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4 UNITED STATES DISTRICT COURT
5 NORTHERN DISTRICT OF CALIFORNIA
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7 CELLWITCH INC.,
8 Plaintiff,
9 v.
10 TILE, INC.,
11 Defendant.

Case No. [19-cv-01315-JSW](#)

**ORDER DENYING PLAINTIFF
CELLWITCH, INC.'S MOTION TO
ENFORCE IPR ESTOPPEL**

Re: Dkt. No. 156

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13 Now before the Court for consideration is Plaintiff Cellwitch, Inc.'s ("Cellwitch" or
14 "Plaintiff") motion to enforce IPR estoppel pursuant to 35 U.S.C § 315(e)(2). (Dkt. No. 156
15 ("Mot").) Having carefully reviewed the parties' papers, considered their arguments, and the
16 relevant legal authority, the Court **DENIES** Cellwitch's motion.

17 **BACKGROUND**

18 Cellwitch filed this suit on March 12, 2019, alleging that Defendant Tile, Inc. ("Tile" or
19 "Defendant") infringes its U.S. Patent No. 8,872,655 (the "'655 Patent"). The '655 Patent
20 describes a process in which a user can attach a small disc to his or her personal items in order to
21 track these items. (Dkt. No. 32 ¶ 19.) Cellwitch alleges that Tile leveraged Cellwitch's invention
22 to establish Tile's dominant position in the personal object tracking sector. (*Id.* ¶ 41.)

23 In response, on December 18, 2019, Tile filed a petition before the Patent Trial and Appeal
24 Board ("PTAB") for *inter partes* review ("IPR") of the '655 Patent, which challenged all the
25 claims on grounds that relied upon three prior art references: U.S. Patent No. 6,967,576
26 ("Hayes"); U.S. Patent Pub. No. 2006/0055538 ("Ritter"); and U.S. Patent Pub. No. 2004/0087314
27 ("Duncan"). (Dkt. No. 62-5 at 1, 3-4.) Tile then moved for an order staying the litigation, (Dkt.
28 No. 61) which the Court granted on January 17, 2020. (Dkt. No. 68.) The PTAB issued a Final

1 Written Decision on May 13, 2021, finding that claims 1-3, 10-15, 22, and 23 of the '655 Patent
2 were unpatentable and specifically finding that prior art “teaches all of the limitations recited in
3 claims 1 and 12, including the ‘buddy’ limitation.” (Dkt. No. 103-2 at 37–49, 86.) The Federal
4 Circuit affirmed the PTAB and issued a mandate. (Dkt. Nos. 103-3, 103-4.) The Court then lifted
5 the stay on January 13, 2023 (Dkt. No. 119.)

6 Subsequently, on May 8, 2023, Tile served its invalidity contentions pursuant to Patent
7 Local Rule 3-3, in which Tile asserted nineteen alleged prior art references. These included six
8 printed publications (Ritter, Duncan, Hayes, and U.S. App. Pub. No. 2008/0143516 (“Mock”),
9 U.S. App. No. 60/886,065 (the “’065 Provisional”) and PCT Appl. Pub. No. WO 2008/090377
10 (the “’377 PCT”)) and thirteen prior art systems. (See Dkt. No. 163-2.) In conjunction, Tile has
11 served subpoenas upon sixteen entities, seeking discovery related to these alleged prior art
12 systems. (See Dkt. Nos. 163-3 through 163-20). Cellwitch objected on the basis of IPR estoppel
13 (See Dkt. No. 157-3) and filed this motion on June 9, 2023. In its motion, Cellwitch requests two
14 forms of relief: (1) “the Court issue an order stopping Tile from advancing any of its anticipation
15 or obviousness arguments as set forth in its Invalidity Contentions, given that Tile either raised or
16 reasonably could have raised each such argument in its December 18, 2019 petition for *inter*
17 *partes* review of the '655 Patent[.]” and (2) “the Court enter a protective order shielding Cellwitch
18 from the burden and expense of additional discovery related to such estopped arguments.” (Mot.
19 at 2.)

20 ANALYSIS

21 A. IPR Estoppel

22 Cellwitch’s first request in its motion is for the Court to enforce IPR estoppel and issue an
23 Order precluding Tile “from advancing any of its anticipation or obviousness arguments as set
24 forth in its Invalidity Contentions[.]” (Mot. at 2.) Section 315 of the Patent Act provides that
25 “[t]he petitioner in an *inter partes* review of a claim in a patent under this chapter that results in a
26 final written decision under section 318(a) . . . may not assert either in a civil action . . . that the
27 claim is invalid on any ground that the petitioner raised or reasonably could have raised during
28 that *inter partes* review.” 35 U.S.C. § 315(e)(2); see also *California Institute of Technology v.*

1 *Broadcom Ltd.*, 25 F.4th 976, 991 (Fed. Cir. 2022) (Estoppel applies “to all grounds not stated in
2 the petition but which reasonably could have been asserted against the claims included in the
3 petition.”). However, IPR estoppel does not apply to prior art products or systems, as the statute
4 only permits an IPR petitioner to raise “prior art consisting of patents or printed publications.” 35
5 U.S.C. § 311(b); *see also In re Koninklijke Philips Pat. Litig.*, No. 18-CV-01885-HSG, 2020 WL
6 7392868, at *26 (N.D. Cal. Apr. 13, 2020) (“*Koninklijke IP*”) (“Under the express terms of 35
7 U.S.C. § 311(b), a petitioner can only raise ‘patents or printed publications’ in an IPR.”). “[A]s
8 the party asserting and seeking to benefit from the affirmative defense of IPR estoppel[,]” the
9 patentee bears the burden of proof by a preponderance of the evidence. *Ironburg Inventions Ltd.*
10 *v. Valve Corp.*, 64 F.4th 1274, 1299 (Fed. Cir. 2023).

11 Cellwitch is unclear as to the procedural posture of its motion and has not specified what
12 legal standard the Court should use to resolve its request to enforce IPR estoppel, while Tile
13 argues that Cellwitch’s motion is a premature motion for summary judgment. Here, the Court is
14 inclined to agree with Tile, as for the most part, the case law Cellwitch relies upon are orders
15 resolving summary judgment motions¹ and Cellwitch is apparently asking for judgment as a
16 matter of law as to its defense of IPR estoppel. *See, e.g., Wasica Fin. GmbH v. Schrader Int’l,*
17 *Inc.*, 432 F. Supp. 3d 448, 453–55 (D. Del. 2020) (granting patentee’s motion for summary
18 judgment as to IPR estoppel); *Singular Computing LLC v. Google LLC*, No. CV 19-12551-FDS,
19 2023 WL 2839282, at *6–7 (D. Mass. Apr. 6, 2023) (same); *Koninklijke II*, 2020 WL 7392868, at
20 *27 (denying motion for summary judgment on IPR estoppel); *Milwaukee Elec. Tool Corp. v.*
21 *Snap-On Inc.*, 271 F. Supp. 3d 990, 1032 (E.D. Wis. 2017) (resolving IPR estoppel on summary
22 judgment).

23 Under Federal Rule of Civil Procedure 56, “[s]ummary judgment is appropriate if the
24 evidence and all reasonable inferences in the light most favorable to the nonmoving party ‘show
25 that there is no genuine issue as to any material fact and that the moving party is entitled to a
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28 ¹ In *Avanos Med. Sales, LLC v. Medtronic Sofamor Danek USA, Inc.*, No. 219CV02754JPMTMP,
2021 WL 8693677, at *1 (W.D. Tenn. Oct. 8, 2021), the patentee asserted IPR estoppel on a
motion in limine, and thus the issue resolved at an even later point in the litigation.

1 judgment as a matter of law.” *Finjan, Inc. v. Cisco Sys. Inc.*, No. 17-CV-00072-BLF, 2020 WL
2 532991, at *2 (N.D. Cal. Feb. 3, 2020) (quoting *Celotex Corp. v. Catrett*, 477 U.S. 317, 322
3 (1986)). “The moving party bears the burden of showing there is no material factual dispute, by
4 ‘identifying for the court the portions of the materials on file that it believes demonstrate the
5 absence of any genuine issue of material fact.” *Id.* (quoting *T.W. Elec. Serv. Inc. v. Pac. Elec.
6 Contractors Ass’n*, 809 F.2d 626, 630 (9th Cir. 1987)); *see also Koninklijke II*, 2020 WL 7392868,
7 at *6 (N.D. Cal. Apr. 13, 2020). As both the moving party and the party which bears the ultimate
8 burden of proof at trial as to IPR estoppel, Cellwitch must therefore demonstrate that there is no
9 genuine issue as to any material fact that Tile’s invalidity grounds are estopped under 35 U.S.C. §
10 315.²

11 In support of its motion, Cellwitch makes two arguments. First, Cellwitch argues that Tile
12 should be estopped from asserting any obviousness combination that includes patents or printed
13 publications that were raised or reasonably could have been raised at its IPR. (Mot. at 7–8.)
14 Accordingly, Cellwitch argues that IPR estoppel precludes all of Tile’s asserted invalidity
15 grounds, all of which rely on some combination of its system art and patents or printed
16 publications. (*Id.*) Second, Cellwitch argues that Tile should also be estopped from asserting any
17 of its alleged system art, because Tile’s disclosure of this system art in its invalidity contentions
18 relies exclusively upon printed publications, and therefore Tile is merely “cloaking” prior art

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20 ² Cellwitch, in its reply, cites to three cases in arguing that the Court may resolve the issue of IPR
21 estoppel prior to the close of discovery, but all three involved motions to strike invalidity
22 contentions, which Cellwitch has not requested here. *See Medline Indus., Inc. v. C.R. Bard, Inc.*,
23 No. 17 C 7216, 2020 WL 5512132, at *1 (N.D. Ill. Sept. 14, 2020) (granting in part and denying
24 in part motion to strike invalidity contentions); *Star Envirotech, Inc. v. Redline Detection, LLC*,
25 No. 12-01861 JDB (DFMx), 2015 WL 4744394, at *4 (C.D. Cal. Jan. 29, 2015) (denying motion
26 to strike invalidity contentions); *Asetek Danmark A/S v. CoolIT Sys. Inc.*, No. 19-CV-00410-EMC,
27 2019 WL 7589209, at *3 (N.D. Cal. Dec. 30, 2019) (granting motions to strike invalidity
28 contentions). Moreover, in the only case of the three in which the motion to strike was granted on
IPR estoppel grounds, the court did so after on the basis that “there are no questions of fact, that
any questions of law are clear and not in dispute, and that under no set of circumstances” would
IPR estoppel fail to apply. *Asetek Danmark*, 2019 WL 7589209, at *3 (quoting *S.E.C. v. Sands*,
902 F. Supp. 1149, 1165 (C.D. Cal. 1996)). Accordingly, to the extent the Court should construe
this motion as a motion to strike, it is still premature given the unresolved factual question subject
to discovery. *See Section A.2, infra.*

1 grounds it could have raised at IPR as system art, in an attempt to skirt IPR estoppel. (Mot. at 8–
2 12.) The Court addresses each of these arguments in turn.

3 **1. Combinations of System Art and Patents or Printed Publications**

4 Cellwitch first argues that because Ritter, Duncan, and Hayes are prior art references that
5 Tile raised at IPR, and that Mock, the '065 Provisional, and the '377 PCT are prior art references
6 that Tile reasonably could have raised at IPR, Tile should be precluded from advancing any
7 invalidity theory that relies upon these references, including obviousness combinations under 35
8 U.S.C. § 103. (Mot. at 6–8.) The Court finds this argument unpersuasive, and unsupported by the
9 case law. The purpose of IPR estoppel is “to discourage ‘abusive serial challenges to patents’ and
10 provide ‘faster, less costly alternatives to civil litigation to challenge patents.’” *Intuitive Surgical,*
11 *Inc. v. Ethicon LLC*, 25 F.4th 1035, 1043 (Fed. Cir. 2022) (quoting 157 Cong. Rec. S936, S952
12 (daily ed. Feb. 28, 2011) (statement of Sen. Grassley)). Precluding a party from advancing a
13 Section 103 obviousness theory that combines a patent or printed publication with system art that
14 could not have been raised at IPR would be contrary to these goals. Cellwitch’s position would
15 effectively preclude an alleged infringer who petitions for IPR from ever advancing *any*
16 obviousness combination that included a patent or printed publication – this would only serve to
17 discourage parties from pursuing IPR as a “faster, less costly alternative” to district court
18 litigation, and does nothing to avoid “abusive, serial challenges to patents.” *Id.*

19 Recognizing this, District Courts across the country have rejected Cellwitch’s argument,
20 with the majority construing the term “ground” as used in Section 315 to mean “the specific piece
21 of prior art or combination of prior art that a petitioner raised, to challenge the validity of a patent
22 during an IPR” *Medline Indus., Inc. v. C.R. Bard, Inc.*, No. 17 C 7216, 2020 WL 5512132, at *4
23 (N.D. Ill. Sept. 14, 2020). Thus, these courts have held that IPR estoppel does not preclude a
24 petitioner “from pursuing an invalidity ground in litigation that relies upon at least one product or
25 non-patent/non-printed publication as a prior art reference, even if the theory also relies upon
26 patents or printed publications that could have been raised in an IPR.” *Id.*; *see also Microchip*
27 *Tech. Inc. v. Aptiv Servs. US LLC*, No. 1:17-CV-01194-JDW, 2020 WL 4335519, at *4 (D. Del.
28 July 28, 2020) (holding IPR estoppel does not estop “references based on physical prior art,

1 whether standing alone or in combination with a printed reference.”); *SPEX Techs. Inc v. Kingston*
 2 *Tech. Corp.*, No. SACV1601790JVSAGR, 2020 WL 4342254, at *2 (C.D. Cal. June 16, 2020)
 3 (same); *Chemours Co. FC, LLC v. Daikin Indus., Ltd.*, No. CV 17-1612 (MN), 2022 WL 2643517,
 4 at *2 (D. Del. July 8, 2022) (same); *Koninklijke II*, 2020 WL 7392868, at *27 (same).

5 Cellwitch, for its part, has not identified any case in which a court has estopped a Section
 6 103 obviousness combination of system art and printed references, based solely on the fact that the
 7 printed references were raised or reasonably could have been raised at IPR. The sole authority it
 8 has cited, *Singular Computing*, does not stand for this proposition. In *Singular Computing*, the
 9 IPR estoppel issue before the court was whether the defendant could advance a theory of
 10 anticipation under 35 U.S.C. § 102 based upon three prior art systems, where it intended to present
 11 evidence at trial that it could not have submitted to the PTAB during IPR, “in combination with
 12 printed publications, and . . . expert testimony [that] may rely in part upon those publications.”
 13 *Singular Computing*, 2023 WL 2839282 at *7. In this context, the *Singular* court held that IPR
 14 estoppel “applies whether the patents and printed publications are offered as stand-alone evidence,
 15 or in combination with other evidence that could not have been presented at the IPR proceeding.”
 16 *Id.* The *Singular Computing* court did not, as Cellwitch argues, apply IPR estoppel to preclude
 17 any Section 103 obviousness combination which included a patent or printed publication which
 18 reasonably could have been raised at IPR, even if combined with a prior art system that
 19 indisputably could not have been raised at IPR.

20 Accordingly, the Court finds no support in the statute or case law for Cellwitch’s argument
 21 that Tile should be estopped from relying upon obviousness combinations of system art and Ritter,
 22 Duncan, Hayes, Mock, the ’655 Provisional, or the ’377 PCT, merely because it raised, or
 23 reasonably could have raised, those references at IPR.

24 **2. Tile’s System Art References**

25 Cellwitch’s second argument is that Tile should be estopped from asserting any of the
 26 thirteen prior art systems it disclosed in its invalidity contentions, because those systems are
 27 actually nothing more than printed publications re-labelled as system art to skirt IPR estoppel.
 28 (Mot. at 8–12.) In support, Cellwitch argues that Tile’s disclosures of these prior art systems in its

1 invalidity contentions rely exclusively upon publicly available printed documents, demonstrating
2 that these systems are duplicative of those printed publications and nothing more. Thus, Cellwitch
3 argues that Tile is attempting to “skirt [IPR estoppel] by purporting to rely on a device without
4 actually relying on the device itself.” *Milwaukee Elec. Tool*, 271 F. Supp. 3d at 1032.

5 The Federal Circuit has not explicitly delineated the contours of IPR estoppel in such
6 situations, and district courts are split on this question. *See Wasica*, 432 F. Supp. 3d at 453–54
7 (noting lack of Federal Circuit guidance and division amongst district courts as to question of
8 whether “IPR estoppel extend[s] to invalidity ‘grounds’ that include a physical product when a
9 patent or prior art publication – to which the physical product is entirely cumulative – was
10 reasonably available during the IPR[.]”). The *Wasica* court held that it does, and estopped the
11 defendant from raising obviousness combinations that included prior art systems that were
12 “materially identical” to prior art publications that reasonably could have been raised at IPR. *Id.* at
13 455. However, other courts have disagreed. *See, e.g., Chemours*, 2022 WL 2643517, at *2
14 (“Congress could have dictated that estoppel applies to products covered by the paper art
15 underlying the IPR where the paper art discloses the same claim limitations as the product. But
16 Congress did not do so.”); *Medline*, 2020 WL 5512132, at *4 (declining to follow the reasoning in
17 *Wasica* because “[i]f Congress had wanted to estop an IPR petitioner from pursuing invalidity
18 grounds that relied upon a physical product in a particular situation, such as where a patent or
19 printed publication discloses the same claim limitations as the product, it could have provided
20 language to that effect.”).

21 Here however, the Court need not wade into this dispute at this juncture because
22 Cellwitch’s argument is premature, as discovery is ongoing in this case, and there are open factual
23 questions as to the extent Tile’s system art relies upon printed publications. For example, Tile has
24 requested discovery that may reveal evidence of how these prior art systems function that could
25 not have been raised at IPR, including source code. (*See* Dkt. No. 163-1 at ¶ 30.) Such evidence
26 may demonstrate that Tile’s system art is not duplicative of the printed publications it has thus far
27 cited, and therefore not subject to IPR estoppel. Thus, “granting summary judgment [on
28 Cellwitch’s defense of IPR estoppel] before [Tile] has been able to conduct full discovery would

1 be premature.” *Le v. Sentinel Ins. Co., Ltd.*, No. 21-CV-03057-VC, 2021 WL 4316565, at *1
2 (N.D. Cal. Sept. 23, 2021) (citing *Celotex*, 477 U.S. at 326).

3 Cellwitch does not meaningfully dispute that Tile has requested this discovery. Rather,
4 Cellwitch argues that Tile is not *entitled* to such discovery, because there can be no dispute that
5 Tile’s system art is nothing more than a “cloak” for printed publications that could have been
6 raised at IPR. (Mot. at 14.) However, Cellwitch’s only support for this argument is that Tile has
7 thus far failed to discover evidence to the contrary, or disclose such evidence in its invalidity
8 contentions. (*Id.*) In this circular logic, Cellwitch argues that IPR estoppel applies as a matter of
9 law because of Tile’s disclosure deficiencies, and simultaneously that Tile *cannot* remedy these
10 disclosure deficiencies because IPR estoppel applies as a matter of law. At best, this argument
11 puts the cart before the horse, essentially asking this Court to treat the disclosure deadlines of
12 Patent Local Rule 3-3 as a discovery cut-off for the purposes of IPR estoppel and to hold that the
13 failure to discover and disclose evidence should mean that no such evidence *can* be discovered.³
14 The Court finds no support for such a proposition and declines to do so here.

15 Cellwitch is correct in that Patent Local Rule 3-3⁴ is “designed to require parties to
16 crystallize their theories of the case early in the litigation and to adhere to those theories once they
17 have been disclosed.” *O2 Micro Int’l Ltd. v. Monolithic Power Sys., Inc.*, 467 F.3d 1355, 1366

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19 ³ Cellwitch’s reliance on cases such as *Joseph v. LineHaul Logistics, Inc.*, No. 11-cv-114-M-JCL,
20 2012 WL 3779202, at *11 (D. Mont. Aug. 31, 2012) and *U & I Corp. v. Advanced Med. Design,*
21 *Inc.*, 251 F.R.D. 667, 673 (M.D. Fla. 2008) underscore this conclusion. In both cases, the courts
22 issued protective orders protecting parties from engaging in discovery *after the discovery cut-off*
23 *passed*. Cellwitch argues that this Court should do the same here, where discovery is ongoing and
24 only the disclosure deadline of Patent Local Rule 3-3 has passed.

25 ⁴ Patent Local Rule 3-3 requires that, not later than 45 days after receipt of infringement
26 contentions, each party opposing a claim of patent infringement serve invalidity contentions.
27 Patent L.R. 3-3. As relevant here, these disclosures must contain “[t]he identity of each item of
28 prior art that allegedly anticipates each asserted claim or renders it obvious[.]” and “if
obviousness is alleged, an explanation of why the prior art renders the asserted claim obvious,
including an identification of any combinations of prior art showing obviousness[.]” Patent L.R.
3-3(a)-(b). These disclosures must also include a “chart identifying specifically where and how in
each alleged item of prior art each limitation of each asserted claim is found[.]” Patent L.R. 3-
3(c).

1 n.12 (Fed. Cir. 2006) (quoting *Nova Measuring Instruments Ltd. v. Nanometrics, Inc.*, 417 F.
 2 Supp. 2d 1121, 1123 (N.D. Cal. 2006)). “However, these rules are ‘not a straitjacket into which
 3 litigants are locked from the moment their contentions are served;’ rather, there is ‘a modest
 4 degree of flexibility, at least near the outset.’” *Slot Speaker Techs., Inc. v. Apple, Inc.*, No. 13-CV-
 5 01161-HSG(DMR), 2017 WL 235049, at *2 (N.D. Cal. Jan. 19, 2017) (quoting *Tessera, Inc. v.*
 6 *Advanced Micro Devices, Inc.*, No. C 05-4063 CW, 2007 WL 1288199, at *1–2 (N.D. Cal. Apr.
 7 30, 2007)). Here, Tile has disclosed its invalidity theories, and, in contrast to the cases Cellwitch
 8 relies upon, is not seeking to add wholly new prior art theories or references in its contentions. *Cf.*
 9 *Apple, Inc. v. Samsung Elecs. Co.*, No. 11-CV-01846, 2012 WL 1067548, at *6–7 (N.D. Cal. Mar.
 10 27, 2012) (denying motion to amend invalidity contentions to add a new prior art reference); *Tech.*
 11 *Props. Ltd. LLC v. Canon Inc.*, No. 14-cv-03640-CW, 2016 WL 1570163, at *3 (N.D. Cal. Apr.
 12 19, 2016) (same); *In re Koninklijke Philips Pat. Litig.*, No. 18-CV-01885-HSG, 2019 WL
 13 2359206, at *2 (N.D. Cal. June 4, 2019) (*Koninklijke I*) (same); *HID Glob. Corp. v. Farpointe*
 14 *Data, Inc.*, No. SACV1001954JVSAJWX, 2012 WL 13018379, at *1 (C.D. Cal. Feb. 6, 2012)
 15 (same, also seeking to amend after service of claim construction and rebuttal expert reports).

16 Cellwitch spends much of its motion and reply arguing that Tile’s invalidity contentions
 17 are deficient under these Patent Local Rules. (*See e.g.*, Mot. at 12–14; Dkt. No. 166 (“Reply”) at
 18 3–5, 9–10.) The Court need not decide the merits of these arguments in this Order. Even
 19 assuming that these complaints have merit, Cellwitch has not moved to compel Tile to amend its
 20 contentions to correct these alleged deficiencies. Instead, Cellwitch has taken the extreme position
 21 that these alleged failures in discovery and disclosure prove that further amendment would be
 22 futile as a matter of law, and should justify effectively entering terminating sanctions against
 23 Tile’s 35 U.S.C §§ 102 and 103 invalidity defenses. The Court finds no reason to support such a
 24 severe penalty, especially where, as here, there is no meaningful dispute that Tile has not
 25 completed discovery into the relevant prior art systems.

26 Accordingly, because there are unresolved factual questions as to Tile’s asserted system art
 27 which are material to the issue of IPR estoppel, and discovery is ongoing, the Court declines to
 28 find Tile’s system art references subject to IPR estoppel at this juncture.

1 **B. Protective Order**

2 Cellwitch argues that it is entitled to a protective order in order to protect it from the
3 “undue burden or expense” of discovery into prior art references that should be estopped as a
4 matter of law. Federal Rule of Civil Procedure 26(c) permits a court to, “for good cause, issue an
5 order to protect a party or person from annoyance, embarrassment, oppression, or undue burden or
6 expense,” including by (1) prohibiting disclosure or discovery; (2) conditioning disclosure or
7 discovery on specified terms; (3) preventing inquiry into certain matters; or (4) limiting the scope
8 of disclosure or discovery to certain matters. Fed. R. Civ. P. 26(c)(1). The moving party has the
9 burden of showing a particular need for protection under Rule 26(c), and “[b]road allegations of
10 harm, unsubstantiated by specific examples or articulated reasoning, do not satisfy the Rule 26(c)
11 test.” *Beckman Indus., Inc. v. Int’l Ins. Co.*, 966 F.2d 470, 476 (9th Cir.1992) (quoting *Cipollone*
12 *v. Liggett Group, Inc.*, 785 F.2d 1108, 1121 (3d Cir.1986)). Here, because the Court has found that
13 there are unresolved factual questions as to Tile’s asserted system art which are material to the
14 issue of IPR estoppel, there is no good cause to issue a protective order. Accordingly, Cellwitch’s
15 request for a protective order is denied.

16 **C. Attorney’s Fees**

17 Tile requests that the Court award it attorney’s fees incurred in opposing this motion, under
18 28 U.S.C. § 1927 and the Court’s own inherent power. (*See* Dkt. No. 163 (“Opp”) at 15). Tile
19 argues that this request is appropriate in light of Cellwitch’s unilateral decision to block all
20 relevant discovery into its IPR estoppel defense, including discovery into the relevant prior art
21 systems and even discovery as to its defense to §§ 101 and 112 invalidity. *See id.* “An award of
22 fees under Section 1927 ‘must be supported by a finding of subjective bad faith.’” *Nelson v.*
23 *SeaWorld Parks and Entertainment, Inc.*, No. 15-CV-02172-JSW, 2021 WL 8134398, at *2 (N.D.
24 Cal. July 9, 2021), *aff’d sub nom. Morizur v. SeaWorld Parks & Ent., Inc.*, No. 21-16495, 2022
25 WL 15761398 (9th Cir. Oct. 28, 2022). A court may find bad faith “when an attorney knowingly
26 or recklessly raises a frivolous argument or argues a meritorious claim for the purpose of harassing
27 an opponent.” *Id.* “Similarly, ‘when a party has acted in bad faith, vexatiously, wantonly, or for
28 oppressive reasons, delaying or disrupting litigation, or has taken actions in the litigation for an

1 improper purpose[,]’ a court has the inherent power to impose attorneys’ fees as a sanction.” *Id.*

2 While the Court is troubled by Cellwitch’s apparent unilateral decision to withhold
3 discovery, especially as to invalidity issues that are completely irrelevant to IPR estoppel (*e.g.*,
4 defenses under 35 U.S.C. §§ 101 and 112), the Court is not convinced that Cellwitch’s conduct
5 has risen to the level of subjective bad faith. Accordingly, the Court declines to award Tile
6 attorney’s fees in connection with opposing this motion. However, in light of this Order, the
7 Court will not look lightly upon further efforts to withhold or block discovery into matters relevant
8 to the Parties’ claims or defenses.

9 **CONCLUSION**

10 For the foregoing reasons, the Court **DENIES** Plaintiff’s motion to enforce IPR estoppel.

11 **IT IS SO ORDERED.**

12 Dated: December, 20, 2023

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15 JEFFREY S. WHITE
16 United States District Judge
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