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28UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

MASTEROBJECTS, INC.,

Plaintiff,

v.

GOOGLE, INC.,

Defendant.

No. C 11-1054 PJH

**ORDER DENYING LEAVE TO FILE
FOURTH AMENDED COMPLAINT**

Plaintiff's motion for leave to file a fourth amended complaint came on for hearing before this court on May 1, 2013. Plaintiff MasterObjects, Inc. ("plaintiff") appeared through its counsel, Diane Rice. Defendant Google Inc. ("defendant") appeared through its counsel, Joseph Lee. Having read the papers filed in conjunction with the motion and carefully considered the arguments and the relevant legal authority, and good cause appearing, the court hereby DENIES plaintiff's motion as follows.

Plaintiff seeks to add allegations of willful infringement against defendant. In support of these allegations, plaintiff points to a notice letter sent from its patent counsel to defendant, on June 27 2008, providing notice of "the MasterObjects patent applications, technology, products, and invention." However, as defendant points out, at the time that this letter was sent, none of the patents-in-suit had yet issued. Even though plaintiff argues that it was actively prosecuting its patent applications at the time, the Federal Circuit has made clear that "[t]o willfully infringe a patent, the patent must exist and one must have knowledge of it." State Industries, Inc. v. A.O. Smith Corp., 751 F.2d 1226, 1236 (Fed. Cir. 1985) (emphasis in original). "Filing an application is no guarantee that any patent will issue and a very substantial percentage of applications never result in patents. What the

1 scope of claims in patents that do issue will be is something totally unforeseeable.” Id.
2 Plaintiff further argues that defendant “willfully turned a blind eye” to whether its product
3 infringed the patents-in-suit. To show willful blindness, plaintiff must show that defendant:
4 (1) subjectively believed there was a high probability a particular fact existed or was true;
5 and (2) took deliberate actions to avoid learning of that fact. Global-Tech Appliance, Inc. v.
6 SEB S.A., ___ U.S. ___, 131 S.Ct. 2060, 2070 (2011). However, plaintiff’s allegations still
7 depend on the existence of a valid patent, because if there was no valid patent, there can
8 be no willful infringement. In other words, if there was no valid patent to infringe, there is
9 no way that Google could have willfully blinded itself to the “particular fact” of its
10 infringement. Thus, any allegations regarding Google’s pre-issuance conduct are irrelevant
11 to the issue of willful infringement.

12 It was only after this lawsuit was filed (on March 7, 2011) that the patents-in-suit
13 issued. Specifically, U.S. Patent No. 8,060,639 issued on November 15, 2011, and U.S.
14 Patent No. 8,112,529 issued on February 7, 2012. Thus, any allegation of willful
15 infringement would need to be based on post-filing conduct. The Federal Circuit has held
16 that, when a patentee does not move for a preliminary injunction to stop the allegedly
17 infringing activity, it “should not be allowed to accrue enhanced damages based solely on
18 the infringer’s post-filing conduct.” In re Seagate, 497 F.3d 1360, 1374 (Fed. Cir. 2007). In
19 this case, plaintiff did not seek a preliminary injunction, and thus cannot establish a claim
20 for willful infringement based on only post-filing conduct.

21 The court further notes that the lion’s share of plaintiff’s willfulness-related
22 allegations relate to defendant’s prosecution of its own patents, which are not at issue in
23 this case. Thus, even if all of plaintiff’s proposed new allegations are taken as true, they
24 would not support a finding of willfulness. Accordingly, the court finds that, regardless of
25 any delay in seeking amendment or prejudice that would result, plaintiff’s proposed
26 amendment would be futile, and the court DENIES plaintiff’s motion for leave to file a fourth
27 amended complaint.

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IT IS SO ORDERED.

Dated: May 2, 2013



PHYLLIS J. HAMILTON
United States District Judge