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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 UNISONE STRATEGIC IP, INC,
12 Plaintiff,
13 v.
14 LIFE TECHNOLOGIES
15 CORPORATION; and DOES 1 through
16 300, inclusive,
17 Defendant.

Case No.: 13-cv-1278-GPC-LL

**ORDER GRANTING MOTION FOR
LEAVE TO FILE AN AMENDED
COMPLAINT**

[DKT. No. 120]

18 Plaintiff Unisone Strategic IP, Inc. (“Plaintiff” or “Unisone”) has moved for leave
19 to file a second amended complaint against Defendant Life Technologies Corporation
20 (“Life Tech”). ECF No. 120. On August 2, 2019, Life Tech filed a response in
21 opposition to the motion. ECF No. 121. Subsequently, Unisone filed its reply in support
22 of the motion for leave on August 9, 2019. ECF No. 122. Upon review of the moving
23 papers, the Court finds that good cause exists to permit the filing of a Second Amended
24 Complaint.

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1 proceedings were found unpatentable by PTAB. Each of the claims brought before
2 PTAB were found to stem from the same abstract idea of “inventory management based
3 on collected data and customer information.” ECF No. 121-2 at 24. In addition, PTAB
4 found that nothing could transform the claims brought before CBM into a patentable
5 application of the abstract idea or invention. As a result, Defendants aver that none of the
6 remaining dependent claims in the ‘538 Patent could possibly transform the otherwise
7 unpatentable steps of the independent claims into a patentable invention. To bolster their
8 argument, Defendants note that the additions on the remaining claim each relate “only to
9 elements used to implement the abstract idea of collecting storing, and analyzing
10 information,” and cover only well-known or conventional ideas activities that use general
11 computer components. ECF No. 121 at 8.

12 Unisone responds that Life Tech has not offered any evidence or expert testimony
13 that the remaining claims fail. Specifically, Unisone points out that Life Tech has not
14 conducted an analysis of the asserted claims under the two-step test articulated in *Alice*
15 *Corp. v. CLS Bank, Int’l*, 573 U.S. 208 (2014) and instead only relies on the two final
16 CBM decisions. Since the CBM decisions cover different claims than the ones now at
17 issue, Unisone argues that it is plausible that the remaining claims, which include
18 additional specifications and limitations, are valid under *Alice*. And moreover, Unisone
19 submits that the patentability is a uniquely individualized and factual inquiry and cannot
20 be dismissed in wholesale fashion without additional analysis of the claims. The
21 existence of these question of fact with respect to the asserted claims, according to
22 Unisone, must preclude a determination of invalidity at this early stage of litigation.

23 In addition, Unisone argues that there is a meaningful difference between the
24 remaining claims and the dismissed parent claims. As an example, Unisone points to
25 claims 11, 30, and 48, which require an RFID tag. Life Tech contends that since the
26 largely similar parent claims were deemed invalid, the addition of an RFID tag alone in
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1 the remaining claims cannot render them patentable. However, Unisone counters that
2 Life Tech’s argument is devoid of evidentiary and factual support for the “foundational
3 fact that such an electronic portal device for reading RFID tags [. . .] was well-
4 understood, routine, and convention as of March 7, 2000, when the ‘538 Patent
5 application was filed.” ECF No. 122 at 5. (Emphasis in original). Unisone also points to
6 expert declarations in the proposed Second Amended Complaint which state that the
7 RFID tag – and other additional elements not included on the foreclosed parent claims –
8 central to the remaining claims were not well-understood, routine, or conventional at the
9 time of filing. As such, Unisone asserts that these factual differences on the remaining
10 claims must lend themselves to a full analysis and at minimum, they should be allowed to
11 file their amended complaint.

12 The Court agrees. Although the parent claims on the ‘538 patent were
13 unquestionably deemed invalid through the CBM review process, there is no evidence
14 that the derivative claims, which contain additional elements, would also be undoubtedly
15 unpatentable by association. Moreover, the Court finds that additional analysis of the
16 validity of the remaining claims requires an in-depth examination of the merits of
17 Plaintiff’s claims. This type of inquiry is more appropriately conducted in the context of
18 a motion to dismiss or a later motion for summary judgment. And in looking to
19 Plaintiff’s proffered questions of fact, the Court finds that Unisone has provided support
20 for its assertions to at least survive the low threshold for filing an amended complaint.

21 **2. Collateral Estoppel**

22 Next, Life Tech asserts that Unisone’s remaining claims are collaterally estopped
23 because the *ex parte* reexamination of the patent and the CBM review found the parent
24 claims on the ‘538 patent to be invalid. Specifically, Life Tech argues that the
25 differences between the remaining claims and the claims adjudicated in the CBM
26 proceedings do not materially alter the question of validity. Since a final PTAB
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1 judgment on the invalidity of a patent claim has an issue-preclusive effect on any pending
2 actions that involve that patent, Life Tech submits that Plaintiff’s remaining claims must
3 be precluded. *See XY, LLC v. Trans Ova Genetics, L.C.*, 890 F.3d 1282, 1294 (Fed. Cir.
4 2018); *see also Fresenius USA, Inc. v. Baxter Int’l, Inc.*, 721 F.3d 1330, 1344 (Fed. Cir.
5 2013). Moreover, Life Tech points to Federal Circuit precedent which suggests that
6 collateral estoppel is not limited to “patent claims that are identical;” rather, “it is the
7 identity of the *issues* that were litigated that determines whether collateral estoppel
8 should apply.” *Ohio Williw Wood Co. v. Alps S., LLC*, 735 F.3d 1333, 1342 (Fed. Cir.
9 2013) (emphasis in original). If the differences between the unadjudicated patent claims
10 and adjudicated patent claims “do not materially alter the question of invalidity, collateral
11 estoppel applies.” *Id.*

12 In response, Plaintiff counters the remaining claims are materially different from
13 the parent claims that were invalidated by CBM review. To support this argument,
14 Plaintiff points to the differences that it offered in support its contention that invalidity of
15 the remaining patents is not a foregone conclusion. Although the claims stem from the
16 same ‘538 patent, Plaintiff argues that the asserted issues are not identical with those
17 raised in the CBM proceedings. As such, Plaintiff proffers that the remaining claims
18 have undeniably not been litigated or decided and also that the CBM patentability
19 determinations were not dependent on the structures identified in the remaining claims.

20 Once again, the Court finds that there is at least a question that the claims are not
21 collaterally estopped. As such, Plaintiff’s claims are sufficient to at least support the
22 filing of a Second Amended Complaint. A party asserting issue preclusion must
23 demonstrate: (1) the issue at stake was identical in both proceedings; (2) the issue was
24 actually litigated and decided in the prior proceedings; (3) there was a full and fair
25 opportunity to litigate the issue; and (4) the issue was necessary to decide the merits.
26 *Howard v. City of Coos Bay*, 871 F.3d 1032, 1041 (9th Cir. 2017), *citing Oyeniran v.*

1 *Hodler*, 672 F.3d 800, 806 (9th Cir. 2012) (internal quotations omitted). Courts have
2 certainly found that petitioners are estopped from asserting the same claims in a
3 subsequent infringement action that were found to be invalid from through a CBM
4 review. However, courts have also declined to apply estoppel against claims that were
5 not subject to a final written decision. *See Princeton Digital Image Corp. v. Konami*
6 *Digital Entm't Inc.*, 2017 WL 1196642, at *2 (D. Del. Mar. 30, 2017); *Synopsys, Inc. v.*
7 *Mentor Graphics Corp.*, 814 F.3d 1309, 1316 (Fed. Cir. 2016) (finding that “the validity
8 of claims for which the Board did not institute inter partes review can still be litigated in
9 district court”). Life Tech chose to challenge some – but not all – claims through PTAB
10 reviews. Since Unisone has articulated a reasonable basis to suggest that the
11 unchallenged claims materially differ from the invalid claims, the Court will permit
12 Plaintiff to at least file a second amended complaint.

13 **3. Infringement**

14 Defendants also argue that the accused system cannot possibly infringe any claim
15 of the ‘538 Patent. Absent claim construction, discovery, and additional briefing – and
16 for the reasons articulated above, the Court finds that determinations of infringement are
17 inappropriate at this stage of litigation.

18 **b. Motion for Summary Judgment**

19 In the alternative, Defendants argue that the Court should defer ruling on
20 Unisone’s motion to amend and immediately set a briefing schedule for summary
21 judgment should additional briefing be required. However, questions of patentability and
22 infringement necessarily require claim constructions and fact discovery. As such, the
23 Court finds that setting a summary judgment schedule is inappropriate and premature at
24 this stage.

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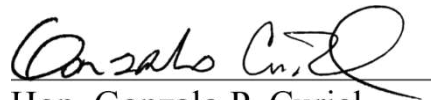
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1 **IV. Conclusion**

2 For the foregoing reasons, **IT IS HEREBY ORDERED** that Plaintiff's Motion for
3 Leave to File Second Amended Complaint, ECF No. 120, is **GRANTED**. Accordingly,
4 Plaintiff must file a second amended complaint in the above-entitled action within **20**
5 **days** from the date of entry of this order. The hearing set for August 30, 2019 shall be
6 **vacated**.

7 **IT IS SO ORDERED.**

8 Dated: August 23, 2019

9 
10 Hon. Gonzalo P. Curiel
United States District Judge