

1 IN THE UNITED STATES DISTRICT COURT  
 2 FOR THE NORTHERN DISTRICT OF CALIFORNIA

3  
 4 LINEX TECHNOLOGIES, INC.,

No. C 13-159 CW

5 Plaintiff,

ORDER ON  
 PLAINTIFF'S MOTION  
 TO DISMISS WITH  
 PREJUDICE CERTAIN  
 OF PLAINTIFF'S  
 ASSERTED PATENT  
 CLAIMS AND  
 DEFENDANTS'  
 RELATED  
 COUNTERCLAIMS

6 v.

7 HEWLETT-PACKARD COMPANY, APPLE  
 8 COMPUTER INC., ARUBA NETWORKS,  
 9 INC., MERU NETWORKS, INC., RUCKUS  
 WIRELESS, INC.,

10 Defendants.

(Re: Docket  
 No. 299)

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United States District Court  
 For the Northern District of California

On February 4, 2014, Plaintiff Linex Technologies, Inc. moved to dismiss with prejudice some of its asserted claims against Defendants Hewlett-Packard Company (HP), Apple Computer Inc., Aruba Networks, Inc., Meru Networks, Inc., and Ruckus Wireless, Inc., as well as Defendants' corresponding counterclaims for declaratory judgment of non-infringement of the same claims.

Since the motion was filed, Linex, HP, and Apple filed a stipulated motion whereby Linex agreed to dismiss with prejudice the same asserted claims implicated by Linex's motion to dismiss<sup>1</sup> against all Defendants, and HP and Apple agreed to dismiss without prejudice their corresponding counterclaims. Docket No. 309. The

<sup>1</sup> The asserted claims at issue in both Linex's motion to dismiss and the stipulation are claims 9 and 10 of U.S. Patent No. 6,757,322 (the '322 patent), claims 107, 119, 120, 133, 144, and 145 of RE 42,219 (the '219 patent), and claim 106 of the RE 43,812 (the '812 patent) (collectively, the dismissed claims). See Docket No. 309 at 2.

1 Court granted the stipulation, resolving the bulk of Linex's  
2 motion to dismiss. Docket No. 311. Aruba and Meru did not agree  
3 to the stipulation,<sup>2</sup> and so the status of their counterclaims  
4 remains to be decided. On April 3, 2014, the parties appeared for  
5 a hearing. Having considered the papers and the arguments of  
6 counsel, the Court GRANTS Linex's motion to dismiss without  
7 prejudice Aruba and Meru's counterclaims regarding the dismissed  
8 claims.

9 Linex asserts that now that the Court has dismissed with  
10 prejudice Linex's assertion of the dismissed claims, this Court  
11 lacks subject matter jurisdiction over Aruba and Meru's  
12 counterclaims for declaratory judgment of non-infringement of  
13 those same claims. To entertain a declaratory judgment action  
14 under 28 U.S.C. § 2201(a), a court must find that there is an  
15 actual controversy, or "a substantial controversy, between parties  
16 having adverse legal interests, of sufficient immediacy and  
17 reality to warrant relief." MedImmune, Inc. v. Genentech, Inc.,  
18 549 U.S. 118, 127 (2007). This requirement remains constant at  
19 all stages of review, not merely at the time the complaint was  
20 filed. Benitec Australia, Ltd. v. Nucleonics, Inc., 495 F.3d  
21 1340, 1345 (Fed. Cir. 2007) (citing Steffel v. Thompson, 415 U.S.  
22 452, 459 n.10 (1974)). It is the burden of the party "claiming  
23 declaratory judgment jurisdiction to establish that such  
24 jurisdiction existed at the time the claim for declaratory relief  
25 was filed and that it has continued since." Id.

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28 <sup>2</sup> Ruckus currently does not assert any counterclaims against  
Linex. See Docket No. 89.

1 Aruba and Meru contend that an actual case or controversy  
2 exists because Linex charged them with infringement of certain  
3 claims of the '322, '219, and '812 patents. Indeed, Linex's  
4 infringement allegations were the basis for subject matter  
5 jurisdiction in Aruba and Meru's respective counterclaim  
6 complaints. See Docket Nos. 90, 93. Since then, however, the  
7 Court dismissed with prejudice the dismissed claims as asserted  
8 against all of Defendants' accused products listed in Linex's  
9 Eighth Amended Infringement Contentions, which means Linex cannot  
10 reassert those claims against Defendants' accused products in any  
11 later proceeding. See Nystrom v. Trex Co., Inc., 580 F.3d 1281,  
12 1284-85 (Fed. Cir. 2009). The substantial and immediate  
13 controversy identified by Aruba and Meru's counterclaims regarding  
14 the dismissed claims now no longer exists.

15 Aruba and Meru point out that their customers could face  
16 charges of infringement of the dismissed claims even if Aruba and  
17 Meru themselves can not. This argument fails in light of Linex's  
18 covenant not to sue included in the stipulation dismissing claims,  
19 which the Court approved after Aruba and Meru filed their  
20 opposition. In the stipulation, Linex promised not to sue  
21 Defendants or any of Defendants' customers based on the dismissed  
22 claims and products currently in this case, which use the 802.11n  
23 MIMO functionality. Docket No. 809. This sufficiently assures  
24 that Linex will not be able to revive its infringement allegations  
25 against any Defendant or any Defendant's customer based on the  
26 dismissed claims and products asserted in this case.

27 Aruba and Meru take issue with Linex's reservation of rights  
28 accompanying its covenant not to sue, which states:

1 Linex asserts that it reserves the right to assert the  
2 Dismissed Claims against Defendants and their customers for  
3 infringement of products other than the accused 802.11n MIMO  
4 products included in Linex's Eighth Amended Infringement  
5 Contentions. For example, Linex asserts it reserves the  
6 right to assert the Dismissed Claims against the Defendants  
7 and their customers based upon products that use LTE  
8 technology.

9 Aruba and Meru argue that Linex may not reserve legal rights to  
10 assert infringement of the dismissed claims against the accused  
11 products.

12 The language of Linex's reservation of rights is more  
13 confusing than necessary. The parties have each interpreted this  
14 language differently. Linex does not want to give up its right to  
15 sue any Defendant or Defendant's customer based on the LTE  
16 functionality, or any other unknown functionality. Aruba and Meru  
17 are concerned that they or their customers will again face  
18 infringement charges under the patent based on the same 802.11n  
19 MIMO functionality asserted in this case. These interests are  
20 reconcilable, as evidenced by the agreement reached at the  
21 hearing. Linex made the following covenant not to sue: "Linex  
22 covenants not to sue Defendants and Defendants' customers based on  
23 products using the 802.11n MIMO functionality, including the  
24 accused products." Aruba and Meru agreed that this covenant not  
25 to sue would be adequate. Based on the parties' agreement at the  
26 hearing, the Court DISMISSES Aruba and Meru's infringement  
27 counterclaims regarding the dismissed claims without prejudice.

28 IT IS SO ORDERED.

Dated: 4/16/2014

  
CLAUDIA WILKEN  
United States District Judge