do so later).

18 The *TiVo* inquiry is intensely factual. The court must first look to "those aspects of the  
19 accused product that were previously alleged to be, and were a basis for, the prior finding of  
20 infringement, and the modified features of the newly accused product." *TiVo*, 646 F.3d at 882.  
21 Then, "[w]here one or more of those elements previously found to infringe has been modified, or  
22 removed, the court must make an inquiry into whether that modification is significant." *Id.* The  
23 court next determines whether the differences are "significant." *Id.* This, in turn, "is much  
24 dependent on the nature of the products at issue." *Id.* But a court cannot stop at the products  
25 themselves, it "must also look to the relevant prior art, if any is available, to determine if the  
26 modification merely employs or combines elements already known in the prior art in a manner  
27 that would have been obvious to a person of ordinary skill in the art at the time the modification  
28 was made." *Id.* A court may require "expert testimony in making the determination" whether a

1 modification is obvious. *Id.* at 882–83. And the analysis goes further still, “tak[ing] account of  
2 the policy that legitimate design-around efforts should always be encouraged as a path to spur  
3 further innovation.” *Id.* at 883.

4 At the end of this analysis, the court has completed step one. If the court finds that the  
5 products are not more than colorably different, it moves to step two. In that analysis, it must  
6 determine whether the new product “continues to infringe the relevant claims.” *Id.* “[T]he court is  
7 required to evaluate the modified elements of the newly accused product against the asserted  
8 claim, on a limitation by limitation basis, to ensure that each limitation continues to be met.” *Id.*  
9 This infringement analysis is just like any infringement analysis, with all the complexity and fact-  
10 intensive analysis it can entail.

11 This level of analysis is necessary because “the modifying party generally deserves the  
12 opportunity to litigate the infringement question at a new trial.” *Arbek Mfg., Inc. v. Moazzam*, 55  
13 F.3d 1567, 1570 (Fed. Cir. 1995). Watering down the ongoing royalty doctrine, then, would risk  
14 holding parties accountable for behavior that was not adjudged infringement and deprive them of  
15 the right to a trial.

16 Contour fails to provide most of the fundamental analysis required. Virtually no discovery  
17 has taken place on the New Cameras and no meaningful discovery on them has been presented to  
18 me. There are no analyses of the accused technology in the New Cameras. There are no expert  
19 reports, let alone responses to those reports. There is no technical analysis comparing the  
20 infringing products with the New Cameras. Contour does not attempt a limitation-by-limitation  
21 analysis and, indeed, it is unclear whether it could perform one with only publicly available  
22 information.<sup>2</sup>

23 Instead of the careful analysis that *TiVo* calls for, Contour argues that the New Cameras’  
24 infringement is a foregone conclusion because GoPro has admitted that the New Cameras are  
25 essentially the same as the infringing products. Mot. 8. It contends that GoPro has admitted that  
26 the New Cameras are “essentially the same” as the infringing products when it argued that

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28 <sup>2</sup> Because GoPro largely stonewalled discovery and Contour did not add the products to this suit  
or move to compel, it makes sense that none of this is on the record yet.

1 Contour is precluded from accusing them in a separate action. *Id.* Contour’s argument is that a  
2 valid preclusion defense requires showing that “the accused device in the action before the court is  
3 ‘essentially the same’ as the accused device in a prior action between the parties that was resolved  
4 by a judgment on the merits.” *Acumed LLC v. Stryker Corp.*, 525 F.3d 1319, 1324 (Fed. Cir.  
5 2008). “Accused devices are ‘essentially the same’ where the differences between them are  
6 merely ‘colorable’ or ‘unrelated to the limitations in the claim of the patent.’” *Id.* That is also the  
7 first step under *TiVo*. Indeed, in developing that preclusion test, the Federal Circuit explicitly  
8 drew from the colorably different injunction test discussed above. *See id.*

9 GoPro disputes that it has admitted that the New Cameras are essentially the same as the  
10 infringing products. It first argues that it has simply “reserved” its ability to raise the argument.  
11 Oppo 20–21. That is not what it has represented. It has been explicit that Contour cannot bring  
12 the second suit because of preclusion. Dkt. No. 321 at 10 (“What [Contour] proposes . . . should  
13 be legally barred through the doctrines of claim splitting and issue preclusion.”). It also attempts  
14 to pass off its arguments on preclusion as being based only on *Contour’s arguments* that the New  
15 Cameras are essentially the same as the infringing products, not its own admissions. Oppo. 21.  
16 This would place the parties in an endless loop, each basing its position on the other’s purported  
17 admission.

18 GoPro’s attempt to maintain some sort of agnosticism on this—that it can claim the  
19 products are possibly different in suit one but not suit two—is not particularly convincing.<sup>3</sup> It has  
20 argued that Contour will be precluded from suing over the New Cameras. While it is Contour’s  
21 burden today to show the products meet the *TiVo* test, GoPro will bear the burden on preclusion in

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23 <sup>3</sup> Although GoPro seeks to present Contour as doing the same sort of “riding the fence,” Oppo. 22,  
24 it is not. Contour’s position in both suits would be consistent. It argues that the products are  
25 essentially the same but that, if they are found not to be, they can be the subject of a second suit.  
26 Further, it contends that a second suit would be proper in any event because the claims on the New  
27 Cameras arose after the filing of the first suit, an argument that does not depend on similarity.  
28 GoPro, in contrast, attempts to have it both ways: that the New Cameras are in some way not the  
same (it never takes a firm position on how) but that they nonetheless will be precluded on the  
basis of being essentially the same. Indeed, its struggle to find a coherent position that can  
accomplish both goals is on display from its attempts to recast its position. As explained, it  
initially argued there would be preclusion, now it seeks to present that position as just a  
“reserv[ation]” of rights, and yet it still does not point to any concrete differences in the products  
despite opposing the present motion.

1 a second suit. *Acumed*, 525 F.3d at 1324. Because Contour has not met its burden on *TiVo* step  
2 two, however, I do not need to decide whether GoPro’s past positions alone are sufficient to meet  
3 step one.

4 Contour appears to argue that an analysis of actual infringement (step two) is not required  
5 because the products are not more than colorably different (step one) Mot. 8; Reply 6–9. But the  
6 Federal Circuit has made plain that there is a difference between products being not more than  
7 colorably different and products infringing, otherwise the two *TiVo* steps would collapse into one.  
8 *See TiVo*, 646 F.3d at 882–883 (“[W]hen a court concludes that there are no more than colorable  
9 differences between the adjudged infringing product and modified product, a finding that the  
10 newly accused product continues to infringe the relevant claims is *additionally essential*.”)  
11 (emphasis added). A finding for the patentee on step one does not guarantee a victory at step two.  
12 *See, e.g., Apple*, 2018 WL 905943, at \*9–\*13 (finding that a product was not more than colorably  
13 different but also did not infringe). Contour makes no attempt to compare the New Cameras to  
14 claim 11 “on a limitation by limitation basis, to ensure that each limitation continues to be met,”  
15 *TiVo*, 646 F.3d at 883; to analyze infringement in any usual way; or to address differences  
16 between the products. (GoPro similarly does not engage with this type of analysis as would a  
17 party in a usual ongoing royalty dispute. The burden, however, does not rest with it.)

18 Contour also contends that several statements by GoPro witnesses in depositions prove  
19 infringement. Mot. 8. GoPro’s founder and CEO, Nick Woodman, was asked in his January 2020  
20 deposition about the “functionality of generating higher- and lower-quality video streams, saving  
21 the high-quality stream to storage and streaming the lower-quality video to an external device.”  
22 Dkt. No. 493-8 at 111:13–112:6. He responded “Yes. The those cameras [the HD HERO2 and  
23 HERO3] could do that” and “ultimately we realized that this functionality with the HD HERO2  
24 and in the HD HERO3 after it and every subsequent GoPro since.” *Id.* He then was asked to  
25 reiterate that every camera released since the HERO3 has this dual-stream capability. He stated,  
26 “Yes. Each of the GoPro’s since -- each GoPro camera since the HD HERO2 has had that  
27 functionality.” *Id.* at 112:20–113:23. A day later, GoPro’s in-house counsel was deposed as a  
28 corporate representative and was asked, “So since learning of the patents in suit in January 2015,

1 has GoPro attempted to design or redesign its products to avoid infringement of the patents in  
2 suit?” The in-house counsel responded, “So GoPro has not designed around the patents in suit  
3 because the claim scope has been in a lot of flux and there has been a lot of movement in the  
4 PTAB and claim construction.” *Id.* at 216:14–25.

5 To Contour, these statements show that (1) the New Cameras practice the accused  
6 functionality (because they came after the HERO3) and (2) GoPro has not designed around it. I  
7 disagree that this compels a finding of infringement. These few statements are far from the robust  
8 analysis the Federal Circuit has called for and that courts applying ongoing royalties or enforcing  
9 injunctions have performed. To reiterate, this sort of analysis is a stand-in for the general rule that  
10 a modified product must be found to infringe in a new trial. *Arbek*, 55 F.3d at 1570. Sometimes,  
11 it will make sense to not hold a trial because the issue was effectively resolved already and the  
12 infringer cannot escape the judgment with some immaterial modification. But to find that,  
13 Contour is required to demonstrate actual infringement. These admissions from GoPro officers—  
14 while plausibly indicative of infringement—do not alone meet Contour’s burden to prove it. This  
15 is especially true because GoPro’s written responses expressly limit that testimony *to the accused*  
16 *products*. *Oppo*. Ex 7 at 39. Accordingly, there is a dispute over the correct interpretation of this  
17 testimony. It is at least plausible to think that GoPro’s in-house counsel, in particular, was saying  
18 that they had not designed around the patents-in-suit when it came to the accused products, not to  
19 other unaccused products. And Woodman is not a designated technical expert or legal counsel. In  
20 any event, I cannot find patent infringement based solely on two snippets of disputed non-expert  
21 testimony. The testimony, moreover, presumably does not apply to the HERO9 because it was  
22 released after the testimony was given, so it would not help Contour add that camera in any event.

23 This sparse, contested showing at this pre-trial stage is insufficient. Much of the trouble  
24 with the present motion is that the parties simply do not present normal evidence on infringement.  
25 But this decision should not be taken as an indication that Contour is foreclosed from moving for  
26 post-trial remedies, including an ongoing royalty, on the New Cameras. Moreover, if GoPro were  
27 to affirmatively argue in a second suit that Contour is precluded, it seems impossible for it to  
28 avoid a no colorable-differences finding in Contour’s favor.

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If Contour brings a renewed motion for an ongoing royalty, it must demonstrate step one and actual infringement with sufficient evidence and a fulsome analysis. One added benefit of raising this issue at a more appropriate future stage with more comprehensive evidence—as is the norm—is that GoPro will not be able to shroud itself in positions like those it has taken, but instead will (if it opposes) present a theory of noninfringement based on evidence and/or seek to show why Contour’s evidence-based infringement theory does not hold up.

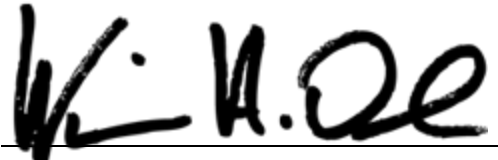
GoPro argues that it would be fundamentally unfair to permit Contour to seek damages on these products because it chose not to pursue them earlier. I agree that Contour’s actions have not been ideal. But the prejudice to GoPro is not so extreme as it says. It is established Federal Circuit law that Contour has the right to seek an injunction against later-released, unadjudicated products, and a court can grant it if the *TiVo* test is met. I hold that the same applies to an ongoing royalty. As a result, GoPro faces the situation that any accused infringer does: If it loses at trial, the patentee has the chance to prove that unaccused products released later than the infringing ones should be subject to equitable remedies.

**CONCLUSION**

The motion for an accounting or ongoing royalty is DENIED WITHOUT PREJUDICE. Contour is not foreclosed from raising it again in an appropriate posture with appropriate support.

**IT IS SO ORDERED.**

Dated: March 17, 2021

  
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William H. Orrick  
United States District Judge