

1 amend. Therefore, Judge Grewal concluded, Genentech was not diligent in seeking leave to
2 amend, and could not establish good cause as is required pursuant to Local Patent Rule 3-6. *See*
3 July 27 Order, ECF No. 285.

4 Pursuant to Federal Rule of Civil Procedure 72, a district judge may set aside a magistrate
5 judge's non-dispositive pretrial order only if it is "clearly erroneous or contrary to law." Fed. R.
6 Civ. P. 72(a). Genentech has conceded that the facts are not in dispute and that the Magistrate
7 Judge's ruling was not "clearly erroneous." *See* Mot. for Relief from Magistrate's Order at 1, ECF
8 No. 293. Instead, Genentech argues that the following ruling by Judge Grewal is contrary to law:
9 "No exception [to the diligence requirement] is provided simply because a further amendment
10 might be justified after a claim construction is issued. Genentech's failure to seek leave to amend
11 its invalidity contentions at or around the time it moved to add its inequitable conduct allegations
12 falls short of this standard." *See* July 27 Order at 3, ECF No. 285.

13 Patent Local Rule 3-6 allows the parties to amend invalidity contentions "only by order of
14 the Court upon a timely showing of good cause." Pat. L.R. 3-6. The Federal Circuit has
15 interpreted the "good cause" requirement of the local patent rules as requiring "a showing that the
16 party seeking leave to amend acted with diligence in promptly moving to amend when new
17 evidence is revealed in discovery." *O2 Micro Int'l Ltd v. Monolithic Power Systems, Inc.*, 467 F.3d
18 1355, 1363 & 1366 (Fed. Cir. 2006). Only if the moving party is able to show diligence may the
19 court consider the prejudice to the non-moving party. *See CBS Interactive, Inc.*, 257 F.R.D. at 201;
20 *see also Acer, Inc. v. Technology Properties Ltd.*, 2010 WL 3618687, *3 (N.D. Cal. Sept. 10, 2010)
21 ("[The moving party] must demonstrate good cause, an inquiry that considers first whether the
22 moving party was diligent in amending its contentions and then whether the non-moving party
23 would suffer prejudice if the motion to amend were granted. . . . If [the moving party] was not
24 diligent, the inquiry should end.").

25 Given the facts in this case, the Court does not find that Judge Grewal's order was contrary
26 to law. Genentech admittedly had the relevant evidence in its possession when it sought leave to
27 file an amended complaint, but waited four months after that to file its motion to amend its
28 invalidity contentions. Genentech's only justification for its delay is that Genentech anticipated it

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would have to amend its invalidity contentions after the Court's claim construction order, and thus waited until after the Court issued its order to amend all at once. Genentech concedes, however, that the proposed invalidity contentions at stake here were not necessitated by or affected by the Court's claim construction order. Thus, the relevant case law does not compel a contrary result than the one reached by Judge Grewal. Because the Court concludes that the Magistrate Judge's Order is neither clearly erroneous, nor contrary to law, the Plaintiffs' Motion for Relief is DENIED.

IT IS SO ORDERED.

Dated: September 16, 2011


LUCY H. KOH
United States District Judge