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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

LAURI VALJAKKA,
Plaintiff,
v.
NETFLIX, INC.,
Defendant.

Case No. 22-cv-01490-JST

**ORDER GRANTING DEFENDANT'S
MOTION FOR SUMMARY
JUDGMENT**

Re: ECF Nos. 162, 244

Before the Court is Defendant Netflix, Inc.'s motion for summary judgment, ECF No. 162, as well as Valjakka's motion for leave to file supplemental briefing, ECF No. 244. The Court will grant Netflix's motion and deny Valjakka's motion.

I. BACKGROUND

A. Factual Background

This action centers on United States Patent No. 8,495,167 ("167 Patent") and the underlying Patent Application No. 10/208,685 ("685 Application") filed on July 30, 2002. ECF No. 74 ¶ 12; ECF No. 162-2. The '167 Patent "provides improved data communications networks, methods of operating data communications networks, network servers, network terminals and computer programs." ECF No. 74-1 at 8.

The invention described in the '167 Patent was co-invented by Valjakka and Iiro Karesniemi. ECF No. 162-2 at 1104. Valjakka was the CEO of e-3 Solutions Oy ("e-3 Solutions"), a Finnish Company, and Karesniemi was its employee. ECF No. 116-3 at 2. In 2001, Karesniemi assigned his rights in the '685 Application to e-3 Solutions Oy pursuant to his employment contract. *Id.* Valjakka, however, did not assign his rights in the '685 Application to e-3 Solutions at that time. ECF No. 162 at 9. In 2003, Valjakka re-organized e-3 Solutions into

1 e-3 Systems Oy (“e-3 Systems”). ECF No. 162 at 10. On November 16, 2005, Valjakka sold all
2 the assets held by e-3 Systems (which included rights to the ’685 Application) to Suomen Biisi Oy
3 (“SBO”), another Finnish Company. *Id.*; ECF No. 188-20 ¶ 2. SBO was owned by Valjakka and
4 two other persons. ECF No. 188-24 ¶ 4. On December 20, 2005, Valjakka entered into an
5 agreement with SBO governing his personal rights to the ’685 Application (the “Utilization
6 Agreement” or “DMTS Agreement”). ECF No. 162 at 11; ECF No. 188-20 ¶ 3; ECF No. 116-6 at
7 8–9. The Utilization Agreement contained the following material terms:

- 8 • “DMTS refers to software developed for the distribution of digital media for which the
9 following patent applications are pending: . . . Application No. US10/208685” i.e., the
10 ’685 Application.
- 11 • “Lauri Valjakka is the Inventor and owner of DMTS and transfers with this Agreement his
12 rights to the Company.”
- 13 • “The Company has an exclusive right to utilize the DMTS rights commercially.”
- 14 • “The Company has the right to alter and develop the program in any way they wish.”
- 15 • “The exclusive nature of this Agreement is terminated and the rights of utilization of
16 DMTS, assigned with this Agreement to the Company, are reassigned to the Inventor,
17 Pekka Pakarinen, and Juha Setala, if:
18 a) The company ceases to utilize the invention commercially.
19 b) The company goes out of business or is declared bankrupt.
20 c) If the company does not continue the patent application.”

21 ECF No. 116-6 at 8–9.

22 Thereafter, Valjakka corrected the title chain for the ’685 Application using three *nunc pro*
23 *tunc* assignments signed on September 21, 2007, and recorded the assignments with the United
24 States Patent and Trademark Office (“USPTO”). ECF No. 188-20 ¶ 5; ECF Nos. 188-5, 188-6,
25 188-7. Through these assignments, Valjakka transferred his personal interest in the ’685
26 Application to e-3 Solutions, effective October 2, 2002; from e-3 Solutions to e-3 Systems
27 effective June 4, 2003; and finally, from e-3 Systems to SBO effective November 16, 2005. ECF
28 Nos. 188-5, 188-6, 188-7.

Valjakka and the co-owners of SBO state that by August 15, 2007, SBO ceased using the
’685 Application. ECF No. 188-20 ¶ 4; ECF No. 188-24 ¶ 6. SBO was formally declared
bankrupt on May 27, 2008. ECF No. 116-2 at 9.

1 **B. Procedural Background**

2 On May 27, 2008, Valjakka filed suit in the Helsinki District Court asking the court to
3 confirm that pursuant to the Utilization Agreement, and upon the bankruptcy of SBO, the rights to
4 the European Union Patent “EP 1421759” and the related United States ’685 Application reverted
5 to Valjakka and SBO’s two other co-owners. ECF No. 116-2 at 8.

6 Valjakka represented to the Helsinki District Court that “[i]n a patent case concerning the
7 same invention pending in the United States, Valjakka has actively taken care of the restriction of
8 the transfer chain with his rights after the conclusion of the Utilization Agreement, i.e., with the
9 *nunc pro tunc* documents of 8/28/2007.” *Id.* at 9. These *nunc pro tunc* documents were before the
10 Helsinki District Court (listed as Plaintiff’s documentary evidence: “No. 12 U.S. Patent
11 Application Certificates dated 8/28/2007.”) *Id.* at 10.

12 Several other documents pertaining to the transfer of rights were before the Helsinki
13 District Court, including the “[d]eed of transfer of E-3 DMTS Rights 8/21/2006,” the
14 supplemental agreements to the Utilization Agreement, SBO meeting minutes, and an SBO
15 shareholder’s proposal. *Id.* at 11.¹ On January 26, 2009, the Helsinki District Court found:

16 that the deeds of transfer concerning the DMTS invention described
17 above, and the deed of sale dated 11/16/2005 indicate that all rights
18 related to patenting of the invention have been transferred to Suomen
19 Biisi Oy from 11/16/2005. As the rights of patent holder concerning
20 the invention have been transferred to Suomen Biisi Oy by
21 consecutive deeds of transfer, the document named the Utilization
22 Agreement, dated 12/20/2005 has not been demonstrated to have
23 prescribed on these rights. Thus, the Utilization Agreement or the
24 possible rescission thereof has no significance in the assessment of
25 whom the rights to the DMTS invention belong to under the Patents
26 Act.²

27 ECF No. 116-2 at 12. The opinion was affirmed by the Helsinki Court of Appeals on March 24,
28 2010. *Id.* at 5.

 In essence, and as Valjakka admits, “two Finnish courts under Finnish contract law

¹ Netflix notes, and Valjakka does not dispute, that none of these documents were produced in this case. ECF No. 162 at 12 n.3.

² Neither the parties nor this Court have the deed of transfer forming the basis of the Helsinki Court’s decision. ECF No. 116-2 at 10–11; ECF No. 243 at 7.

1 conclude[d] that the 2005 DMTS Agreement was ineffective” and that “SBO owned all rights to
2 the ’685 Application at the time of abandonment under Finnish law.” ECF No. 191-3 at 6–7; *see*
3 *also* ECF No. 188-20 ¶ 7 (Valjakka stating that the Finnish courts found that “SBO was, already
4 the assignee of the application from November 16, 2005, and therefore SBO and I could not agree
5 on IP ownership in the DMTS Agreement signed one month later on December 22, 2005.”)

6 On December 23, 2009, the USPTO mailed a non-final rejection letter to SBO. ECF No.
7 162-2 at 435. On July 9, 2010, SBO stopped prosecuting the patent and confirmed its intentional
8 abandonment with the patent examiner. *Id.* at 434–435 (“confirmed that no response was filed in
9 response to the non-final rejection mailed” on December 23, 2009); *see also* ECF No. 188-20 ¶ 8
10 (Valjakka stating that he “called SBO’s patent attorney . . . [who] informed [him] that SBO had
11 abandoned the ’685 Application by missing a USPTO deadline.”)

12 In December 2010, Valjakka filed a petition for revival with the USPTO under 37 C.F.R
13 § 1.137, stating that he had unintentionally abandoned the ’685 Application. ECF No. 162-2 at
14 409–412. In January 2013, Valjakka recorded the Utilization Agreement as an assignment from
15 SBO to himself and to SBO’s two other co-owners with the USPTO, stating that:

16 Provision 8 c) of the assignment, *‘the rights [to US 10/208,685] . . .*
17 *assigned with this agreement to the company [Suomen Biisi Oy], are*
18 *reassigned to the inventor [Mr. Lauri Valjakka], Pekka Pakarinen*
19 *and Juha Setälä, if . . . c) If the company [Suomen Biisi Oy] does not*
20 *continue the patent application’* went in to effect on at least June 23,
21 2010 when the application was abandoned for failure to reply to an
22 office action within the statutory time limit. As such, on at least June
23 23, 2010 the ownership of the application was reassigned from
24 Suomen Biisi Oy to Mr. Lauri Valjakka, Mr. Juha Setälä and Mr.
25 Pekka Pakarinen by provision 8 c) of the present assignment.

26 ECF No. 116-6 at 4 (emphasis in original).

27 Thereafter, Valjakka also recorded two assignments from SBO’s co-owners to himself.
28 ECF Nos. 162-6, 162-7.

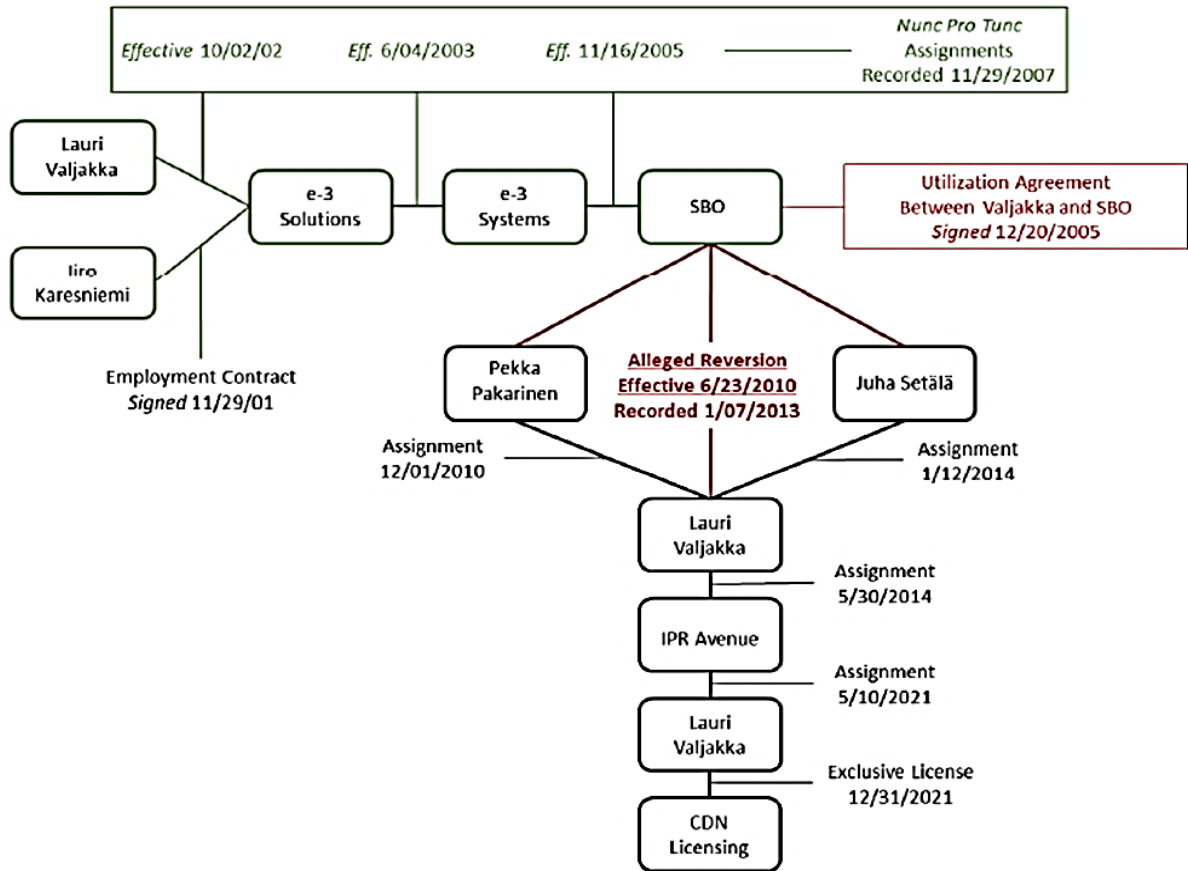
Valjakka did not disclose to the USPTO that the Finnish courts had decided that SBO had
ownership and that the Utilization Agreement was ineffective. ECF No. 162-2. Valjakka admits
that he “did not think the Finnish court decisions were relevant to the revival of the ’685
Application as both Finnish common law and the assignment history provided ownership.” ECF

No. 188-20 ¶ 15. Notwithstanding Valjakka’s argument before this Court, he did not raise the Finnish common law of appropriation as an issue in any filing with or representation to the USPTO. ECF No. 162-2.

The ’167 Patent issued on July 23, 2013. ECF No. 162-2 at 17.

Valjakka originally filed this patent infringement complaint in September 2021 in the Western District of Texas. ECF No. 1. The case was transferred to this Court in March 2022. ECF No. 18.

On September 15, 2023, Netflix filed a motion for summary judgment based in part on Valjakka’s lack of standing. ECF No. 162. The motion summarizes the foregoing facts in the following chart, which the Court adopts as a helpful visual aid:



ECF No. 162 at 13.

1 **II. LEGAL STANDARD**

2 **A. Summary Judgment**

3 Summary judgment is proper when a “movant shows that there is no genuine dispute as to
4 any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a).
5 A dispute is genuine only if there is sufficient evidence for a reasonable trier of fact to resolve the
6 issue in the nonmovant’s favor, and a fact is material only if it might affect the outcome of the
7 case. *Fresno Motors, LLC v. Mercedes Benz USA, LLC*, 771 F.3d 1119, 1125 (9th Cir. 2014)
8 (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248–49 (1986)). The court must draw all
9 reasonable inferences in the light most favorable to the nonmoving party. *Id.*

10 A moving party without the ultimate burden of persuasion at trial has both the initial
11 burden of production and the ultimate burden of persuasion on a motion for summary judgment.
12 *Nissan Fire & Marine Ins. Co. v. Fritz Cos., Inc.*, 210 F.3d 1099, 1102 (9th Cir. 2000). That party
13 “must either produce evidence negating an essential element of the nonmoving party’s claim or
14 defense or show that the nonmoving party does not have enough evidence of an essential element
15 to carry its ultimate burden of persuasion at trial.” *Id.* If the moving party satisfies its initial
16 burden of production, the nonmoving party must produce admissible evidence to show that a
17 genuine issue of material fact exists. *Id.* at 1103. If the nonmoving party fails to make this
18 showing, the moving party is entitled to summary judgment. *Celotex Corp. v. Catrett*, 477 U.S.
19 317, 322–23 (1986).

20 **B. Standing**

21 “Article III of the Constitution confines the federal judicial power to the resolution of
22 ‘Cases’ and ‘Controversies.’” *TransUnion LLC v. Ramirez*, 594 U.S. 413, 423 (2021). “For there
23 to be a case or controversy under Article III, the plaintiff must have a ‘personal stake’ in the
24 case—in other words, standing.” *Id.* (quoting *Raines v. Byrd*, 521 U.S. 811, 819 (1997)).

25 “[T]he touchstone of constitutional standing in a patent infringement case is whether a
26 party can establish that it has an exclusionary right in a patent that, if violated by another, would
27 cause the party holding the exclusionary right to suffer legal injury.” *In re Cirba Inc.*, No. 2021-
28 154, 2021 WL 4302979, at *1 (Fed. Cir. Sept. 22, 2021) (*Cirba Inc. v. VMware, Inc.*, No. CV 19-

1 742-LPS, 2020 WL 2992348, at *2 (D. Del. June 3, 2020)). “A patentee who holds all the
2 exclusionary rights and suffers constitutional injury in fact from infringement is one entitled to sue
3 for infringement.” *Morrow v. Microsoft Corp.*, 499 F.3d 1332, 1339–40 (Fed. Cir. 2007). If a
4 patentee transfers “all rights” or “all substantial rights” to the patent, then only the assignee has
5 constitutional standing. *Id.*; *Paradise Creations, Inc. v. UV Sales, Inc.*, 315 F.3d 1304, 1308 (Fed.
6 Cir. 2003) (affirming summary judgment dismissing complaint for lack of standing where, at the
7 time the plaintiff corporation filed the suit, it did not hold an enforceable right to the asserted
8 patent). The Federal Circuit has also held that to have statutory standing under 35 U.S.C. § 281,
9 the “plaintiff must [] have legal title to the patent or patent application” before filing suit.
10 *Schwendimann v. Arkwright Advanced Coating, Inc.*, 959 F.3d 1065, 1072–73 (Fed. Cir. 2020).

11 **III. DISCUSSION**

12 **A. Motion to Strike**

13 Netflix moves to strike new declarations attached to Valjakka’s opposition because they
14 “include improper expert opinions, statements made by undisclosed witnesses, and unpermitted
15 opinions of counsel.” ECF No. 210-3 at 7, 19–21. Because the evidence supports the grant of
16 summary judgment against Valjakka even when taken in a light most favorable to him, Netflix’s
17 motion to strike is denied as moot.

18 **B. Motion for Summary Judgment**

19 The facts recited above are undisputed, and thus the issue presented by this motion is
20 purely legal: does Plaintiff Valjakka have legal title to the ’167 Patent sufficient to confer
21 standing? Based on the Utilization Agreement, recorded as an assignment with the USPTO,
22 Valjakka asserts that he is the “exclusive owner” of the ’167 Patent and has standing to bring this
23 suit. ECF No. 74 ¶ 12; ECF No. 116-6. In response, Netflix offers the Finnish courts’ decisions
24 finding that the Utilization Agreement did not transfer or revert any patent rights to Valjakka.
25 ECF No. 162 at 12; ECF No. 116-2 at 12.³ Valjakka responds by asking this Court first to
26 disregard the Finnish courts’ decisions because they did not consider his *nunc pro tunc*

27 _____
28 ³ Netflix also notes without contradiction that Valjakka did not disclose the Finnish courts’
decisions to the USPTO. ECF No. 162 at 14.

1 assignments, and then either (1) to apply a combination of federal and California law to find that
2 the Utilization Agreement automatically assigned ownership rights to Valjakka, or (2) to apply
3 Finnish common law to an abandoned U.S. patent to find that he has legal title through
4 appropriation. ECF No. 191-3.

5 **1. Ownership of the '167 Patent**

6 Patent ownership “is a question of who owns legal title to the subject matter claimed in a
7 patent, patents having the attributes of personal property.” *Beech Aircraft Corp. v. EDO Corp.*,
8 990 F.2d 1237, 1248 (Fed. Cir. 1993) (citing 35 U.S.C. § 261). “[T]he question of whether a
9 patent is valid and infringed ordinarily is one for federal courts, while the question of who owns
10 the patent rights and on what terms typically is a question exclusively for state courts.” *Jim*
11 *Arnold Corp. v. Hydrotech Sys., Inc.*, 109 F.3d 1567, 1572 (Fed. Cir. 1997). “Similarly, the law of
12 a foreign jurisdiction may determine ownership of the subject matter claimed in a U.S. patent.”
13 *Pharma v. Solux Corp.*, No. 11-CV-3035-H (JMA), 2013 WL 12108255, at *3 (S.D. Cal. Aug. 30,
14 2013) (citing *Akazawa v. Link New Tech. Int’l, Inc.*, 520 F.3d 1354, 1357 (Fed. Cir. 2008)). In
15 deciding whether the plaintiff is the patentee with legal title, it is proper to look at the patent
16 application’s assignment history. *Schwendimann*, 959 F.3d at 1073 (affirming the grant of
17 summary judgment finding that plaintiff had legal title to the patent under a Minnesota assignment
18 agreement, even if the assignee of record for USPTO was different).

19 To determine which state or foreign law to apply, the Court looks to the residency of the
20 patent owner or the state where the assignment took place. *Akazawa*, 520 F.3d at 1357–58
21 (holding that Japanese intestacy law governs the ownership of patents where the legal title holder
22 to the patent was a resident of Japan at the time of his death); *Schwendimann*, 959 F.3d at 1072
23 (applying Minnesota law to determine ownership because the parties executed the assignment
24 contract in the state).

25 The Utilization Agreement is an agreement between a “Finnish citizen (Valjakka) and a
26 Finnish company (SBO), signed in Helsinki, Finland, and written in the Finnish language.” ECF
27 No. 210-3 at 10; ECF No. 116-6 at 6–7. Accordingly, under *Akazawa* and *Schwendimann*, the
28 Court applies Finnish law in interpreting the assignment chain. *Akazawa*, 520 F.3d at 1357;

1 *Schwendimann*, 959 F.3d at 1072. Valjakka himself concedes that “there is no dispute that it is
2 appropriate to apply Finnish law to resolv[e] the ownership issues of the DMTS Technology.”
3 ECF No. 191-3 at 8.

4 **2. Effect of the Finnish Judgment**

5 “[E]nforceability of judgments of courts of other countries is generally governed by the
6 law of the state in which enforcement is sought.” *Yahoo! Inc. v. La Ligue Contre Le Racisme Et*
7 *L’Antisemitisme*, 433 F.3d 1199, 1212–1213 (9th Cir. 2006) (internal citations omitted). In
8 California, “[t]he doctrine of comity prescribes that a court . . . recognize the judgment of a court
9 of a foreign nation when the foreign court had proper jurisdiction and enforcement does not
10 prejudice the rights of United States citizens or violate domestic public policy.” *In re Stephanie*
11 *M.*, 7 Cal. 4th 295, 314 (1994). The Court may also “appropriately consult the Restatement
12 (Third) of the Foreign Relations Law of the United States (‘Third Restatement’ or ‘Restatement’),
13 given that California courts frequently cite the Restatement, as well as earlier Restatements, as
14 sources of law.” *Yahoo! Inc.*, 433 F.3d at 1213. Under the Restatement, an American court will
15 enforce a judgment unless “the cause of action on which the judgment was based, or the judgment
16 itself, is repugnant to the public policy of the United States or of the state where recognition is
17 sought.” *Id.* (citing Restatement § 482(2)(d)); *see also Bd. of Trs. of Leland Stanford Junior Univ.*
18 *v. Chi-Yi*, No. 13-cv-04383-BLF, 2022 WL 17738724, at *2 (N.D. Cal. Dec. 16, 2022) (“The
19 doctrine of comity prescribes that a court of this nation recognize the judgment of a court of a
20 foreign nation when the foreign court had proper jurisdiction and enforcement does not prejudice
21 the rights of United States citizens or violate domestic public policy.”); *see also Int’l Nutrition Co.*
22 *v. Horphag Res. Ltd.*, 257 F.3d 1324, 1328–31 (Fed. Cir. 2001) (giving effect to a foreign court’s
23 decision invalidating a patent assignment under the law of the jurisdiction governing patent
24 ownership).⁴

25 _____
26 ⁴ In *Int’l Nutrition Co.*, inventor Jack Masquelier assigned his rights to a U.S. patent (“’360
27 patent”) to two organizations—SCIPA and Horphag Overseas Limited. *Id.* at 1326. In 1994,
28 SCIPA assigned its rights in the ’360 patent to a company called INC. In 1996, Masquelier
executed a “confirmatory assignment of any rights to the ’360 patent that might revert to him to
INC.” *Id.* at 1327. Horphag sued SCIPA and INC in French court seeking to void the assignment
to INC. *Id.* In addition to determining the validity of the assignment between SCIPA and INC,

1 Here, the issue of ownership of the '685 Application has been previously litigated and
2 decided. ECF No. 116-2. The Helsinki District Court found, and the Helsinki Court of Appeals
3 affirmed:

4 that the deeds of transfer concerning the DMTS invention described
5 above, and the deed of sale dated 11/16/2005 indicate that all rights
6 related to patenting of the invention have been transferred to Suomen
7 Biisi Oy from 11/16/2005. As the rights of patent holder concerning
8 the invention have been transferred to Suomen Biisi Oy by
9 consecutive deeds of transfer, the document named the Utilization
10 Agreement, dated 12/20/2005 has not been demonstrated to have
11 prescribed on these rights.

12 ECF No. 116-2 at 5, 12. The parties agree that “two Finnish courts under Finnish contract law
13 conclude[d] that the 2005 DMTS Agreement was ineffective” and that “SBO owned all rights to
14 the '685 Application at the time of abandonment under Finnish law.” ECF No. 191-3 at 6–7; ECF
15 No. 116-2 at 12 (Helsinki District Court holding that “all rights related to patenting of the
16 invention have been transferred to Suomen Biisi Oy from 11/16/2005” and that “the Utilization
17 Agreement . . . has no significance in the assessment of whom the rights to the DMTS invention
18 belong.”). Furthermore, Valjakka concedes that the Finnish courts held that “SBO was already the
19 assignee of the application from November 16, 2005, and therefore SBO and [Valjakka] could not
20 agree on IP ownership in the DMTS Agreement signed one month later on December 22, 2005.”
21 ECF No. 188-20 ¶ 7; *see also* ECF No. 191-3 at 7.

22 Applying the foregoing principles, and because “a [Finnish] court has already presented a
23 well-reasoned analysis of this issue, presenting a clear case for extending comity to the decision,”
24 *Int'l Nutrition Co. v. Horphag Rsch. Ltd.*, No. 96-cv-0386-DJS, 2000 WL 1863560, at *4 (D.
25 Conn. Apr. 14, 2000), *aff'd*, 257 F.3d 1324 (Fed. Cir. 2001), the Court finds that under Finnish
26 law, Valjakka was not the legal title holder to the '685 Application—or, by extension, the '167

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[t]he French court of appeals concluded that INC received no interest in the '360 patent from
Masquelier's 1996 confirmatory assignment because he “lost his rights as soon as he assigned
them on April 1, 1985.” *Id.* at 1327. In other words, “in the absence of any reversion of the rights
assigned away in 1985, Masquelier had no ownership interest in the '360 patent in 1996, and the
confirmatory assignment remains a prospective assignment of any rights he may eventually
regain.” *Id.* at 1331. The Federal Circuit concluded that the “district court did not abuse its
discretion by extending comity to this ruling.” *Id.* The Federal Circuit held that “comity is
appropriate because the French courts merely determined who owned a United States patent
pursuant to a French contract.” *Id.* at 1329.

1 Patent.

2 **3. USPTO Assignment Record**

3 Notwithstanding the decision of the Finnish courts, Valjakka asserts ownership based on
4 the Utilization Agreement, which he recorded as an assignment with the USPTO. ECF No. 74 ¶
5 12; ECF No. 116-6.

6 When a plaintiff asserts its ownership rights in a patent to prove standing based on an
7 assignment recorded in the USPTO, that recordation creates a presumption of correctness as to the
8 identity of the owner of the patent. *SiRF Tech. Inc. v. Int'l Trade Comm'n*, 601 F.3d 1319, 1327–
9 28 (Fed. Cir. 2010). However, recordation of an assignment at the USPTO does not establish that
10 the assignment is valid; it merely creates a rebuttable presumption. 37 C.F.R. § 3.54 (2000)
11 (“[t]he recording of a document pursuant to § 3.11 is not a determination by the Office of the
12 validity of the document or the effect that document has on the title to an application, a patent, or a
13 registration.”) An opposing party can rebut the presumption. *SiRF Tech. Inc.*, 601 F.3d at 1327–
14 28. Here, the Finnish courts have found conclusively that Valjakka assigned away any right, title,
15 or interest in the '167 Patent. ECF No. 116-2 at 5, 12. Because the Court gives effect to the
16 Finnish courts' decision invalidating a patent assignment under the law of the jurisdiction
17 governing patent ownership, *Int'l Nutrition Co.*, 257 F.3d at 1328–31, the Court finds that Netflix
18 has met its burden of rebutting the presumption of correctness of the USPTO assignment record.

19 **4. Impact of *Nunc Pro Tunc* Assignments**

20 Valjakka also contends that the Finnish courts' decisions were incomplete because they
21 allegedly did not consider the *nunc pro tunc* assignments:

22 There is no evidence in the record that the Helsinki court considered
23 the separate effect of the three *nunc pro tunc* agreements on the '685
24 patent application . . . What is clear is that the three *nunc pro tunc*
25 agreements limited to the '685 patent application are very different
26 than the November 16, 2005, deed of sale to SBO, the basis of the
27 Helsinki Court Decision . . . There is no mention of the separate
28 assignments of the '685 application . . . [that] allowed the DMTS
Agreement to effect transfer.

ECF No. 191-3 at 18–19. The Court is not persuaded by this argument. For one thing, the
contention is irrelevant—the question for this federal court is whether the Finnish courts entered a

1 binding judgment on the question of patent ownership, not what evidence was presented to those
2 tribunals. Complaints about the Finnish judicial process should be directed, if anywhere, to the
3 Finnish courts. More importantly, the retroactive assignments *were* in front of the Helsinki
4 District Court—and Valjakka and SBO made arguments about them to that court, so the argument
5 is not grounded in reality.⁵ ECF No. 116-2 at 9–10. The Court therefore rejects it.

6 **5. Valjakka Did Not Revive the '685 Application**

7 Valjakka argues that even if the Court gives effect to the Finnish courts' decision, it should
8 find that Valjakka regained ownership of the '685 Application under Finnish common law through
9 appropriation of an abandoned patent application. ECF No. 191-3 at 8–11; ECF Nos. 188-11,
10 188-22. In support, he offers the opinion of a Finnish law professor who declares that “a patent
11 application/patent can be an object of abandonment and appropriation on the basis of the Finnish
12 legal system and legal literature.” ECF No. 188-11 at 4. Applying this principle, the expert
13 opines that Valjakka “has taken the said object of property [the '167 Patent] in his possession and
14 actual power of disposal, and thus acquired title to the patent by appropriation through the
15 granting of the patent application.” *Id.* at 5. Valjakka maintains that the Finnish courts' decisions
16 have no bearing on this appropriation theory because SBO's abandonment took place *after* the
17 Helsinki Court of Appeals affirmed the Helsinki District Court's decision. ECF No. 188-22 ¶ 14.

18 This argument is unavailing. As an initial matter, the Court doubts very strongly whether
19 Valjakka has accurately stated Finnish law as it applies to the revival of patent applications. The
20 cases his expert cites all involve physical property, including one regarding a shipwreck and the
21 Antiquities Act in Finland, another concerning an unclaimed schooner, and a third about a pile of
22 chrome leather in a waste pile. ECF No. 188-13 at 9–11. The expert cites no examples of the
23 Finnish patent office following Finnish common law regarding physical property to determine
24 questions of patent ownership. ECF Nos. 188-11, 188-22.

25 In any event, Finnish common law does not matter here. While state or foreign law

26 _____
27 ⁵ Notably, Valjakka has not produced any of the other evidence that is known to have been
28 presented to the Helsinki District Court, including the deed of transfer of e-3's DMTS Rights; the
supplemental agreements to the Utilization Agreement; and the SBO meeting minutes. ECF No.
243 at 7; ECF No. 116-2 at 11; ECF No. 162 at 12.

1 governs issues relating to patent *ownership*, patent *abandonment and revival* are decided under
2 federal patent law. *Hunter Douglas, Inc. v. Harmonic Design, Inc.*, 153 F.3d 1318, 1330 (Fed.
3 Cir. 1998), *overruled on other grounds by Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d
4 1356 (Fed. Cir. 1999) (citing 35 U.S.C § 133 and finding the revival of an abandoned patent
5 application to be an issue of federal patent law). Under that law, SBO abandoned the '685
6 Application. "If an applicant of a patent application fails to reply within the time period provided .
7 . . the application will become abandoned unless an Office action indicates otherwise." 37 C.F.R
8 § 1.135(a) (2022). The USPTO does allow unintentionally abandoned applications to be revived
9 under 37 C.F.R. § 1.137(a) (2022). The revival petition must include "a statement that the entire
10 delay in filing the required reply from the due date for the reply until the filing of a grantable
11 petition pursuant to this section was unintentional." 37 C.F.R. § 1.137(b) (2022). "Where the
12 applicant deliberately permits an application to become abandoned, [however,] the abandonment
13 of such application is considered to be a deliberately chosen course of action, and the resulting
14 delay cannot be considered as 'unintentional' within the meaning of 37 C.F.R. § 1.137." MPEP
15 § 711.03(c) (8th ed. Rev. 7, Sept. 2008) (Petitions Relating to Abandonment).⁶

16 The parties do not dispute that SBO intentionally abandoned the '685 Application and that
17 this abandonment was final as of July 2010. ECF No. 162 at 13; ECF No. 191-3 at 6. Whether
18 Finnish common law might hold otherwise is irrelevant.

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23 ⁶ The Federal Circuit considered whether an accused infringer may raise improper revival as an
24 invalidity defense in *Aristocrat Techs. Austl. Pty Ltd. v. Int'l Game Tech.*, 543 F.3d 657 (Fed. Cir.
25 2008) ("*Aristocrat*"). The *Aristocrat* court found that "[p]rocedural lapses during examination,
26 should they occur, do not provide grounds of invalidity. Absent proof of inequitable conduct, the
examiner's or the applicant's absolute compliance with the internal rules of patent examination
becomes irrelevant after the patent has issued." 543 F.3d at 663.


27 While *Aristocrat* held that "improper revival may not be asserted as a defense in an action
28 involving the validity or infringement of a patent," *id.*, it did not change the settled rule that "the
plaintiff must have the legal title to the patent or patent application" to bring a claim for
infringement. *Schwendimann*, 959 F.3d at 1072-73.

1 **CONCLUSION**

2 In sum, the Court finds that Valjakka does not have title to, or any exclusionary right in,
3 the '167 Patent. Accordingly, he lacks standing to bring this lawsuit. Netflix's motion for
4 summary judgment is granted, and Valjakka's motion for supplemental briefing and delayed
5 ruling is denied.

6 **IT IS SO ORDERED**

7 Dated: January 8, 2024

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10 JON S. TIGAR
11 United States District Judge

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United States District Court
Northern District of California