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7 UNITED STATES DISTRICT COURT
8 SOUTHERN DISTRICT OF CALIFORNIA
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10 IN RE: AMERANTH CASES

Member Case No.: 12-CV-742-DMS(WVG)

Lead Case: 11-CV-1810-DMS(WVG)

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12 Member Case: AMERANTH,
13 INC. v. PIZZA HUT, INC. et al.
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**ORDER FOLLOWING DISCOVERY
CONFERENCE**

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16 The Court convened a discovery conference in the above-captioned member case on
17 May 17, 2017 to discuss a disputed response to a single Requests for Production of
18 Documents (“RFP”): Ameranth’s RFP No. 1 (Set 9).¹ Having considered argument, Pizza
19 Hut is ordered to produce the responsive technology agreements its counsel referenced
20 during argument.

21 As an initial matter, Pizza Hut admits that, despite its carefully crafted RFP
22 responses, it possesses technology agreements that contain licensing provisions. During
23 argument, Pizza Hut conceded that the technology agreements would be responsive to the
24 RFP’s request for documents that are “for or related to” at least the ‘739 patent. Thus at a
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27 ¹ “All license agreements or any other Agreements for or related to U.S. patent no.
28 5,991,739 (the “739 patent”) or 8,738,449 (the “449 patent”)” Ameranth has
withdrawn the remainder of this request for “any drafts of any such Agreements.”

1 minimum, it is evident that Pizza Hut continues to possess responsive documents it has not
2 produced.

3 Pizza Hut's primary objection to the production of the responsive technology
4 agreements is their complete lack of relevance to claim construction in the consolidated
5 infringement action in which Ameranth is the plaintiff or to any issue in IPDEV's priority
6 action (No. 14-CV-1303-DMS(WVG)) against Ameranth. Because the technology
7 agreements lack relevance, Pizza Hut argues, their production would be unduly
8 burdensome. However, Ameranth contends that these documents are relevant in both
9 cases.

10 Federal Rule of Civil Procedure 26(b)(1) allows parties to "obtain discovery
11 regarding any nonprivileged matter that is relevant to any party's claim or defense." After
12 the 2015 Amendments to Rule 26, "[i]nformation within this scope of discovery need not
13 be admissible in evidence to be discoverable," *id.*, but it still must be relevant to a party's
14 claim or defense. *See In re Bard IVC Filters Prods. Liab. Litig.*, 317 F.R.D. 562, 563-64
15 (D. Ariz. Sept. 16, 2016). "Despite the recent amendments to Rule 26, discovery relevance
16 remains a broad concept." *Fannie Mae v. SFR Invs. Pool 1, LLC*, No. 14-CV-2046-JAD-
17 PAL, 2016 U.S. Dist. LEXIS 23925, 2016 WL 778368, at *2 n.16 (D. Nev. Feb. 25, 2016)
18 (unpublished); *see also Haghayeghi v. Guess?, Inc.*, 168 F. Supp. 3d 1277, 1280 (S.D. Cal.
19 2016). Moreover, "discovery is not limited to issues raised by the pleadings, for discovery
20 itself is designed to help define and clarify the issues." *Oppenheimer Fund, Inc. v. Sanders*,
21 437 U.S. 340, 351 (1978).

22 Ameranth's request for license agreements and "other" agreements that contemplate
23 the subject patents satisfies the broad and permissive discoverability standard above.
24 Ameranth argues the documents are relevant in both the consolidated infringement action
25 and IPDEV's priority action. First, Ameranth contends the documents it seeks are relevant
26 to claim construction in the infringement action because "such agreements often refer to
27 elements of systems practicing the invention corresponding to patent claim terms, such as
28 databases, linked GUI screens, wireless handhelds, synchronization, etc., and how a POSA

1 would understand such terms.” The Court is persuaded that the documents Ameranth seeks
2 may constitute potentially relevant extrinsic evidence that may assist the District Judge’s
3 claim construction analysis.^{2,3} Pizza Hut’s argument that the technology agreements are
4 too remote in time to be relevant is unpersuasive. In the Court’s view, any such temporal
5 remoteness goes to the weight of the evidence, not its relevancy, and the District Judge
6 may consider temporal remoteness to determine whether to reject this extrinsic evidence.
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10 ² It is true that the Court of Appeals for the Federal Circuit has expressed reservations about
11 the reliability of extrinsic evidence in the claim construction context. *See, e.g., Phillips v.*
12 *AWH Corp.*, 415 F.3d 1303, 1318 (Fed. Cir. 2005) (en banc) (“We have viewed extrinsic
13 evidence in general as less reliable than the patent and its prosecution history in
14 determining how to read claim terms, for several reasons.”) (listing reasons). However,
15 although extrinsic evidence “is generally of less significance than the intrinsic record,”
16 *Profectus Tech. LLC v. Huawei Techs. Co.*, 823 F.3d 1375, 1380 (Fed. Cir. 2016), this does
17 not mean that such evidence is devoid of relevance, *see Phillips*, 415 F.3d at 1319 (holding
18 that “because extrinsic evidence can help educate the court regarding the field of the
19 invention and can help the court determine what a person of ordinary skill in the art would
20 understand claim terms to mean, it is permissible for the district court in its sound discretion
21 to admit and use such evidence.”). Whether and to what extent the honorable District Judge
22 in this case departs from the intrinsic record—or allows or uses extrinsic evidence—is
23 within his purview and discretion. But the permissive discovery standards do not support
24 this Court barring Ameranth—via discovery orders—from at least having the opportunity
25 to directly present such evidence for the District Judge’s consideration or use the
26 documents in other ways—such as by expert witnesses—when Ameranth has met its
27 burden. Moreover, this Court is not persuaded that Ameranth is limited to using a finite
28 type of extrinsic evidence. *See id.* at 1317 (“[W]e have also authorized district courts to
rely on extrinsic evidence, *which ‘consists of all evidence external to the patent and
prosecution history’*”) (quoting *Markman v. Westview Instruments, Inc.*, 52 F.3d 967,
980 (Fed. Cir. 1995)) (emphasis added). This Court recognizes that the District Judge may
ultimately reject all of the subject agreements as unhelpful or contradictory, *see Markman*,
52 F.3d at 981, but this does not mean this Court should deny the District Judge the
opportunity to make such a determination when Ameranth has provided a persuasive basis
for the documents’ relevance.

³ Because the Court is persuaded by Ameranth’s first stated basis for relevancy in the
infringement action, the Court will not discuss the remaining two bases.

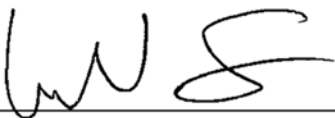
1 Moreover, Ameranth persuasively argued the technology agreements' relevancy in
2 the IPDEV priority action, in which discovery is open as to all issues. For example,
3 technology agreements that describe the technology system(s) the agreements cover may
4 evidence technology limitations or variations that may in turn demonstrate critical
5 differences between the competing patents and undermine IPDEV's priority claims.

6 Having resolved the question of relevancy in Ameranth's favor, questions of
7 proportionality and burden remain. During argument, Pizza Hut represented that fewer
8 than 10 responsive technology agreements exist. In light of the low number of documents,
9 requiring their production would not create an undue burden for Pizza Hut and would be
10 proportional to the needs of this case given its scope and the stakes involved.⁴

11 In sum, Pizza Hut's objections are **OVERRULED**. Pizza Hut is ordered to produce
12 the responsive documents **no later than May 30, 2017**.

13 IT IS SO ORDERED.

14 DATED: May 19, 2017

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17 Hon. William V. Gallo
18 United States Magistrate Judge
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27 ⁴ Additionally, the Court finds the RFP as crafted is not overly broad, as it is evident Pizza
28 Hut's counsel understands its scope. Pizza Hut also withdrew its privilege and work-
product objections.