

United States District Court
For the Northern District of California

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

VIGILOS LLC,
Plaintiff,

v.

SLING MEDIA INC ET AL,
Defendant.

No. C -11-04117 SBA (EDL)

**ORDER GRANTING DEFENDANTS’
MOTIONS TO STRIKE WITH LEAVE
TO AMEND**

This patent infringement case involves patents that generally relate to technology for distributed computer devices to communicate in a networked environment in a secure and efficient manner, such as remote monitoring systems and other similar remote video and audio monitoring. On March 14, 2012, Plaintiff served its preliminary infringement contentions (PICs) pursuant to Patent Local Rule 3-1. On May 1, 2012, Defendants moved to strike Plaintiff’s PICs. On June 20, 2012, this motion and all discovery was referred to this Court. On July 10, 2012, the Court held a hearing on Defendants’ motion. For the reasons stated at the hearing and in this Order, Defendants’ motion is granted with leave to amend.

Legal standard

Patent Local Rule 3–1 requires, in pertinent part:

... a party claiming patent infringement shall serve on all parties a ‘Disclosure of Asserted Claims and Infringement Contentions’ ... [which] shall contain the following information:

- (a) Each claim of each patent in suit that is allegedly infringed by each opposing party, including for each claim the applicable statutory subsections of 35 U.S.C. § 271 asserted;

1 (b) Separately for each asserted claim, each accused apparatus, product, device,
 2 process, method, act, or other instrumentality (“Accused Instrumentality”) of each
 3 opposing party of which the party is aware. This identification shall be as specific as
 4 possible. Each product, device, and apparatus shall be identified by name or model
 number, if known. Each method or process shall be identified by name, if known, or
 by any product, device, or apparatus which, when used, allegedly results in the
 practice of the claimed method or process;

5 (c) A chart identifying specifically where each limitation of each asserted claim is
 6 found within each Accused Instrumentality, including for each limitation that such
 party contends is governed by 35 U.S.C. § 112(6), the identity of the structure(s),
 act(s), or material(s) in the Accused Instrumentality that performs the claimed
 7 function.

8 Patent L.R. 3-1. The purpose of the Local Rules is to crystallize a plaintiff’s infringement
 9 contentions. See InterTrust Techs. Corp. v. Microsoft Corp., 2003 WL 23120174, *2 (N.D. Cal.
 10 Dec. 1, 2003) (“The overriding principle of the Patent Local Rules is that they are designed to make
 11 the parties more efficient, to streamline the litigation process, and to articulate with specificity the
 12 claims and theory of a plaintiff’s infringement claims”); Atmel Corp. v. Information Storage
 13 Devices, Inc., 1998 WL 775115, *2 (N.D. Cal. Nov. 5, 1998) (“The [patent] local rules are designed
 14 to require parties to crystallize their theories of the case early in the litigation and to adhere to those
 15 theories once they have been disclosed”).

16 Patent L.R. 3-1 is a discovery device that “takes the place of a series of interrogatories that
 17 defendants would likely have propounded had the patent local rules not provided for streamlined
 18 discovery.” Network Caching Technology LLC v. Novell, Inc., No. 01-2079, 2002 WL 32126128,
 19 *3-4 (N.D. Cal. Aug.13, 2002) (Network Caching I). For infringement contentions to satisfy Patent
 20 L.R. 3-1, “plaintiff [must] compare an accused product to its patents on a claim by claim, element by
 21 element basis for at least one of each defendant's products ... reverse engineering or its equivalent
 22 are required.” Id. at *5; InterTrust, 2003 WL 23120174 at *3 (“The purpose of Patent Local Rule
 23 3-1, however, is in fact to be nit picky, to require a plaintiff to crystalize its theory of the case and
 24 patent claims.”); Renesas Tech. Corp. v. Nanya Tech. Corp., 2004 WL 2600466, *2 (N.D. Cal. Nov.
 25 10, 2004) (“The Federal Circuit has held that, in the context of patent litigation, Rule 11 requires a
 26 party to ‘apply the claims of each and every patent that is being brought into the lawsuit to an
 27 accused device and conclude that there is a reasonable basis for a finding of infringement of at least
 28 one claim of each patent so asserted.’ To satisfy Rule 11 and Patent L.R. 3–1, courts in this district

1 have held that a ‘plaintiff [must] compare an accused product to its patents on a claim by claim,
2 element by element basis for at least one of each defendant’s products.’ To make such a comparison,
3 reverse engineering or its equivalent is required.’”) (internal citations omitted); see also Bender v.
4 Maxim Integrated Prods., 2010 WL 1135762, *2 (N.D. Cal. Mar. 22, 2010) (“While plaintiff’s
5 statements may not be untrue, they are based on assumptions. The Court will not order defendant to
6 produce proprietary schematics for over 200 products based on an assumption. Plaintiff’s amended
7 infringement contentions . . . still fall short of “identifying specifically where each limitation of each
8 asserted claim is found within each Accused Instrumentality.” Patent L.R. 3-1(c). While the Court is
9 sensitive to plaintiff’s concerns about the expense of reverse engineering over 200 products, it is also
10 sensitive to the desire of defendant not to be forced to produce proprietary schematics unnecessarily.
11 . . . However, plaintiff bears the burden of providing infringement contentions that specify the
12 location of every claim element within the accused products, so that the Court can make a principled
13 decision on whether discovery will proceed. Simply stating that any electrical engineer would
14 understand the infringement contentions is not sufficient.”).

15 While there is some “ambivalence in the case law as to whether Local Rule 3–1 requires
16 reverse engineering or its equivalent, all courts agree that the degree of specificity under Local Rule
17 3–1 must be sufficient to provide reasonable notice to the defendant why the plaintiff believes it has
18 a ‘reasonable chance of proving infringement.’” See Shared Memory Graphics LLC v. Apple, Inc.,
19 812 F.Supp.2d 1022, 1025 (N.D. Cal. 2010) (citing View Engineering, Inc. v. Robotic Vision
20 Systems, Inc., 208 F.3d 981, 986 (Fed. Cir. 2000)). It must be sufficient to raise a “reasonable
21 inference that all accused products infringe.” Antonious v. Spalding & Evenflo Cos., Inc., 275 F.3d
22 1066, 1075 (Fed. Cir. 2002). Rule 3–1 does not necessarily require the patent holder to produce
23 evidence of infringement, but it must map specific elements of a defendant’s alleged infringing
24 products onto the Plaintiff’s claim construction. See Shared Memory, 812 F. Supp. 2d at 1025 (“The
25 ICs ‘must reflect all facts known to the plaintiff including those discovered in their [Rule 11]
26 pre-filing inquiry, and contain sufficient detail regarding the plaintiff’s theory of infringement to
27 provide defendants’ with notice of infringement beyond the claim language itself.’”) (internal
28 citation omitted).

1 **Discussion**

2 Defendant Sling Media designs and sells devices that permit users to view their home
3 television, or signals from audio/visual devices, over the Internet. Defendants EchoStar Corporation
4 (a holding company) and EchoStar Technologies design and manufacture set-top boxes that are used
5 to receive satellite and cable television service, including the set-top boxes used to receive DISH
6 Network service. EchoStar Corporation and EchoStar Technologies are Sling Media's corporate
7 parents, but they do not make or sell Slingbox-type products. Defendant DISH Network provides
8 satellite service to customers throughout the United States, and provides set-top boxes to its
9 customers. DISH is not a parent or subsidiary of any of the other Defendants, and does not design or
10 manufacture the accused products itself.

11 The accused devices include the Slingbox devices, SlingLoaded set-top boxes, and Sling
12 adapters used with set-top boxes. See Moore Decl. Ex. 1 at Ex. A at 1, Ex. B at 1. Slingbox devices
13 are devices that can be attached to a home television or audio/visual equipment. Id. A user can then
14 connect to the Slingbox using an internet-connected computer or smartphone, and view content from
15 the television or audio/visual equipment over the Internet. Id. This technology is generally referred
16 to as "placeshifting." Id. SlingLoaded set-top boxes are devices that are used by customers to
17 receive DISH Network satellite programming that include Sling Media's placeshifting technology.
18 Id. Users can access content from these set-top boxes over the Internet. Id. Set-top boxes with
19 Sling adapters are set-top boxes that customers use to receive DISH Network satellite programming,
20 to which a customer has added a separate, optional Sling adapter. Id.

21 Defendants argue that Plaintiff's PICs are deficient in five ways: (1) Plaintiff has not set
22 forth its contentions "separately for each opposing party" as required by Local Rule 3-1; (2) Plaintiff
23 has not disclosed each asserted subsection of 35 U.S.C. § 271 for each claim that is allegedly
24 infringed as required by Local Rule 3-1(a); (3) Plaintiff failed to identify accused instrumentalities
25 "separately for each asserted claim" and "as specifically as possible" by "name or model number, if
26 known" as required by Local Rule 3-1(b); (4) Plaintiff failed to provide a claim chart "identifying
27 specifically where each limitations of each asserted claim is found within each Accused
28 Instrumentality" as required by Local Rule 3-1(c); and (5) Plaintiff failed to identify and describe

1 “the acts of the allegedly indirect infringer” that allegedly render it liable for infringement of “each
2 claim which is alleged to have been indirectly infringed” as required by Local Rule 3-1(d).

3 **1. Local Rule 3-1: “Separately for each opposing party. . . .”**

4 Plaintiff served one set of PICs against all Defendants. Defendants argue that this “one-size-
5 fits-all” document does not comply with the preamble of Local Rule 3-1, which requires states that
6 PICs must be set forth “separately for each opposing party.” Plaintiff argues that it has complied
7 with Local Rule 3-1’s requirement and did not generate separate charts for each product of each
8 Defendant because the Accused Instrumentalities of each Defendant’s products and services is the
9 same, which would have resulted in substantively identical charts for each Defendant. Opp. at 1.
10 Plaintiff argues that to require service of four separate, yet identical, charts is contrary to the
11 authority that PICs are “merely designed to streamline the discovery process.” Network Caching
12 Tach. v. Novell, Inc., 2003 U.S. Dist. LEXIS 9881, at *13 (N.D. Cal. Mar. 21, 2003).

13 Defendants are not similarly situated. Sling Media, Inc. makes and sells “Slingbox”
14 products. EchoStar Technologies sells Sling-loaded set-top boxes and Sling adapters, but does not
15 make or sell Slingbox products. DISH Network L.L.C. is a satellite television provider that
16 purchases set-top boxes and Sling adapters from EchoStar Technologies and distributes them to
17 DISH customers. EchoStar Corporation is a holding company that does not itself engage in any of
18 these activities. See Templeton Decl. ¶ 4-5; Van Emst Decl. ¶ 3; Shah Decl. ¶ 3. These differences
19 matter. For example, Defendants argue that Plaintiff cannot in good faith accuse Sling Media of
20 direct infringement with respect to set-top boxes because Sling Media does not make, use or offer
21 for sale, sell, or import such products. See Reply at 4. Therefore, separate charts are required under
22 Local Rule 3-1.

23 **2. Local Rule 3-1(a): identify “for each claim the applicable statutory subsections of 35**
24 **U.S.C. §271 asserted”**

25 Defendants argue that Plaintiff’s PICs do not comply with this requirement because they do
26 not identify the applicable subsections of 35 U.S.C. § 271 for each claim and for each opposing
27 party. Plaintiff argues that it has complied with Local Rule 3-1(a) by disclosing that “each
28 Defendant infringes the ‘731 patent and the ‘074 patent under 35 U.S.C. § 271(a),” and “the
Defendants infringe the ‘731 patent and ‘074 patent under 35 U.S.C. §§ 271(b) and 271(c) as set

1 forth in the Exhibits A and B [claim charts].” Moore Decl. Ex. 1 at 2.

2 In this case, the PICs are insufficient to satisfy Local Rule 3-1(a) because Defendants are
3 differently situated. For example, claim 1 of the ‘731 patent is directed to a method performed by a
4 person seeking access to a computer system (i.e., an end user). Defendants contend that they are not
5 the parties that allegedly perform those steps, and so cannot be liable for infringement. Moore Decl.
6 Ex. 1 at Ex. A at 1-13. Also, Defendants note that claim 15 of the ‘731 patent is directed to a
7 method performed by a back-end system, and because one or more Defendants perform this method,
8 they cannot be liable for inducing third parties to infringe the claim or contributing to third-party
9 infringement. Reply at 5.

10 As discussed at the hearing, Plaintiff must identify as to each claim, the applicable statutory
11 subsection of § 271 that it asserts against each Defendant. In particular, Plaintiff must indicate
12 whether the infringement is direct or indirect, and if indirect, whether the infringement was induced
13 or was contributory.

14 **3. Local Rule 3-1(b): identify “each accused apparatus, product, device, process, method,
15 act, or other instrumentality . . . of each opposing party,” including the “name or model
16 number, if known”**

16 As stated in the claim chart, the accused products are:

17 . . . all Slingbox products (including Slingbox SOLO and Slingbox PRO-HD), all
18 Sling Adapter products, and all SlingLoaded products made, sold or offered for sale
19 by any of the Defendants, including the DISH ViP922 SlingLoaded DVR and all
EchoStar Set-Top Boxes using Placeshifting/TV Everywhere technology.

20 Moore Decl. Ex. 1 at Ex. A at 1. Plaintiff argues that it has sufficiently identified the accused
21 instrumentalities because it has provided a description and there is no requirement that the
22 identification must be by name and model number. Plaintiff has identified the accused functionality
23 and identified exemplars of the products, and argues that this is sufficient to fulfill the requirement
24 that parties “crystallize their theories of the case early in the litigation and adhere to those theories
25 once they have been disclosed.” Renasas Tech., 2005 U.S. Dist. LEXIS 44138, at *7.

26 However, Plaintiff must address each product separately (see Hewlett-Packard Co. v. EMC
27 Corp., 2003 U.S. Dist. LEXIS 22742, at *3 (N.D. Cal. July 9, 2003) (“The disclosure must address
28 each product (or other accused instrumentality) separately.”)), and identifying products by

1 functionality is not sufficient. See InterTrust Techs. Corp. v. Microsoft Corp., 2003 WL 23120174,
 2 at *5-6 (N.D. Cal. Nov. 26, 2003) (granting motion to strike PICs in part because the products were
 3 identified by function rather than by product name); Oracle America, Inc. v. Google Inc., 2011 WL
 4 4479305, at *2 (N.D. Cal. Sept. 26, 2011) (“The Patent Local Rules required *specific* identification
 5 of particular accused products. They did not tolerate broad categorical identifications like “mobile
 6 devices running Android,” nor did they permit the use of mere representative examples.
 7 Representative examples may be a useful tool for proving an infringement case at trial, but a full list
 8 of accused products must be disclosed as part of a party's infringement contentions.”) (emphasis in
 9 original). Accordingly, Plaintiff’s general list of products by category or functionality is
 10 insufficient, and Plaintiff must provide a list of accused products.

11 **4. Local Rule 3-1(c): requiring “[a] chart identifying specifically where each limitation of
 12 each asserted claim is found within each Accused Instrumentality.”**

13 Local Rule 3–1(c) requires the party claiming infringement to produce a chart “identifying
 14 specifically where each limitation of each asserted claim is found within each Accused
 15 Instrumentality.” “There is no exception in the Rule for parties who do not want to spend the time
 16 and resources necessary to identify specifically where each limitation is found.” Shared Memory
 17 Graphics LLC v. Apple Inc., 2011 WL 3878388, at *5 (N.D. Cal. Sept. 2, 2011). Further, Plaintiff
 18 must provide more than just the language of the patent. See Network Caching Tech., LLC v. Novell,
 19 Inc., 2003 WL 21699799, *4 (N.D. Cal. March 21, 2003) (“[A] party may comply with Patent LR 3-
 20 1 by setting forth the particular theories of infringement beyond that which is provided by the mere
 21 language of the patents themselves”) (Network Caching II); Network Caching I, 2002 WL
 22 32126128, *6 (“In essence, [plaintiff] has provided no further information to defendants than the
 23 claim language itself. This is plainly insufficient”); see also Orion IP, LLC v. Staples, Inc., 407 F.
 24 Supp. 2d 815, 817 (E.D. Tex. 2006) (“[P]laintiffs should provide specific theories of infringement
 25 and representative examples of the alleged infringement so as to give defendants fair notice of the
 26 infringement beyond that which is provided by the mere language of the patent claims themselves”).
 27 Further, the PICs must specify where in the product each limitation is located. Renasas Tech. v.
 28 Nanya Tech. Corp., 2004 U.S. Dist. LEXIS 23601, at *17 (N.D. Cal. Nov. 10, 2004).

Here, Plaintiff has done more than mimic the claim language in the PICs. For example, the

1 claim language of claim 1 of the '731 patent is: "transmitting a communication request to
2 communicate with one or more premises-server computing devices." Moore Decl. Ex. 1 at Ex. A at
3 10. The PICs state: "The accused system transmits a communication request to communicate with
4 one or more premises-server computing devices." Id. The PICs also state that: "A communication
5 request is sent by selecting the Slingbox from the Slingbox Directory," and include information from
6 a manual or support website for Slingbox. Id.

7 Although representative claim charts may be used in the appropriate case (see Implicit
8 Networks, Inc. v. Hewlett-Packard Co., 2011 U.S. Dist. LEXIS 100283, at *5 (N.D. Cal. Sept. 7,
9 2011) (approving a claim chart containing categories of products)), Plaintiff has the burden of
10 establishing that the products in the claim charts are representative of all of the accused products
11 (see Bender v. Maxim Integrated Prods., 2010 WL 1135762, at *3 (N.D. Cal. Mar. 22, 2010) (finding
12 that the plaintiff had not "provided an adequate explanation of why the claim charts are
13 representative of all of the accused products.")). Here, the products appear to differ from each other
14 or at least fall into two or more different categories. Plaintiff's claim chart does not comply with
15 Local Rule 3-1(c) for this reason.

16 **5. Local Rule 3-1(d): requiring that claims of indirect infringement be supported by "an**
17 **identification of any direct infringement" and "a description of the acts of the alleged**
18 **indirect infringer that contribute to or are inducing that direct infringement."**

19 Defendants argue that Plaintiff's blanket PICs accusing all Defendants of inducing or
20 contributing to third party infringement are inadequate. For example, Defendants argue that
21 Plaintiff's claim charts do not identify any third party that has directly infringed any claim, and in
22 the absence of direct infringement, there can be no indirect infringement. See i4i Ltd. P'ship v.
23 Microsoft Corp., 598 F.3d 831, 850 (Fed. Cir. 2010) ("To succeed on a theory of contributory or
24 induced infringement, i4i was required to show direct infringement. . . .").

25 Plaintiff argues that it has identified its theory of the case, has alleged that relevant third
26 parties are users of Defendants' products and has explained exactly how the activities amount to
27 contributory and induced infringement. For example, in claim 1 of the '731 patent, Plaintiff states
28 that "by instructing users to obtain remote access to their Slingbox with a personal computer, laptop,
or mobile device, Defendants are inducing users to complete this step of the method performed by

1 the infringing system,” and “by supplying all of the other elements of claim 1 and its asserted
2 dependent claims, Defendants are contributing to the infringement by users of claim 1 and its
3 asserted dependent claims.” Moore Decl. Ex. 1 at Ex. A at 6.

4 Local Rule 3–1(d) requires a party claiming indirect patent infringement to identify: “[a]ny
5 direct infringement and a description of the acts of the alleged indirect infringer that contribute to or
6 are inducing that direct infringement. Insofar as alleged direct infringement is based on joint acts of
7 multiple parties, the role of each such party in the direct infringement must be described.” “These
8 rules do not, as is sometimes misunderstood, ‘require the disclosure of specific evidence nor do they
9 require a plaintiff to prove its infringement case.’” DCG Systems v. Checkpoint Tech., 2012 WL
10 13009161 (N.D. Cal. Apr. 16, 2012). “But a patentee must nevertheless disclose what in each
11 accused instrumentality it contends practices each and every limitation of each asserted claim to the
12 extent appropriate information is reasonably available to it.” Id. In DCG, the court found that the
13 indirect infringement contentions were sufficient:

14 The contentions identify a specific product line, the Checkpoint 300–Series, and thus
15 provide Checkpoint with notice that Checkpoint indirectly infringes the Asserted
16 Patents when a 300–Series product is integrated by a customer with, for example, an
17 automated test system. While the contentions do not identify which specific
customers perform this integration, Checkpoint has identified no case requiring a
disclosure under Rule 3–1(d) of the specific third party committing any underlying
act of direct infringement.

18 Id.

19 Similarly here, Plaintiff has identified the accused products, and will do so with greater detail
20 in the amended PICs, and has contended that Defendants infringe Plaintiff’s patents through
21 inducement or contributory infringement. When Plaintiff amends its PICs to separate out each
22 Defendant, Plaintiff shall also include additional information regarding indirect infringement as
23 required by Local Rule 3-1(d), although Plaintiff need not identify specific third parties that directly
24 infringed.

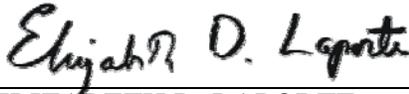
25 **Conclusion**

26 Defendants’ motion to strike is granted with leave to amend. At the hearing, Plaintiff agreed
27 to serve amended PICs by July 20, 2012. Thereafter, Defendant shall file its preliminary invalidity
28 contentions pursuant to Patent Local Rule 3-3 no later than forty-five days following service of the

1 amended PICs.

2 IT IS SO ORDERED.

3 Dated: July 12, 2012



ELIZABETH D. LAPORTE
United States Magistrate Judge

United States District Court
For the Northern District of California

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