

United States District Court  
Northern District of California

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

DSS TECHNOLOGY MANAGEMENT,  
INC.,  
  
Plaintiff,  
  
v.  
  
APPLE, INC.,  
  
Defendant.

Case No. [14-cv-05330-HSG](#)

**ORDER ON DSS'S MOTION TO  
AMEND INFRINGEMENT  
CONTENTIONS AND APPLE'S  
CROSS-MOTION TO STRIKE  
EXPERT REPORT**

REDACTED VERSION

Re: Dkt. Nos. 213, 215, 219, 220, 231, 233,  
246

Pending before the Court is DSS’s motion to amend infringement contentions, Dkt. Nos., 215 (“Mot.”), 220 (“Opp./XMot.”), 232 (“Reply”), and Apple’s cross-motion to strike DSS’s infringement expert report, Dkt. Nos. 220, 234 (“XOpp.”), 249 (“XReply”). The parties also filed related motions to seal portions of its briefs and accompanying exhibits. Dkt. Nos. 213, 219, 231, 233, 246. For the reasons provided below, the Court **DENIES** DSS’s motion to amend infringement contentions and **GRANTS** Apple’s cross-motion to strike DSS’s infringement expert report.<sup>1</sup>

**I. BACKGROUND**

Plaintiff DSS Technology Management, Inc. filed its complaint against Defendant Apple, Inc. on November 26, 2013, in the Eastern District of Texas, alleging infringement of U.S. Patent Nos. 6,128,290 (the “’290 patent”) and 5,699,357 (the “’357 patent”). Dkt. No. 1. DSS later withdrew all infringement allegations as to the ’357 patent, so presently only the ’290 patent is at issue. See Dkt. No. 96 at 2, 4. DSS alleges that Apple’s development and sale of computers and

<sup>1</sup> The Court finds this matter appropriate for disposition without oral argument and the matter is deemed submitted. See Civ. L.R. 7–1(b).

1 other devices (iMacs, Mac Minis, Mac Pros, iPhones, iPads, and iPods) that provide wireless  
2 Bluetooth connections to peripheral devices (such as keyboards and mice) infringes the '290  
3 patent. Specifically, DSS alleges that the '290 patent "solved the problem of how to connect  
4 peripherals wirelessly to a computer but still have sufficient battery life to be practical." Mot. at 6.  
5 This was achieved by "a communication scheme whereby the computer would place the  
6 peripheral[ devices] on a schedule as to when the devices might periodically communicate with  
7 the computer." *Id.* As opposed to keeping the Bluetooth transmitter in these peripheral devices  
8 always on, this "low duty cycle" reduced the peripheral devices' battery power consumption by  
9 turning the transmitter on for only short periods. There are two modes in which a device may  
10 operate to effectuate this "low duty cycle:" Bluetooth Sniff Mode and Sniff Subrating Mode. Dkt.  
11 No. 213-7 at 129. Both reduce battery power consumption by negotiating periods of time when  
12 the peripheral device's Bluetooth transmitter turns back on. *Id.* Sniff Subrating Mode "further  
13 reduc[es] the active duty cycle" and saves power by specifying lower maximum access points.  
14 *Id.*<sup>2</sup> Bluetooth Sniff Subrating Mode is an optional functionality. *Id.* at 668.

15 On March 13, 2014, DSS served initial Preliminary Infringement Contentions ("PICs") on  
16 Apple. *See* Dkt. No. 214-1 (Mot. Ex. 15). After correspondence with Apple, DSS served  
17 Amended PICs on May 2, 2014, which added information about the accused products. Dkt. No.  
18 214-3. The contentions contain three claim charts—only Exhibit B (for the '290 patent for "Apple  
19 Bluetooth v4.0 Products") and Exhibit C (for the '290 patent for "Apple Bluetooth v2.1 Products")  
20 are at issue. Dkt. No. 215-18 (Ex. B, Ex. C). Exhibit B states that "[t]his particular set of  
21 Preliminary Infringement Contentions maps Apple's products that make use of the Bluetooth 4.0  
22 standard . . . for wireless communications between a device and its peripherals to the claims of . . .  
23 the '290 patent." *Id.* Ex. B at 1. Similarly, Exhibit C states that "[t]his particular set of  
24 Preliminary Infringement Contentions maps Apple's products that make use of versions of the  
25 Bluetooth standards between versions 2.1 . . . and 4.0 for wireless communications between a

26  
27 \_\_\_\_\_  
28 <sup>2</sup> Apple uses Bluetooth transmitter chips provided by [REDACTED] Mot.  
at 12; *see also* Opp./XMot. at 21.

1 device and its peripherals to the claims of . . . the '290 patent.” *Id.* Ex. C at 1. As relevant to the  
2 issues presented in the parties’ motions, Bluetooth version 2.1 introduced Sniff Subrating Mode.  
3 Dkt. No. 220-2 at 2. Previous versions relied on Sniff Mode only. *Id.*

4 On November 7, 2014, the originally-assigned judge in the Eastern District of Texas  
5 granted Defendant’s motion to transfer the case to the Northern District of California. Dkt. No.  
6 85. On February 13, 2015, the case was reassigned to this Court. On December 4, 2014,  
7 Defendant filed two petitions for inter partes review (IPR) of the '290 patent. Dkt. No. 99 at 1.  
8 All of the '290 patent claims asserted by Plaintiff were covered by Defendant’s petitions. *Id.* at 3.  
9 On May 1, 2015, the Court stayed this case pending results of the IPRs. Dkt. No. 122. Both IPRs  
10 resulted in a final decision in Plaintiff’s favor, and the Court lifted the stay on July 27, 2018. Dkt.  
11 No. 145.

12 After holding a technology tutorial hearing on September 14, 2018 and a claim  
13 construction hearing on September 21, 2018, the Court issued a claim construction order on  
14 December 6, 2018. *See* Dkt. No. 175. The Court construed the disputed terms from Claims 1  
15 through 4 of the '290 Patent. Immediately following the hearing, the Court conducted a further  
16 Case Management Conference. The Court scheduled various dates in the action, including a fact  
17 discovery cut-off date of June 14, 2019. *See* Dkt. No. 183.

18 **II. LEGAL STANDARD**

19 The Patent Local Rules state that a plaintiff must provide:

20 (b) Separately for each asserted claim, each accused apparatus,  
21 product, device, process, method, act, or other instrumentality  
22 (“Accused Instrumentality”) of each opposing party of which the  
23 party is aware. This identification shall be as specific as possible.  
24 Each product, device, and apparatus shall be identified by name or  
25 model number, if known. Each method or process shall be identified  
26 by name, if known, or by any product, device, or apparatus which,  
27 when used, allegedly results in the practice of the claimed method or  
28 process;

29 (e) A chart identifying specifically where each limitation of each  
30 asserted claim is found within each Accused Instrumentality,  
31 including for each limitation that such party contends is governed by  
32 35 U.S.C. § 112(6), the identity of the structure(s), act(s), or  
33 material(s) in the Accused Instrumentality that performs the claimed  
34 function.

1 See Patent L.R. 3–1(b), (e). “[A]ll courts agree that the degree of specificity under Local Rule 3–1  
2 must be sufficient to provide reasonable notice to the defendant why the plaintiff believes it has a  
3 ‘reasonable chance of proving infringement.’” *Shared Memory Graphics LLC v. Apple, Inc.*, 812  
4 F. Supp. 2d 1022, 1025 (N.D. Cal. 2010) (quoting *View Eng’g, Inc. v. Robotic Vision Sys., Inc.*,  
5 208 F.3d 981, 986 (Fed. Cir. 2000)).

6 The Patent Local Rules seek to “balance the right to develop new information in discovery  
7 with the need for certainty as to the legal theories.” *O2 Micro Int’l Ltd. v. Monolithic Power Sys.,*  
8 *Inc.*, 467 F.3d 1355, 1366 (Fed. Cir. 2006). Accordingly, under Patent Local Rule 3-6,  
9 amendment to infringement contentions “may be made only by order of the Court upon a timely  
10 showing of good cause.” In determining whether good cause exists, the Court considers (1)  
11 whether the moving party was diligent in moving to amend its contentions, and (2) whether the  
12 non-moving party would suffer prejudice if leave to amend were granted. *Koninklijke Philips N.V.*  
13 *v. Acer Inc.*, No. 18-CV-01885-HSG, 2019 WL 652868, at \*1 (N.D. Cal. Feb. 15, 2019) (citation  
14 omitted). “The party seeking to amend its contentions bears the burden of establishing diligence.”  
15 *Id.* (citation and quotations omitted). The moving party must establish diligence in two distinct  
16 phases: “(1) diligence in discovering the basis for amendment; and (2) diligence in seeking  
17 amendment once the basis for amendment has been discovered.” *Id.* (citation and quotations  
18 omitted). However, good cause “does not require perfect diligence.” *Id.* (citation and quotations  
19 omitted). Absent undue prejudice to the non-moving party, good cause may be supported by  
20 “[r]ecent discovery of material, prior art despite earlier diligent search.” Patent L.R. 3-6(b).

21 “In contrast to the more liberal policy for amending pleadings, the philosophy behind  
22 amending claim charts is decidedly conservative, and designed to prevent the ‘shifting sands’  
23 approach to claim construction.” *Verinata Health, Inc. v. Ariosa Diagnostics, Inc.*, 236 F. Supp.  
24 3d 1110, 1113 (N.D. Cal. 2017) (citation and quotations omitted). The rules were “designed to  
25 require parties to crystallize their theories of the case early in the litigation and to adhere to those  
26 theories once they have been disclosed.” *O2 Micro*, 467 F.3d at 1366 n.12 (citation and  
27 quotations omitted).

28 “[A] party may not use an expert report to introduce new infringement theories, new



1 infringing instrumentalities, new invalidity theories, or new prior art references not disclosed in  
2 the parties' infringement contentions or invalidity contentions." *ASUS Computer Int'l v. Round*  
3 *Rock Research, LLC*, No. 12-CV-02099 JST (NC), 2014 WL 1463609, at \*1 (N.D. Cal. Apr. 11,  
4 2014). "The scope of contentions and expert reports are not, however, coextensive." *Apple Inc. v.*  
5 *Samsung Elecs. Co.*, No. 5:12-CV-0630-LHK-PSG, 2014 WL 173409, at \*1 (N.D. Cal. Jan. 9,  
6 2014). "Infringement contentions need not disclose specific evidence, whereas expert reports  
7 must include a complete statement of the expert's opinions, the basis and reasons for them, and  
8 any data or other information considered when forming them." *Digital Reg of Texas, LLC v.*  
9 *Adobe Sys. Inc.*, No. CV 12-01971-CW (KAW), 2014 WL 1653131, at \*2 (N.D. Cal. Apr. 24,  
10 2014) (internal quotation marks omitted). "The threshold question in deciding whether to strike an  
11 expert report is whether the expert has permissibly specified the application of a disclosed theory  
12 or impermissibly substituted a new theory altogether." *Id.*

13 **III. ANALYSIS**

14 The motion to amend infringement contentions and the cross-motion to strike DSS's expert  
15 report put essentially DSS's entire case at issue. The Amended PICs allege that Apple's products  
16 using versions of Bluetooth between v.2.1 and 4.0 infringed the '290 patent. Bluetooth Sniff  
17 Subrating Mode became an optional feature beginning with v2.1; prior versions—v1.0 to 2.0—  
18 only had Bluetooth Sniff Mode. Without dispute, Apple's products [REDACTED]  
19 [REDACTED]. In  
20 its motion, DSS asks the Court for leave to amend its infringement contentions to include  
21 contentions relating to Broadcom proprietary mode. DSS also argues that the Amended PICs put  
22 Apple on notice that its products operating in just Bluetooth Sniff Mode infringe the '290 patent.  
23 Apple disagrees and argues that DSS did not show diligence in seeking amendment, and that the  
24 Amended PICs do not allege that Apple's products operating in Sniff mode infringe the '290  
25 patent. Accordingly, Apple asks the Court to strike DSS's expert report for impermissibly  
26 substituting two new theories. The Court addresses each motion in turn.

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**A. Motion to Amend Infringement Contentions**

DSS seeks to add [REDACTED] as an infringing mode to its Amended Contentions. Mot. at 21–25. This proposed amendment arises out of DSS’s purported recent discovery on May 15, 2019, during a Rule 30(b)(6) deposition, that Apple [REDACTED] [REDACTED]. Mot. at 21–22. As noted above, the Court must consider whether DSS acted with diligence in moving to amend its contentions and whether Apple would suffer prejudice if leave to amend were granted.

**i. Diligence**

The Court finds that DSS did not display sufficient diligence to show good cause to add [REDACTED] to its infringement contentions. Specifically, DSS did not display diligence in discovering the basis for this amendment. DSS alleges that it discovered the basis for amendment during the deposition of Jason Giles, on May 15, 2019, when Giles explained that [REDACTED] [REDACTED]. Mot. at 21; *see also* Dkt. No. 213-15 at 4–5. But DSS should have discovered that information sooner. The Court provides a brief review of the case’s timeline to explain its holding.

**a. Early Litigation (2014)**

Apple made its source code available to DSS by August 2014. Dkt. No. 219-6. During this initial period, DSS had from August 2014 until the stay of the case pending transfer of venue, which occurred on October 28, 2014, to discover Apple’s [REDACTED] [REDACTED]. *See* Dkt. No. 83. Apple represents that “[a] prompt inspection of Apple’s source code . . . would have revealed the flaw in DSS’ infringement case.” *Opp./XMot.* at 15. Apple points to documents, including source code configuration files, produced during this early time period that showed Apple’s [REDACTED] [REDACTED]. *Id.* at 15–16. Minimally, the bill of materials for Apple Wireless Keyboard indicates that [REDACTED] provides a unit related to the Bluetooth capabilities of the keyboard. Dkt. No. 219-8 at 2, 8. DSS’s July 19, 2018 letter to Apple acknowledged receipt

1 of the document, and made clear that DSS was aware that [REDACTED] provided a Bluetooth  
2 component. Dkt. No. 231-12 at 4, 7–8. Additionally, source code produced in 2014 revealed that  
3 Apple [REDACTED], and indicated that Apple implemented  
4 a feature titled [REDACTED]. See Dkt. Nos. 219-10, 219-12.

5 DSS responds that it could not make the discovery during this time because Apple had not  
6 provided the complete source code. Reply at 13. However, the documents that DSS cites in  
7 support of its claim that Apple failed to provide the appropriate source code at these early stages  
8 of the litigation do not support its position. For instance, Dkt. No. 231-8 simply indicates DSS’s  
9 intention to investigate the source code, not, as DSS alleges, a “discover[y] that Apple had not  
10 provided the source code DSS needed.” Reply at 13. Similarly, DSS’s letter to Apple on July 19,  
11 2018, “reiterates [DSS’s] request for inspection” of Apple’s source code, and does not necessarily  
12 show any deficiencies in Apple’s source code production. Dkt. No. 231-12 at 7. In the letter, DSS  
13 noted that “it is unclear whether the source code that Apple represented would be produced  
14 included the firmware for the Bluetooth chips contained in the Accused Devices,” and requested  
15 the source code relating to [REDACTED] be produced, if it was not already. *Id.* at 7–8. This does not  
16 support DSS’s allegation that Apple failed to produce the source code, but instead suggests that  
17 DSS had not substantively reviewed the source code between August 2014 and October 28, 2014  
18 to determine whether the source code was complete.

19 b. Post Lifting of Stay (July 27, 2018–onwards)

20 DSS argues that after the stay was lifted, Apple failed to supplement its production as  
21 requested in DSS’s July 19, 2018 letter. Reply at 9–10. Additionally, Apple’s change of counsel  
22 further delayed inspection of the source code and receipt of documents. *Id.* DSS finally reviewed  
23 the source code again on November 28, 2018, noting deficiencies in technical and non-technical  
24 document productions. See Dkt. No. 231-22 at 3, Dkt. No. 231-23. DSS alleges that at the  
25 January 9, 2019 code review Apple’s counsel first mentioned that [REDACTED] likely had the source  
26 code that it needed. Reply at 11. Thereafter, DSS served a document subpoena on [REDACTED] on  
27 January 29, 2019, Dkt. No. 220-5, inspected [REDACTED] source code on April 12, 2019, Dkt. No.  
28 220-6, and deposed [REDACTED] about [REDACTED] on June 4, 2019, Dkt. No.

1 213-10. DSS also served a Rule 30(b)(6) notice for technical topics on May 6, 2019, Dkt. No.  
2 219-20 at 4, and deposed Apple’s Jason Giles on May 15, 2019, Mot. at 22. DSS alleges that all  
3 delay was attributable to Apple and [REDACTED] during this time. Reply at 17–18. DSS then filed  
4 this motion seeking to amend to its infringement contentions on July 8, 2019. *See* Mot.

5 “The critical issue is not when [DSS] discovered this information, but rather, whether [it]  
6 could have discovered it earlier had it acted with the requisite diligence.” *Google, Inc. v. Netlist,*  
7 *Inc.*, No. C 08-4144 SBA, 2010 WL 1838693, at \*2 (N.D. Cal. May 5, 2010). Here, the Court  
8 finds that DSS could have discovered that the accused Apple products [REDACTED]  
9 [REDACTED] earlier. Discovery was open in 2014, for a period in 2015  
10 (after the case was transferred and before the Court imposed a stay), and then was open after the  
11 Court lifted the stay and issued a scheduling order in 2018. *See* Dkt. Nos. 83, 106, 149, 183. DSS  
12 had indications since 2014 that Apple [REDACTED], based on  
13 documents showing that [REDACTED] for the peripheral devices and source code  
14 [REDACTED]. *See* Dkt. Nos. 219-8, 219-10.  
15 While these pieces may not have decisively established Apple’s [REDACTED]  
16 [REDACTED], DSS had ample time after the Court lifted the stay on July  
17 27, 2018, but before the close of discovery, to make this further determination. Additionally, DSS  
18 knew that Bluetooth Sniff Subrating Mode was an optional feature, and should have been on high  
19 alert to confirm through Apple’s source code that its products operated in such a mode. Instead,  
20 even accepting DSS’s allegation that it had been attempting to depose Mr. Giles since March 5,  
21 2019, approximately seven months passed after DSS had these indications before it requested a  
22 Rule 30(b)(6) deposition. *See KlausTech, Inc. v. Google, Inc.*, No. 10-CV-05899-JSW (DMR),  
23 2017 WL 4808558, at \*5 (N.D. Cal. Oct. 25, 2017) (“While [DSS] may have had strategic reasons  
24 to wait until late in discovery to depose a 30(b)(6) witness regarding the accused product[s],  
25 embarking on such a strategy was fraught with risk, especially under the rubric of the Patent Local  
26 Rules.”).

27 Importantly, while DSS accuses Apple of “fail[ing] to alert DSS that [REDACTED]  
28 [REDACTED]



1 [REDACTED] the burden was on DSS to detail its infringement theory up front, then substantiate it  
2 through factual discovery and timely seek amendment if necessary. Mot. at 10. DSS should have  
3 substantively reviewed the source code in 2014 to confirm use of Bluetooth Sniff Subrating Mode,  
4 and it should have followed up on the indications that Apple [REDACTED] by making  
5 specific technical requests and taking a timely Rule 30(b)(6) deposition. DSS does allege that  
6 Apple frustrated the discovery process at various points of the discovery period, yet DSS only  
7 raised disputes to the Court in two instances. *See* Dkt. Nos. 158, 188. The first dispute did not  
8 concern any of the issues noted here, but only concerned documents relating to a witness in  
9 preparation for the claim construction hearing. *See* Dkt. No. 158. The second was filed on May  
10 22, 2019, concerned the precise dispute that resulted in the present motion, and occurred too late  
11 to indicate DSS’s diligence. *See* Dkt. No. 188. If DSS seeks to rely on Apple’s purported actions  
12 to frustrate discovery, it needed to raise this dispute with the Court in a timely manner. Because it  
13 failed to do so, DSS cannot show diligence in reviewing the source code.

14 DSS’s attempt to now bring an entirely new theory of infringement, five years after the  
15 case was first filed, after IPR, and after the close of discovery certainly does not reflect the  
16 diligence required to meet the good cause standard. Instead, it appears to be a last ditch effort to  
17 maintain this litigation now that it is established that Apple does not practice its accused theory of  
18 infringement. *See Capella Photonics, Inc. v. Cisco Sys. Inc.*, No. 14-CV-03348-EMC, 2019 WL  
19 2359096, at \*4 (N.D. Cal. June 4, 2019) (“Having exhausted its first bite, and exercising no  
20 diligence in putting at issue the claims Plaintiff now belatedly seeks to amend into this case . . .  
21 Plaintiff’s conduct in seeking to start litigation anew after losing round one can best be  
22 characterized as tactical.”).

23 **ii. Prejudice**

24 There is “no need to consider the question of prejudice” when the moving party is unable  
25 to show diligence. *O2 Micro*, 467 F.3d at 1368. While the Court need not address this prong,  
26 allowing DSS to amend its infringement contentions at this stage clearly would prejudice Apple.  
27 The Court already has conducted the claim construction hearing, and fact and expert discovery  
28 have already closed. *See Karl Storz Endoscopy-Am., Inc. v. Stryker Corp.*, No. 14-CV-00876-RS

1 (JSC), 2016 WL 7386136, at \*5 (N.D. Cal. Dec. 21, 2016) (“[Defendant] would be prejudiced  
2 here because it identified the claim terms that it wanted the district court to construe in reliance on  
3 the theories of infringement in [plaintiff’s] contentions. If [plaintiff] had set forth different  
4 infringement theories (as it seeks to now), [defendant] may very well have selected different terms  
5 for construction.”).

6 Because DSS fails to show diligence in discovering the basis for the amendment and  
7 allowing amendment would prejudice Apple, the Court **DENIES** DSS’s motion to amend  
8 infringement contentions to add [REDACTED]  
9 contentions.

10 **B. Cross-Motion to Strike Infringement Expert Report**

11 Apple argues that the Joint Expert Report of Scott A. Denning and Randal H. Direen relies  
12 entirely on new theories of infringement: (1) operating products [REDACTED]  
13 [REDACTED] discussed above and (2) operating products in Bluetooth Sniff  
14 Mode. Opp./XMot. at 21; *see also* Dkt. No. 219-22 (Ex. P). Because the Court finds that DSS  
15 failed to show diligence in moving to amend its infringement contentions, the Court agrees that  
16 the expert report impermissibly relies upon [REDACTED]  
17 [REDACTED] theory. The Court must then determine whether Bluetooth Sniff Mode is a new theory of  
18 infringement. For the reasons below, the Court finds that it is a new theory.

19 The parties first recognized the dispute regarding Sniff Mode based on DSS’s April 2019  
20 response to Apple’s interrogatories. The interrogatory asked DSS to “[d]escribe in detail, on an  
21 element-by-element basis in the form of a claim chart, any product that DSS contends practices the  
22 patents-in-suit or infringes the patents-in-suit.” Dkt. No. 188-1 at 5, 8–13, 17. DSS’s third  
23 amended response to the interrogatory included a claim chart that Apple argues presented “new  
24 theories of infringement,” although DSS maintains the theories were covered in its Amended  
25 PICs. After initially raising this contention with Magistrate Judge Beeler (who is handling  
26 discovery disputes, *see* Dkt. No. 193), the parties indicated they would file this merits dispute with  
27 the Court. Thereafter, DSS filed its motion to amend infringement contentions and Apple filed its  
28 cross-motion to strike expert report alleging that DSS’s reliance on products operating in

1 Bluetooth Sniff Mode represents a new infringement theory. *See* Mot. at 6, Opp./XMot. at 21.

2 DSS’s Amended PICs specifically allege that the accused Apple products “that make use  
3 of versions of the Bluetooth standards between versions 2.1 . . . and 4.0 for wireless  
4 communications between a device and its peripherals” infringe the ’290 patent. Dkt. No. 215-18  
5 (Mot. Ex. 17, Ex. C). As already noted, Bluetooth Sniff Subrating Mode became an optional  
6 feature beginning with v2.1, and prior versions used only Bluetooth Sniff Mode. DSS’s response  
7 to Apple’s interrogatory on April 11, 2019, included a claim chart that was different from the  
8 Amended PICs. *See* Dkt. No. 214-11 (Mot. Ex. 25) at 8–13. The claim chart specifically used  
9 Bluetooth v.1.0 as an example of the contentions, whereas DSS’s Amended PICs exclusively used  
10 Bluetooth v.2.1 and 4.0 as examples. *Compare id. with* Dkt. No. 215-18 (Mot. Ex. 17) at Ex. B:  
11 79–80, Ex. C: 137–38. At issue here is whether the interrogatory claim chart was substantively  
12 different than the Amended PICs such that DSS presented a new infringement theory.

13 Apple first argues that the Amended PICs identified only products with Bluetooth v.2.1 or  
14 later, which is precisely when Bluetooth Sniff Subrating Mode became available, as allegedly  
15 infringing the patent. Opp./XMot. at 8. DSS argues that this distinction is without merit because  
16 even v2.1 uses Bluetooth Sniff Mode in its operations, and that it made this clear in its Amended  
17 PICs. Mot. at 15–16. The technology supports DSS’s argument since “a device cannot enter into  
18 Sniff Subrating mode without entering into Sniff Mode first.” *Id.* at 15 (citing Dkt. No. 213-7  
19 (Mot. Ex. 3) at 346–49). When operating in Bluetooth Sniff Subrating Mode, a device cycles  
20 between Subrating and Sniff mode “after transmitting a packet requirement acknowledgment until  
21 the baseband acknowledgment is received.” Dkt. No. 213-7 (Mot. Ex. 3) at 348. Referring to  
22 v2.1, then, does not exclusively signify operating in Bluetooth Sniff Subrating Mode.

23 Apple next argues that the Amended PICs relied on particular functionality available only  
24 after v2.1, which DSS now has abandoned in its new theory. Opp./XMot. at 9–14. Apple points  
25 to DSS’s claim element 1.4 where the Amended PICs referred to “commands and synchronizing  
26 information to establish Sniff mode operation, e.g. LMP\_sniff\_req commend and the  
27 synchronizing parameters therein,” Dkt. No. 215-18 (Mot. Ex. 17) at Ex. C 139. In DSS’s  
28 supplemental interrogatory response, it referred to Bluetooth Frequency Hop Synchronization

1 (“FHS”) packets as the form of “synchronization information” sent to the peripheral devices. Dkt.  
2 No. 214-11 (Mot. Ex. 25) at 10. DSS points to language referencing a frequency hop pattern in  
3 the Amended PICs; however, as Apple notes, this appears in claim element 1.5, not 1.4.  
4 Opp./XMot. at 10. Still, DSS does not appear to actually allege new functionality for claim  
5 element 1.4. DSS provided information as to how the synchronization information is sent (via  
6 FHS), rather than changing its claim that the computer sends commands and synchronization  
7 information. Specifically, Apple fails to explain whether the information is sent through a  
8 different mechanism in v.2.1 and above such that this functionality makes a new infringement  
9 theory.

10 Apple next points to changes between claim element 1.8 and DSS’s supplemental  
11 interrogatory response, arguing that DSS previously noted a claim limitation specifying the “code  
12 sequence” (which determines when a computer communicates with the peripheral devices) of  
13 “sniff subrating commands and contents thereof.” Opp./XMot. at 10. DSS responds that the  
14 Amended PICs only used this as an example. The entire contention reads:

15 Bluetooth-compliant systems include server and peripheral  
16 transmitters being energized in low duty cycle RF bursts at intervals  
17 determined by a code sequence (e.g. the sniff subrating commands  
18 and contents thereof, etc.) which is timed in relation to the  
synchronizing information.

19 Dkt. No. 215-18 (Ex. 17) at 143–44. Reading this contention in isolation, it is not clear that DSS  
20 intended to limit claim element 1.8 to a sniff subrating code sequence. However, it is in this  
21 vagueness that DSS has a problem. What is clear when reading through the Amended PICs is that  
22 it is *unclear* whether DSS’s contentions refer to both Sniff Mode and Sniff Subrating Mode as  
23 infringing modes or to just Sniff Subrating Mode. Bluetooth Sniff Mode is the underlying  
24 technology, so it is certainly mentioned throughout the Amended PICs, but there are no specific  
25 limitations that refer to Sniff Mode.<sup>3</sup> Without any specific limitations referring to Sniff Mode, the  
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27 <sup>3</sup> Somewhat curiously, DSS seeks to amend its infringement contention to include Sniff Mode  
28 limitations. See Dkt. No. 214-15 (Chart 1). Had Sniff Mode been originally included in the  
Amended PICs, that amendment would not be necessary.

1 Court cannot construe the contentions as covering both modes. By way of example, in claim 4,  
2 DSS again contends that Apple’s products use Sniff Mode, but then states:

3 For example. Bluetooth’s v2.1 Sniff mode are [sic] operable such that  
4 the server microcomputer unit transmits RF synchronizing beacons  
5 (e.g. transmissions at sniff substrate anchor points, etc.) at times within  
6 each of a predetermined sequence of frames which times vary in  
accordance with a code unique to the particular server microcomputer  
unit (e.g. per the max\_sniff\_substrate parameter in the master the  
LMP\_sniff\_substrate\_req, etc.)

7 *Id.* at 149. Similar to claim element 1.8 to which Apple points above, DSS uses “e.g.” here to  
8 indicate that it is an example, while again only mentioning sniff substrate operations. The  
9 limitations consistently reference Bluetooth Sniff Substrate Mode functionality. Because “[t]he  
10 purpose of Patent Local Rule 3–1 . . . is in fact to be nit-picky, to require a plaintiff to crystallize its  
11 theory of the case and patent claims,” the Court concludes that the Amended PICs did not put  
12 Apple on notice of the theory that the accused products operating in both Bluetooth Sniff Mode  
13 and Bluetooth Sniff Substrate Mode infringed the ’290 patent. *See InterTrust Tech. Corp. v.*  
14 *Microsoft Corp.*, 2003 WL 23120174, at \*3 (N.D. Cal. Dec. 1, 2003); *see also DCG Sys. v.*  
15 *Checkpoint Techs., LLC*, 2012 WL 1309161, at \*2 (N.D. Cal. Apr. 16, 2012) (Patent Local Rules  
16 do not “require the disclosure of specific evidence nor do they require a plaintiff to prove its  
17 infringement case,” but “a patentee must nevertheless disclose what in each accused  
18 instrumentality it contends practices each and every limitation of each asserted claim to the extent  
19 appropriate information is reasonably available to it.”). Although to operate in Bluetooth Sniff  
20 Substrate Mode, products necessarily must operate in Sniff Mode, this fact alone, without any  
21 clear contentions or limitation, is insufficient to put Apple on notice that Sniff Mode is an  
22 infringing mode.<sup>4</sup>

23 Because the Court finds that DSS’s expert report relies entirely on two new infringement  
24 theories (operating in [REDACTED] and in Bluetooth

25 \_\_\_\_\_  
26 <sup>4</sup> DSS also fails to show good cause to amend its infringement contentions to include Bluetooth  
27 Sniff Mode as an infringing mode. Given that Bluetooth Sniff Mode was a baseline operating  
28 feature for all Bluetooth products, DSS was aware of the possibility of infringement from the  
beginning of the case and still failed to include this infringement theory in its Amended PICs.  
Allowing such an amendment at this late stage also would prejudice Apple, given that it never had  
the opportunity to pursue invalidity defenses or conduct factual discovery regarding this theory.



1 Sniff Mode), the Court **GRANTS** Apple’s cross-motion to strike DSS’s expert report.

2 **IV. MOTIONS TO SEAL**

3 Courts generally apply a “compelling reasons” standard when considering motions to seal  
4 documents. *Pintos v. Pac. Creditors Ass’n*, 605 F.3d 665, 678 (9th Cir. 2010) (quoting *Kamakana*  
5 *v. City & Cty. of Honolulu*, 447 F.3d 1172, 1178 (9th Cir. 2006)). “This standard derives from the  
6 common law right ‘to inspect and copy public records and documents, including judicial records  
7 and documents.’” *Id.* (quoting *Kamakana*, 447 F.3d at 1178). “[A] strong presumption in favor of  
8 access is the starting point.” *Kamakana*, 447 F.3d at 1178 (quotations omitted). To overcome this  
9 strong presumption, the party seeking to seal a judicial record attached to a dispositive motion  
10 must “articulate compelling reasons supported by specific factual findings that outweigh the  
11 general history of access and the public policies favoring disclosure, such as the public interest in  
12 understanding the judicial process” and “significant public events.” *Id.* at 1178–79 (quotations  
13 omitted).

14 Records attached to nondispositive motions must meet the lower “good cause” standard of  
15 Rule 26(c) of the Federal Rules of Civil Procedure, as such records “are often unrelated, or only  
16 tangentially related, to the underlying cause of action.” *Id.* at 1179–80 (quotation omitted). This  
17 requires a “particularized showing” that “specific prejudice or harm will result” if the information  
18 is disclosed. *Phillips ex rel. Estates of Byrd v. Gen. Motors Corp.*, 307 F.3d 1206, 1210–11 (9th  
19 Cir. 2002); *see also* Fed. R. Civ. P. 26(c). “Broad allegations of harm, unsubstantiated by specific  
20 examples of articulated reasoning” will not suffice. *Beckman Indus., Inc. v. Int’l Ins. Co.*, 966  
21 F.2d 470, 476 (9th Cir. 1992) (quotation omitted).

22 Because the parties move to file documents related to nondispositive motions, the Court  
23 will apply the lower good cause standard.

24 The parties have provided good cause for sealing portions of the various documents listed  
25 below because they contain confidential business and proprietary information relating to the  
26 operations of Defendant. *See Apple Inc. v. Samsung Elecs. Co., Ltd.*, No. 11-CV-01846-LHK,  
27 2012 WL 6115623 (N.D. Cal. Dec. 10, 2012); *see also Agency Solutions.Com, LLC v. TriZetto*  
28 *Group, Inc.*, 819 F. Supp. 2d 1001, 1017 (E.D. Cal. 2011); *Linex Techs., Inc. v. Hewlett-Packard*

1 Co., No. C 13-159 CW, 2014 WL 6901744 (N.D. Cal. Dec. 8, 2014). Specifically, some of the  
 2 documents contain information regarding the identity and operations of third party supplied  
 3 components in Apple’s products or contain confidential information regarding the operations of  
 4 source code for Apple’s products. The parties have identified portions of the unredacted versions  
 5 of motions and exhibits as containing confidential and proprietary business information, and the  
 6 Court finds good cause to grant the motions to file the below-indicated portions under seal.

7 However, for a number of the documents listed below, the parties have failed to narrowly  
 8 tailor the redactions to confidential and proprietary business information. For example, many of  
 9 the pages in documents the parties seek to seal in their entirety include the same information in  
 10 DSS’s infringement contentions, the parties unredacted portions of the briefs, or public  
 11 information provided in exhibits (particularly regarding Bluetooth Sniff Mode). The parties must  
 12 tailor their sealing requests. The parties also do not explain how the materials explaining  
 13 Bluetooth Sniff Mode, much like DSS’s infringement contentions, contain confidential business or  
 14 product information. Sealing these documents in their entirety is substantially overbroad, and the  
 15 parties do not thoroughly articulate how disclosure of the material in each proposed redaction  
 16 would lead to specific harm or prejudice.

17 Accordingly, the Court **ORDERS** as follows:

<b>Docket Number Public/(Sealed)</b>	<b>Document</b>	<b>Portions Sought to be Sealed</b>	<b>Ruling</b>
<i>DSS’s Admin. Motion to Seal, Dkt. No. 213</i>			
215/(213-2)	Excerpts of DSS’s Motion to Amend Infringement Contentions	Pages and lines: i:13-14; 1:16-17, 19, 20; 2:11; 4:18- 21, 25; 5:1-2, 4-5, 7-10; 7:14-15; 8:20-21, 24-27; 9:1-8, 9-11, 12-28; 10:1-2, 7-8, 11, 15; 14:9, 10-12; 21:1- 2, 3-4, 5-6; 22: 2, 5, 10, 11-12, 15- 18, 19, 23, 24-27; 23:1-2, 3-4, 5-6, 11; 25: 10-11	<b>GRANTED</b>
215-3, 215-7, 215- 13, 215-26/(213-6, 213-10, 213-16, 214-11)	Exhibits 2, 6, 12, 25	Entire exhibits	<b>GRANTED</b> as to Exhibits 2, 6, 12 <b>DENIED</b> as to Exhibit 25:

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Docket Number Public/(Sealed)	Document	Portions Sought to be Sealed	Ruling
			not narrowly tailored.
215-11, 215-12, 215-14, 215- 15/(213-14, 213-15, 213-17, 213-18)	Exhibits 10, 11, 13, 14	Entire exhibits	<b>GRANTED</b> as to Exhibits 10, 13, 14  <b>DENIED</b> as to Exhibit 11: not narrowly tailored.
215-27, 215-28, 215-30/(214-12, 214-13, 214-15)	Exhibits 26, 27, 29	Entire exhibits	<b>DENIED</b> as to all three exhibits: not narrowly tailored.
<b><i>Apple's Admin. Motion to Seal, Dkt. No. 219</i></b>			
220/(219-4)	Excerpts of Apple's Opposition to DSS's Motion to Amend Infringement Contentions and Cross-Motion to Strike Expert Report	Pages and lines: i:19; 1:19-20, 22, 23, 25, 26; 2:1, 18- 19, 20, 25, 26; 14:18, 21-22, 24; 15:15-16, 18-19, 20, 21, 22, 23, 24; 16:1-4,5, 6-9, 25; 17:3, 6, 8-10, 11, 12, 14-15, 27-28; 18: 1, 2; 21:14-15, 18; 22:13-14, 15- 16, 22-25, 27, 28; 23:2, 3	<b>DENIED</b> as to 22:13-14, 15-16, 22-25: not narrowly tailored.  <b>GRANTED</b> as to the remainder
220-3, 220-4, 220- 10, 220-12, 220-13, 220-17/(219-6, 219- 8, 219-16, 219-18, 219-22)	Exhibits B, C, I, K, L, P	Entire exhibits or redacted portions identified in public filing	<b>GRANTED</b> as to Exhibits B, C, I, L, P  <b>DENIED</b> as to Exhibit K: not narrowly tailored.
220-7, 220-8, 220- 14/(219-10, 219-12, 219-20)	Exhibits F, G, M	Entire exhibits	<b>GRANTED</b>
<b><i>DSS's Admin. Motion to Seal, Dkt. No. 231</i></b>			
232/(231-3)	Excerpts of DSS's Reply in support of Motion to Amend Infringement Contentions	Pages and lines: i:11-12, 1:5-6, 15, 16, 20-21, 23, 24- 25; 2:1; 5:10, 11- 12; 7:5-6, 8, 18-19, 20-25; 8:1-2, 11- 12, 26; 9:7, 11-12, 12-13; 11:10, 20- 21, 22-25, 26; 12:1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 20, 22, 26-27, 28; 13: 2, 3, 4, 8, 9-11, 13, 15;15:17-18	<b>DENIED</b> as to 5:11-12; 7:5-6, 8, 18-19; 8:1-2, 11- 12, 12:8, 20, 22, 28; 13:3, 8, 13: not narrowly tailored  <b>GRANTED</b> as to the remainder
232-4, 232-6, 232-9, 232-10, 232-11, 232-12, 232-13, 232-14, 232-16,	Exhibit 3, 5, 8, 9, 10, 11, 12, 13, 15, 16, 19, 20, 21, 22, 25, 27, 31, 32, 33, 35	Entire exhibit	<b>DENIED</b> : no supporting Rule 79-5(e)(1) declaration

Docket Number Public/(Sealed)	Document	Portions Sought to be Sealed	Ruling
232-17, 232-20, 232-21, 232-22, 232-23, 232-26, 232-28, 232-32, 232-33, 232-34, 232-36/(231-8, 231- 10, 231-13, 231-14, 231-15, 231-16, 231-17, 231-18, 231-20, 231-21, 231-24, 231-25, 231-26, 231-27, 231-30, 231-32, 231-36, 231-37, 231-38, 231-40)			
232-5, 232-8, 232- 18, 232-19, 232-24, 232-25, 232-30, 232-31, 232-35, 232-37/(231-9, 231- 12, 231-19, 231-22, 231-23, 231-28, 231-29, 231-34, 231-35, 231-39, 231-40)	Exhibit 4, 7, 14, 17, 18, 23, 24, 29, 30, 34, 36	Entire exhibits	<b>GRANTED</b> as to Exhibits 7, 14, 17, 18, 23, 24, 29, 30, 34  <b>DENIED</b> as to Exhibits 4, 36: not narrowly tailored.
232-27, 232- 29/(231-31, 231-33)	Exhibits 26, 28	Entire exhibits	<b>GRANTED</b>
<b><i>DSS's Admin Motion to Seal, Dkt. No. 233</i></b>			
234/(233-3)	Excerpts of DSS's Response to Apple's Cross-Motion to Strike Expert Report	Pages and lines: i:7, 1:12; 2:26-27; 3:6-8, 9-10, 15-16; 5:10-15, 24-25, 26-27; 10:16, 19, 26; 11:1, 3-4, 8-9, 10-12, 17-19, 23- 25, 26-27; 12:4	<b>DENIED</b> as to 3:6-8, 9-10, 15-16; 5:24-25, 26-27; 11:8-9: not narrowly tailored  <b>GRANTED</b> as to the remainder
234-3/(233-8(	Exhibit 2	Entire exhibit	<b>DENIED</b> : not narrowly tailored
<b><i>Apple's Admin Motion to Seal, Dkt. No. 246</i></b>			
249/(246-4)	Excerpts of Apple's Reply in support of its Cross-Motion to Strike Expert Report	Pages and lines: 1:10, 21; 2:3, 12, 15-16, 20, 21, 22, 25-26; 3:2, 28; 4:5; 6:7, 16, 18, 19, 20, 22, 26; 7:1, 3, 4, 5, 6, 7, 12, 14, 15, 16, 17, 18, 19-20, 21-22; 8:1,-3, 4-5, 8-9, 11-12, 12-14, 15, 16-17, 19, 19- 20, 21, 23, 24; 9:12	<b>DENIED</b> as to 8:11-12, 15, 19: not narrowly tailored  <b>GRANTED</b> as to the remainder

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**V. CONCLUSION**

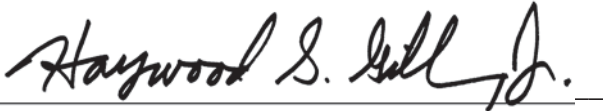
Because DSS fails to show diligence in seeking amendment, and amendment would prejudice Apple at this late stage, the Court **DENIES** DSS's motion to amend infringement contentions. The Court also **GRANTS** Apple's cross-motion to strike DSS's infringement expert report because it relies on two new theories of infringement.

The Court further **GRANTS IN PART** and **DENIES IN PART** Dkt. Nos. 213, 219, 231, 233, and 246. Because of the volume of documents, the Court will allow fourteen days (14) from the date of this order for the parties to file the unredacted versions of the materials or file renewed motions to seal according to the requirements discussed above. If the parties wish to file renewed motions to seal, the parties are directed to meet and confer before the submissions, coordinate redactions, and submit joint motions for any given filing the parties wish to keep partially redacted, which include all corresponding Civil Local Rule 79-5 declarations as attachments. Pursuant to Civil Local Rule 79-5(f)(1), documents filed under seal as to which the administrative motions are granted will remain under seal.

Finally, the Court sets a further case management conference for January 21, 2020 at 2:00 p.m. The parties should be prepared to discuss the consequences of this order and next steps for this case.

**IT IS SO ORDERED.**

DATED: 1/14/2020

  
HAYWOOD S. GILLIAM, JR.  
United States District Judge