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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

KAWASAKI JUKOGYO KABUSHIKI
KAISHA,

Plaintiff,

v.

RORZE CORPORATION, et al.,

Defendants.

Case No. [5:22-cv-04947-EJD](#)

**ORDER GRANTING MOTION FOR
PARTIAL RECONSIDERATION AND
AMENDING JUNE 15, 2023 ORDER**

Re: ECF Nos. 81, 87, 92

Presently before the Court is Plaintiff Kawasaki Jukogyo Kabushiki Kaisha’s (“Plaintiff”) Motion for Partial Reconsideration (“Motion”) of the Court’s June 15, 2023 Order (“6/15/23 Order”) granting in part and denying in part Defendants Rorze Corporation and Rorze Automation, Inc.’s (collectively, “Defendants”) motion to dismiss. Specifically, Plaintiff seeks reconsideration of the dismissals of its willful infringement claims, claiming that the Court had applied a legal standard that the Federal Circuit had clarified and rejected in *SRI International, Inc. v. Cisco Sys., Inc.* (“*SRP*”), 14 F.4th 1323 (Fed. Cir. 2021).

The Court granted Plaintiff leave to file a motion for partial reconsideration, which has now been fully briefed. Based on the parties’ arguments, the Court GRANTS Plaintiff’s Motion for Partial Reconsideration of the 6/15/23 Order. The Court AMENDS the 6/15/23 Order to VACATE Section III(D) and GRANT IN PART and DENY IN PART Defendants’ motion to dismiss as to the FAC’s claims for willful infringement.

I. BACKGROUND

Plaintiff brings five patent infringement claims against Defendants arising from five

1 Reissue Patents titled “Wafer Transfer Apparatus and Substrate Transfer Apparatus.” First Am.
2 Compl. (“FAC”) ¶¶ 1, 17–22, ECF No. 42. Because the Court had previously summarized the
3 facts and procedural history of this case in the 6/15/23 Order, it only provides here the facts
4 pertinent to Plaintiff’s Motion for Partial Reconsideration, namely willful infringement.

5 The FAC alleges that, prior to bringing this suit in August 2022, Plaintiff had corresponded
6 with Defendants on multiple occasions regarding whether Defendants’ products infringed the
7 patents-in-suit. FAC ¶ 112. With respect to each patent-in-suit, the FAC alleges the following:

- 8 • First Claim, U.S. Reissue Patent No. RE47,909 (“RE909”): On February 18, 2019,
9 Defendants were notified that there was a pending patent application for RE909. FAC
10 ¶ 114; FAC, Ex. J. On December 8, 2021, Defendants were notified that RE909 had
11 been registered and that their “Purge Wafer Stocker” product may fall within RE909’s
12 scope. FAC ¶¶ 114–15; FAC, Ex. H. Defendants offered and sold products that
13 allegedly infringed this patent after July 2019. FAC ¶ 114.
- 14 • Second Claim, U.S. Reissue Patent No. RE46,465 (“RE465”): On at least February 18,
15 2019, Defendants were notified of Plaintiff’s acquisition of RE465 and received the
16 patent bulletin for RE465. FAC ¶ 114; FAC, Ex. J. In July 2019, Defendant responded
17 to Plaintiff, claiming non-infringement. FAC ¶ 114. Defendants continued to offer and
18 sell products that allegedly infringed this patent after July 2019. *Id.*
- 19 • Third Claim, U.S. Reissue Patent No. RE48,031 (“RE031”): On February 18, 2019,
20 Defendants were notified that there was a pending patent application for RE031. FAC
21 ¶ 114; FAC, Ex. J. On December 8, 2021, Defendants were notified that RE031 had
22 been registered and that their “Purge Wafer Stocker” product may fall within RE031’s
23 scope. FAC ¶ 114; FAC, Ex. H. Defendants offered and sold products that allegedly
24 infringed this patent after July 2019. FAC ¶ 114.
- 25 • Fourth Claim, U.S. Reissue Patent No. RE45,772 (“RE772”): On at least June 14,
26 2017, Defendants were notified of RE772 and that their Purge Wafer Stocker may fall
27 within RE772’s scope. FAC ¶ 113; FAC, Ex. I. In August 2017, Defendant responded

1 to Plaintiff, claiming non-infringement. FAC ¶ 113. Defendants continued to offer
2 and sell products that allegedly infringed RE772 even after June 2017. *Id.*

- 3 • Fifth Claim, U.S. Reissue Patent No. RE47,145 (“RE145”): On at least February 18,
4 2019, Defendants were notified of Plaintiff’s acquisition of RE145 and received the
5 patent bulletin for RE145. FAC ¶ 114; FAC, Ex. J. In July 2019, Defendant responded
6 to Plaintiff, claiming non-infringement. FAC ¶ 114. Defendants continued to offer
7 and sell products that allegedly infringed this patent after July 2019. *Id.*

8 On June 15, 2023, the Court granted in part and denied in part Defendants’ partial motion
9 to dismiss. 6/15/23 Order, ECF No. 83. The Court found that the FAC had sufficiently alleged
10 Defendants’ direct and induced infringement of all five patents-in-suit as to their “stocker”
11 products. *Id.* at 4–9. However, the Court dismissed the FAC’s claims for contributory and willful
12 infringement with leave to amend. *Id.* at 9–12.

13 Shortly thereafter, Plaintiff requested leave to file a motion for partial reconsideration as to
14 the Court’s willfulness determination only (ECF No. 84), which the Court subsequently granted
15 (ECF No. 85). On August 1, 2023, the Motion for Partial Reconsideration was fully briefed, and
16 the Court took the matter under submission.

17 **II. DISCUSSION**

18 The Court now reconsiders its 6/15/23 Order granting Defendants’ motion to dismiss the
19 FAC’s willful infringement claims under Rule 12(b)(6). The Court previously dismissed the
20 willful infringement claims because the FAC failed to allege that Defendant “engaged in egregious
21 conduct by acting in a subjectively ‘willful, wanton, malicious, bad-faith, deliberate, consciously
22 wrongful, or flagrant’ manner.” 6/15/23 Order 11–12 (internal brackets omitted) (citing *Halo*
23 *Elecs., Inc. v. Pulse Elecs., Inc.*, 579 U.S. 93, 103 (2016)).

24 Both parties—and the Court—agree that allegations of egregious conduct are not required
25 to state a claim for willful infringement, thereby warranting the instant motion for partial
26 reconsideration. *See* Defs.’ Response Mot. Partial Reconsideration (“Opp.”) 3, ECF No. 90; *see*
27 *generally* Mot. 3–5. However, the parties disagree as to whether the FAC’s current allegations

1 plausibly state a claim for willful infringement under *SRI*'s "deliberate or intentional" standard.

2 **A. Legal Standard**

3 As applied in the 6/15/23 Order, Federal Rule of Civil Procedure 8(a) requires a plaintiff to
4 plead each claim with sufficient specificity to "raise a right to relief above the speculative level"
5 such that the claim "is plausible on its face." *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 566–57
6 (2007). At the motion to dismiss stage, the Court must read and construe the complaint in the
7 light most favorable to the non-moving party, accepting as true all factual allegations in the
8 complaint and drawing all reasonable inferences in favor of the non-moving party. *Reese v. BP*
9 *Exploration (Alaska), Inc.*, 643 F.3d 681, 690 (9th Cir. 2011); *Retail Prop. Tr. v. United Bhd. of*
10 *Carpenters & Joiners of Am.*, 768 F.3d 938, 945 (9th Cir. 2014).

11 **B. Willful Infringement**

12 **1. Conclusions of Law**

13 In *SRI*, the Federal Circuit clarified that, although "egregious" conduct was necessary for
14 an award of enhanced damages, a finding of willfulness requires "no more than **deliberate or**
15 **intentional** infringement." 14 F.4th at 1329–30 (emphasis added) (citing *Eko Brands, LLC v.*
16 *Adrian Rivera Maynez Enters., Inc.*, 946 F.3d 1367, 1378 (Fed. Cir. 2020)). The Federal Circuit
17 has often stated that "[t]o establish willfulness, a patentee must show that the accused infringer
18 had a **specific intent** to infringe at the time of the challenged conduct." *BASF Plant Sci., LP v.*
19 *Commonwealth Sci. & Indus. Rsch. Organisation*, 28 F.4th 1247, 1274 (Fed. Cir. 2022) (emphasis
20 added) (quoting *Bayer Healthcare LLC v. Baxalta Inc.*, 989 F.3d 964, 987 (Fed. Cir. 2021)).
21 Additionally, "specific intent may be inferred from circumstantial evidence where a defendant has
22 both knowledge of the patent and specific intent to cause the acts constituting infringement."
23 *Ricoh Co. v. Quanta Computer Inc.*, 550 F.3d 1325, 1342 (Fed. Cir. 2008). The Federal Circuit
24 has also remarked—albeit in the context of enhanced damages—that a finding of "subjective
25 willfulness" can be supported by evidence that a defendant **recklessly** disregarded a patentee's
26 rights or acted despite a **known or obvious risk** of infringement. *See Ironburg Inventions Ltd. v.*
27 *Valve Corp.*, 64 F.4th 1274, 1296 (Fed. Cir. 2023) (noting that there was "substantial evidence to

1 support a finding that [defendant] ‘recklessly’ disregarded [plaintiff’s] patent rights and,
2 **therefore, willfully infringed**”) (emphasis added); *Arctic Cat Inc. v. Bombardier Recreational*
3 *Prod. Inc.*, 876 F.3d 1350, 1371 (Fed. Cir. 2017) (reaffirming that “subjective willfulness” is
4 evidenced by “proof that the defendant acted despite a **risk of infringement** that was ‘either
5 known or so obvious that it should have been known to the accused infringer”).

6 On reconsideration, the Court finds that the FAC has alleged facts that may give rise to an
7 inference that Defendants’ allegedly infringing conduct was “deliberate or intentional.” The FAC
8 alleges and exhibits the various letters by which Plaintiff provided Defendants with notice of the
9 patents-in-suit. FAC ¶¶ 113–13; FAC, Exs. H, I, J. And in addition to pleading Defendants’
10 knowledge of the patents, the FAC also alleges that Defendants subsequently responded to
11 Plaintiff’s letters with substantive arguments as to why their products did *not* infringe the patents-
12 at-suit. FAC ¶¶ 113–14 (“[Defendant] represented to [Plaintiff] in August 2017 that its sole
13 reason for purported noninfringement by the Accused Product is that its FOUP side door and
14 opener side door do not move in the forward and backward directions.”).

15 Although these responses do not conclusively establish Defendants’ specific intent to
16 infringe, they do permit inferences that Defendants had understood Plaintiff’s letters to be alleging
17 patent infringement and had seriously reviewed the patents-in-suit, as well as the technology
18 practiced by its own products, for possible infringement. These inferences, in turn, substantiate
19 Plaintiff’s contentions that—after Defendants had reviewed the patents-in-suit and analyzed the
20 technology practiced by their own products—any subsequent and allegedly infringing actions
21 must have been taken deliberately and intentionally with respect to Plaintiff’s patent rights. Even
22 though “knowledge of the asserted patent and evidence of infringement [are] not sufficient[] for a
23 finding of willfulness,” *BASF*, 28 F.4th at 1275, Defendants’ subsequent responses to Plaintiff’s
24 infringement letters supply the additional facts to infer that Defendants had knowledge of more
25 than just the patents-in-suit; they had knowledge of a risk of *infringement*. See *Ricoh*, 550 F.3d at
26 1342 (“[S]pecific intent may be inferred from circumstantial evidence where a defendant has both
27 knowledge of the patent and specific intent to cause the acts constituting infringement.”); *accord*

1 *Robocast, Inc. v. YouTube, LLC*, 2022 WL 16922035, at *4 (D. Del. Nov. 14, 2022)
2 (distinguishing knowledge of an *asserted patent* from knowledge of *infringement*). On a motion
3 to dismiss, these allegations are sufficient for the Court to infer willfulness.

4 The Court will also note that, after the Federal Circuit’s *SRI* decision, district courts have
5 frequently found allegations of defendants’ pre-suit knowledge of the asserted patents and
6 continued infringement to be sufficient by themselves to state a claim for willful infringement.
7 *See, e.g., Fate Therapeutics, Inc. v. Shoreline Biosciences, Inc.*, 2023 WL 2756494, at *10 (S.D.
8 Cal. Mar. 30, 2023) (denying motion to dismiss willful infringement claims where “Defendants
9 had pre-suit notice of the asserted patents”); *Akamai Techs., Inc. v. MediaPointe, Inc.*, 2023 WL
10 4155394, at *2 (C.D. Cal. Jan. 4, 2023) (finding willfulness claim sufficient pled where, after
11 being “provided notice of alleged infringement of the [asserted] Patent, [accused infringer]
12 continued and ‘continues to directly infringe’ by, e.g., continuing to sell ‘its [alleged infringing
13 product]’”); *Microsoft Corp. v. MediaPointe, Inc.*, 2022 WL 19263332, at *2 (C.D. Cal. Dec. 15,
14 2022) (finding willfulness claim sufficiently pled where “despite the notice it was infringing upon
15 the [asserted] Patent, [accused infringer] continued and ‘continues to operate, use, and sell, access
16 to its [allegedly infringing product]’”); *SpaceTime3D, Inc. v. Apple Inc.*, 2022 WL 16858515, at *2
17 (W.D. Tex. Nov. 10, 2022) (finding that “the filing of the Complaint establishes the notice
18 required for a plausible inference of willfulness”); *Jackson v. Seaspine Holdings Corp.*, 2022 WL
19 610703, at *7 (D. Del. Feb. 14, 2022) (denying motion to dismiss willful infringement claim
20 where plaintiff “has sufficiently pled knowledge of the patent and knowledge of the risk of
21 infringement”); *LiTL LLC v. Lenovo (United States), Inc.*, 2022 WL 610739, at *10 (D. Del. Jan.
22 21, 2022) (“[Plaintiff] has plausibly alleged that [defendant] had pre-suit knowledge of the
23 existence of the [asserted] patent. At the motion to dismiss stage, that is sufficient to support a
24 claim of willful infringement.”). Here, the Court’s conclusion is supported by allegations of both
25 Defendants’ knowledge of the patents-in-suit and their subsequent responses suggesting a
26 conscious appreciation of the infringement risk and investigation into those claims.

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28 Case No.: [5:22-cv-04947-EJD](#)
ORDER GRANTING MOTION FOR PARTIAL RECONSIDERATION

1 **2. Defendants’ Arguments**

2 Defendants’ arguments to the contrary are largely unavailing. They first attempt to
3 characterize the FAC’s exhibited infringement letters as “straightforward business discussions
4 regarding [Plaintiff’s] patents.” Opp. 5. This characterization, however, is belied by the language
5 of the letters themselves, unambiguously expressing Plaintiff’s belief that Defendants’ Purge
6 Wafer Stocker “N2-BWS 1600” used technology covered by the patents-in-suit. FAC, Exs. H, I.
7 And to the extent Defendants take issue with the fact that these letters did not specify which patent
8 claims were allegedly being infringed (Opp. 5), the lack of a claims chart or specific claims
9 identified in these letters did not prevent Defendants from substantively responding with their own
10 reasons for why their products did not infringe. FAC ¶¶ 113–14.

11 Defendants also contend that the FAC allegations support an inference of Defendants’
12 subjective good faith belief that it was not infringing, because Defendants had provided an
13 explanation for why its products did not infringe. Opp. 5–7. Putting aside the invitation for the
14 Court to impermissibly draw inferences in the moving party’s favor, Defendants do not provide
15 any support for the suggestion that an accused infringer’s recitation of innocence can preclude a
16 patentee from bringing a claim for willful infringement. Even so, such a recitation would not
17 entirely rebut or be inconsistent with a finding that Defendants had nonetheless *disregarded* a
18 known or obvious *risk* of infringement, which is sufficient for subjective willfulness. *See*
19 *Ironburg*, 64 F.4th at 1296 (noting that there was “substantial evidence to support a finding that
20 [defendant] ‘recklessly’ disregarded [plaintiff’s] patent rights and, therefore, willfully infringed”);
21 *Arctic Cat*, 876 F.3d at 1371 (reaffirming that “subjective willfulness” is evidenced by “proof that
22 the defendant acted despite a risk of infringement that was ‘either known or so obvious that it
23 should have been known to the accused infringer”).

24 Finally, to the extent that Defendants reject the FAC’s allegations as “unwarranted legal
25 inference on infringement” (Opp. 7), the Court clarifies that its conclusion here does not rest on
26 the allegations that Defendants’ “noninfringement argument lacked merit” (FAC ¶¶ 113–14).
27 Instead, the Court draws its inferences from the *undisputed* allegation that Defendants had

1 responded to Plaintiff’s infringement letters with substantive arguments of non-infringement.
2 Specifically, the Court infers from these responses that Defendants had substantively reviewed the
3 patents-in-suit, evaluated its own technology, and reached a conclusion on infringement. These
4 inferences are sufficient at the motion to dismiss stage to plead the deliberateness and
5 intentionality of Defendants’ subsequent conduct as to Plaintiff’s patent rights.

6 **3. Application to FAC Allegations**

7 Given the Court’s determinations above, the Court finds that the FAC has sufficiently
8 alleged Defendants’ willfulness as to certain time periods and as to certain patents-in-suit.

9 The Court finds that Defendants’ willfulness has been alleged as to RE772, RE465, and
10 RE145 (the Second, Fourth, and Fifth Claims), because Plaintiff had sent letters notifying
11 Defendants of these patents and potential infringement, and Defendants had responded, thereby
12 giving rise to an inference that Defendants had seriously reviewed Plaintiff’s infringement
13 assertions. FAC ¶¶ 113–14; FAC Exs. I, J. For all the reasons stated above in this Order, the
14 Court finds that the FAC has alleged Defendants’ willfulness for infringing conduct taken after
15 August 2017 with respect to RE772 and after July 2019 with respect to RE465 and RE145.

16 However, the Court finds that the FAC has failed to allege sufficient facts for the Court to
17 infer Defendants’ willfulness as to RE909 and RE031. The FAC alleges that Plaintiff notified
18 Defendants of these patents’ *pending applications* in February 2019 (FAC ¶ 114; FAC, Ex. J);
19 however, the knowledge of pending patent applications alone is insufficient for the Court to infer
20 Defendant’s willfulness as to infringement after the patents were issued. Plaintiff’s December
21 2021 letter (FAC, Ex. H) provided Defendants with notice that the RE909 and RE031 applications
22 were approved and subsequently registered; however, the FAC does not allege that Defendants
23 responded to the December 2021 letter in the same way that they had responded in August 2017 or
24 July 2019. FAC ¶ 114. Nor would Defendants’ July 2019 response support an inference that they
25 had also conducted a similar investigation in December 2021. Because “[k]nowledge of the
26 asserted patent and evidence of infringement . . . is necessary, *but not sufficient*, for a finding of
27 willfulness,” *BASF*, 28 F.4th at 1275 (emphasis added), the Court cannot infer Defendants’

1 willfulness as to RE909 and RE031 based solely on allegations of Defendants' knowledge of
2 RE909 and RE031 after they were registered. That said, the Court also cannot conclude that
3 further factual amendments would be futile, as these deficiencies could conceivably be cured in
4 accordance with the Court's guidance in this Order. Accordingly, the Court will permit Plaintiff
5 leave to amend the allegations as to Defendants' willful infringement of RE909 and RE031.

6 **III. CONCLUSION**

7 Based on the foregoing, the Court GRANTS Plaintiff's Motion for Partial Reconsideration
8 of the 6/15/23 Order, as follows:

- 9 1. Section III(D) of the 6/15/23 Order and its corresponding holdings are VACATED.
- 10 2. On reconsideration, Defendants' motion to dismiss the FAC's willful infringement
11 claims is DENIED with respect to RE772 for conduct after August 2017.
- 12 3. On reconsideration, Defendants' motion to dismiss the FAC's willful infringement
13 claims is DENIED with respect to RE465 and RE145 for conduct after July 2019.
- 14 4. On reconsideration, Defendants' motion to dismiss the FAC's willful infringement
15 claims is GRANTED with respect to RE909 and RE031. The FAC's willful
16 infringement claims as to these patents are DISMISSED with LEAVE TO AMEND.

17 Any amended complaint SHALL be filed no later than twenty-one (21) days after the date
18 of this Order. A further case management conference SHALL be scheduled for 10:00 am on
19 October 5, 2023, and a joint case management conference SHALL be filed no later than
20 September 25, 2023. The Administrative Motions to Designate Additional Claim Terms (ECF
21 No. 81) and to Schedule a Claim Construction Hearing (ECF No. 92) are DENIED WITHOUT
22 PREJUDICE to further discussion at the October 5 conference.

23 **IT IS SO ORDERED.**

24 Dated: August 14, 2023

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27 EDWARD J. DAVILA
United States District Judge