

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

WI-LAN INC.,  
  
Plaintiff,  
  
v.  
  
SHARP ELECTRONICS CORPORATION,  
  
Defendant.

Civil Action No. 15-00379-LPS

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~~PROPOSED~~ FINAL JUDGMENT UNDER RULE 54(B) AND  
ORDER DISMISSING WITHOUT PREJUDICE SEC'S '654 PATENT AND '250 PATENT  
INVALIDITY COUNTERCLAIMS

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WHEREAS, on May 11, 2015, Plaintiff Wi-LAN Inc. (“Wi-LAN”) filed a Complaint against Defendants Sharp Corporation (“Sharp”) and Sharp Electronics Corporation (“SEC”) alleging that Sharp and SEC directly and indirectly infringe U.S. Patent Nos. 6,359,654 (“the ‘654 patent”) and 6,490,250 (“the ‘250 patent”) (the “patents-in-suit”) [D.I. 1];

WHEREAS, on October 23, 2015, Wi-LAN filed its First Amended Complaint again alleging that Sharp and SEC infringed the patents-in-suit [D.I. 15];

WHEREAS, on November 9, 2015, SEC filed its Answer and Counterclaims to Wi-LAN’s First Amended Complaint, asserting, among other defenses and counterclaims, defenses and counterclaims of non-infringement and invalidity of the patents-in-suit [D.I. 17];

WHEREAS, on February 26, 2018, the Court held a Markman hearing regarding the claim construction disputes between the parties, including those claim construction disputes relating to the ‘654 and ‘250 patents [D.I. 272];

WHEREAS, on April 27, 2018, the Court issued its Memorandum Opinion and Order Regarding Claim Construction, which construed various terms of the ‘654 patent and ‘250 patent (the “Claim Construction Opinion and Order”) [D.I. 280, 281];

WHEREAS, the Court issued an Oral Order on August 2, 2018, granting in part Defendants’ Motion to Preclude Portions of Plaintiff’s Expert Reports, which struck the portions of Wi-LAN’s expert report relating to Wi-LAN’s allegations of induced infringement of the ‘654 patent [D.I. 361];

WHEREAS, the Court issued a Memorandum Opinion on February 14, 2019 granting summary judgment of non-infringement of the ‘654 patent [D.I. 487];

WHEREAS, on March 6, 2019, Wi-LAN filed its Stipulation to Non-Infringement of U.S. Patent No. 6,490,250 Based on the Court’s Memorandum Opinion on Claim Construction,



conceding that it could not prove infringement of the '250 patent by the accused products of SEC under the Court's construction of the terms "a multimedia processor, coupled to the data rate analyzer" and "output multimedia data stream" [D.I. 496] (the "Stipulation");

WHEREAS, on March 22, 2019, Wi-LAN filed its Motion for Entry of Final Judgment of Non-Infringement Under Federal Rule of Civil Procedure 54(b), requesting that the Court direct entry of final judgment with respect to Wi-LAN's claims for infringement of the '654 and '250 patents and SEC's counterclaims of non-infringement of the '654 and '250 patents under Rule 54(b) and dismissal without prejudice of SEC's counterclaims for invalidity of the '654 and '250 patents (the "Rule 54(b) Motion");

WHEREAS, the Court, having considered Wi-LAN's Rule 54(b) Motion, the relevant authorities and cited evidence, including the Stipulation, and the parties' related briefing, hereby

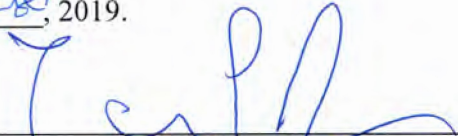
**ORDERS** that:

1. ~~Wi-LAN's Stipulation~~ leaves no litigable issues regarding the conceded basis for noninfringement as to Wi-LAN's claims for infringement of the '250 patent and SEC's counterclaim for noninfringement of the '250 patent; ↑ and March 7, 2019 opposition thereto
2. There is no just reason for delay to enter final judgement in favor of SEC against Wi-LAN on the infringement claims and SEC's noninfringement counterclaims associated with the '654 and '250 patents;
3. Accordingly, Wi-LAN's Motion for Entry of Final Judgement of Non-Infringement Under Federal Rule of Civil Procedure 54(B) is hereby GRANTED.
4. In addition, there is good cause to dismiss SEC's counterclaims for invalidity of the '654 and '250 patents; ↑ without prejudice
5. Accordingly, the Court hereby DISMISSES without prejudice SEC's remaining

counterclaims for invalidity of the '654 and '250 patents.

The Clerk of the Court is hereby directed to enter Rule 54(b) final judgement in favor of SEC against Wi-LAN on Wi-LAN's claims for infringement of the '654 patent and '250 patents and SEC's counterclaims for non-infringement of the '654 patent and '250 patents.

IT IS SO ORDERED, this 12<sup>th</sup> day of September, 2019.

  
\_\_\_\_\_  
The Honorable Leonard P. Stark

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	C.A. No. 15-379-LPS
	:	
SHARP ELECTRONICS CORPORATION,	:	
	:	
Defendant.	:	

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	C.A. No. 15-788-LPS
	:	
VIZIO, INC.,	:	
	:	
Defendant.	:	

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**ORDER**

At Wilmington, this 12<sup>th</sup> day of **September, 2019**:


For the reasons set forth in the Memorandum Opinion issued this date, **IT IS HEREBY**

**ORDERED** that:

1. Plaintiff's motion for entry of judgment under Rule 54(b) (C.A. No. 15-379 D.I. 502; C.A. No. 15-788 D.I. 430) is **GRANTED**.

2. Defendants' motion for judgment of noninfringement or in the alternative to dismiss Plaintiff's infringement claim (C.A. No. 15-379 D.I. 499; C.A. No. 15-788 D.I. 427) is **DENIED WITHOUT PREJUDICE** with respect to summary judgment and **DENIED** with respect to dismissal.

3. The Clerk of Court is directed to **CLOSE** these cases after docketing the Court's modified versions of Plaintiff's proposed final judgments.



UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	C.A. No. 15-379-LPS
	:	
SHARP ELECTRONICS CORPORATION,	:	
	:	
Defendant.	:	

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	C.A. No. 15-788-LPS
	:	
VIZIO, INC.,	:	
	:	
Defendant.	:	

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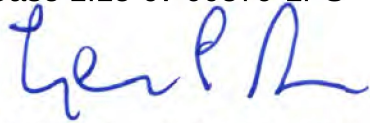
Attorneys for Vizio, Inc.

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**MEMORANDUM OPINION**

September 12, 2019  
Wilmington, Delaware





**STARK, U.S. District Judge:**

Pending before the Court are Wi-LAN Inc.’s (“Wi-LAN” or “Plaintiff”) motion for entry of final judgment of noninfringement under Federal Rule of Civil Procedure 54(b) (D.I. 502) and Defendants Sharp Electronics Corporation (“SEC”) and Vizio, Inc.’s (“Vizio” and, collectively with SEC, “Defendants”) motion for judgment of noninfringement of U.S. Patent No. 6,490,250, or in the alternative, to dismiss Wi-LAN’s infringement claim (D.I. 499).<sup>1</sup>

## **I. BACKGROUND**

While initially a three-patent case, there are no longer any viable infringement claims in this action.

In November 2017, Plaintiff voluntarily dismissed U.S. Patent No. 5,847,774. (D.I. 216)

On February 14, 2019, the Court granted summary judgment of noninfringement of U.S. Patent No. 6,359,654 (the “’654 patent”). (*See* D.I. 487, 488)

In the meantime, after the Court issued its claim construction opinion and order on April 27, 2018 (D.I. 280, 281), Plaintiff on May 15, 2018 indicated to Defendants its willingness to stipulate to noninfringement of U.S. Patent No. 6,490,250 (the “’250 patent”). (*See* D.I. 503 Ex. A) Although the parties soon thereafter stopped actively litigating the ’250 patent, the parties were never able to agree on how to terminate the case with respect to the ’250 patent. On March 6, 2019, Plaintiff unilaterally filed a proposed stipulation of noninfringement (“Stipulation”). (*See* D.I. 496) The next day, Defendants wrote to advise the Court they did not agree with the Stipulation, which in their view contained “inaccurate information” and “‘undisputed facts’ that are not agreed to by the parties.” (D.I. 497) The Court then directed the parties to file “any

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<sup>1</sup>Citations to the docket are to C.A. No. 15-379 but apply equally to corresponding filings in the C.A. No. 15-788 action, unless otherwise specified.

motions for judgment or dismissal with respect to the '250 patent" (D.I. 498), which they subsequently did. Those motions are now fully briefed (*see, e.g.*, D.I. 500, 502, 506-07, 509-10) and ripe for resolution.

## II. DISCUSSION

### A. Plaintiff's Rule 54(b) Motion for Entry of Final Judgment

Plaintiff "agrees, based on the Court's Memorandum Opinion on Claim Construction and the current record, that it cannot prove that the accused products meet certain limitations of [the '250 patent]." (D.I. 502 at 1) Plaintiff, thus, requests that the Court enter final judgment on Plaintiff's claims for infringement of the '654 and '250 patents and Defendants' counterclaims of noninfringement, and dismiss without prejudice Defendants' counterclaims for invalidity of the '654 and '250 patents. (*Id.* at 1-2) Defendants contend that Plaintiff's motion is procedurally improper, factually inaccurate, and legally unsupportable. (*See generally* D.I. 507)

The Court may grant a Rule 54(b) motion if (1) there is a "final judgment" or "an ultimate disposition of an individual claim entered in the course of a multiple claims action," and (2) "there are no just reasons to delay the appeal of individual final judgments." *Curtiss-Wright Corp. v. Gen. Elec. Co.*, 446 U.S. 1, 7-8 (1980).

#### 1. Entry of Final Judgment<sup>2</sup>

The record before the Court includes a signed Stipulation by Plaintiff to which Defendants refused to consent. The Stipulation provides Plaintiff's concession that, pursuant to the constructions of two claim terms – "a multimedia processor, coupled to the data rate

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<sup>2</sup> Contrary to Defendants' view, the lack of a final judgment in this matter at the time Plaintiff filed its motion does not doom that motion to failure. Federal Rule of Civil Procedure 54(b) permits the Court to "direct entry of a final judgment," which is what Plaintiff is requesting the Court to do.

analyzer” and “output multimedia data stream” – Plaintiff “cannot prove infringement of claims 1, 4, and 6 of the ’250 patent.” (D.I. 496 at 3) Plaintiff bases its concession on two purportedly “undisputed facts” (*see id.*) that, by contrast, Defendants contend are disputed (D.I. 507 at 3-8). First, according to Plaintiff, the “data rate analyzer” of the accused products is “embedded within the ‘multimedia processor,’” and the “combined audio and video stream” is “located within the ‘multimedia processor.’” (D.I. 496 at 3) Defendants counter argue that these statements are inaccurate and not supported by any evidence. (*See* D.I. 507 at 4-5) Defendants also insist that there are several other claim limitations Plaintiff cannot prove are present in the accused products and, further, that Plaintiff has incorrectly defined “the ’250 Accused Products.” (*See id.* at 6)

Entry of final judgment pursuant to Rule 54(b) requires a record that sufficiently explains the factual basis for the judgment (e.g., explanation of the factual basis for a finding of noninfringement, such as that particular claim constructions make infringement impossible). *See Jang v. Bos. Sci. Corp.*, 532 F.3d 1330, 1337-38 (Fed. Cir. 2008). As long as the Court of Appeals will be able to ascertain from the record the basis for a patentee’s concession of noninfringement, then a Rule 54(b) judgment may be entered and an appeal can be taken. *See id.* Here, notwithstanding the parties’ disagreements as to certain aspects of what Plaintiff proposed to include in its Stipulation, the Federal Circuit should have no difficulty gleaning the basis for the judgment Wi-LAN may challenge on appeal. As Wi-LAN concedes, it cannot meet (at least) the claim limitations corresponding to the two claim constructions cited in its proposed Stipulation, on which it lost in the Court’s claim construction order: “a multimedia processor, coupled to the data rate analyzer” and “output multimedia data stream.” (D.I. 496 at 3; D.I. 502 Exs. 1-2) Because Plaintiff cannot prove at least these two limitations are present in the accused

products, it cannot prevail on its infringement case. Disputes as to whether Plaintiff's failure of proof could also be articulated in different ways (preferred by Defendants), and whether additional failures by Plaintiff would also justify a judgment of noninfringement, do not make the record on which the Court is entering a Rule 54(b) judgment somehow deficient or inappropriate for appellate review.<sup>3</sup>

The Court understands that Defendants do not agree that certain statements in Plaintiffs' Stipulation are "undisputed." (*See, e.g.*, D.I. 507 at 3-4) This disagreement does not make Plaintiffs' requested relief unjustified. No doubt Defendants will have an opportunity to explain their position even further on appeal. And as is clear from the briefing, "Wi-LAN is not trying to force the Court [to] accept as true the contested statements in Wi-LAN's stipulation." (D.I. 509 at 4) (internal quotation marks omitted)

What is key for this Court's purposes is that it is undisputed that Plaintiff cannot prove infringement of the two claim elements on which it lost the claim construction disputes identified in the Stipulation. The Court disagrees with Defendants' contention that "[w]ithout the[] contested statements, Wi-LAN's 'stipulation' is devoid of any factual predicate for the appellate court to consider when deciding issues on appeal." (D.I. 507 at 10) The necessary factual predicate is that Plaintiff concedes it cannot prove by a preponderance of the evidence that any of the '250 Accused Products have a "multimedia processor, coupled to a data rate analyzer" or an "output multimedia data stream," so long as the Court's construction of those two terms stands.

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<sup>3</sup> The Court's decision today is without prejudice to Defendants raising all of the non-infringement arguments they present in the pending motions briefing again, if the case is remanded for further proceedings following an appeal. This includes Defendants' argument about the lack of admissible evidence regarding source code. (*See* D.I. 487, 488) (granting summary judgment of noninfringement of '654 patent)

In similar circumstances, courts have often permitted a party to consent to final judgment to allow for expeditious appeals of claim construction orders and to conserve party and court resources. *See York Prods., Inc. v. Cent. Tractor Farm & Family Ctr.*, 99 F.3d 1568, 1571 (Fed. Cir. 1996) (finding proper a party's consent to adverse party's JMOL so it could appeal claim construction order, so as "to expedite its appeal and to conserve both its client's and the court's resources"); *Otsuka Pharm. Co., Ltd. v. Zydus Pharm. USA, Inc.*, 314 F.R.D. 372, 377-78 (D.N.J. 2016), *aff'd*, 694 Fed. App'x 808 (Fed. Cir. 2017) (granting Rule 54(b) motion where stipulated judgments of noninfringement filed after claim construction "left no litigable issues" and "fully disposed of Otsuka's infringement claims"); *Sport Dimension, Inc. v. Coleman Co., Inc.*, 2015 WL 12732711, at \*2-5 (C.D. Cal. Mar. 18, 2015), *vacated and remanded on other issues*, 820 F.3d 1316 (Fed. Cir. 2016) (granting Rule 54(b) motion for entry of judgment of noninfringement following claim construction order because "request effectively ends the litigation on this issue [of infringement] and leaves nothing left for the Court to do on this cause of action but execute the judgment").

The instant case is similar to *Schering Corp. v. Amgen, Inc.*, 35 F. Supp. 2d 375, 377 (D. Del. 1999), in which this Court confronted a "situation in which both parties agree[d] that a judgment of noninfringement of the [patent] should be entered against the plaintiffs" but disagreed "upon the means by which this action should be accomplished." As has occurred here, in *Schering* the plaintiffs filed a motion for entry of judgment while the defendant filed a motion for summary judgment. *See id.* The Court decided "[t]he prudent course of action" was to enter judgment in favor of the defendant and dismiss the invalidity counterclaims as moot in order to facilitate the plaintiffs' appeal of the claim construction decision and to preserve the resources of the parties and the Court. *See id.* at 378. The same course of action is appropriate here.

## 2. No Just Reasons for Delay

Determining whether there is “no just reason for delay” of an appeal is a matter addressed to the discretion of the district court. *See Curtiss-Wright*, 446 U.S. at 10. In resolving this issue, the district court must take into account “judicial administrative interests as well as the equities involved.” *Id.* at 8. In a patent case, the district court must “consider such factors as whether the claims under review [are] separable from the others remaining to be adjudicated and whether the nature of the claims already determined [is] such that no appellate court would have to decide the same issues more than once even if there were subsequent appeals.” *W.L. Gore & Assocs., Inc. v. Int’l Med. Prosthetics Research Assocs., Inc.*, 975 F.2d 858, 862 (Fed. Cir. 1992).

The Court agrees with Plaintiff that, here, there is no just reason to delay Plaintiff’s appeal.<sup>4</sup> If the Federal Circuit affirms this Court’s construction of one or both of the disputed terms cited in this opinion, no further proceedings with respect to infringement will be required, and the Court will have preserved resources by having refrained from undertaking the unnecessary exercise of determining whether the two evidentiary deficiencies Plaintiff concedes (based on the Court’s constructions) are the full universe of Plaintiff’s failings or whether Plaintiff’s infringement case also fails on other grounds. If the Federal Circuit reverses this Court on both of the disputed claim terms, then further proceedings with respect to infringement will be required, which the Court can take up more efficiently in conjunction with the invalidity defenses and counterclaims which would then also have to be litigated – all on what would then be the correct, rather than erroneous, constructions.

As Plaintiff writes: “The parties agree that the Court’s Claim Construction Order precludes a finding of infringement for the accused products and that judgment of non-infringement is

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<sup>4</sup> Proceeding as Plaintiff has requested does not give rise to a possibility that the Federal Circuit will ever have to review the same claim constructions more than once.



appropriate.” (D.I. 509 at 1) The Court further agrees with Plaintiff that its motion offers “the most efficient and direct manner for finally resolving all claims in these cases and placing them in position for appeal.” (*Id.* at 1-2)<sup>5</sup> Accordingly, the Court will grant Plaintiff’s Rule 54(b) motion and dismiss Defendants’ invalidity counterclaims without prejudice.

**B. Defendants’ Motion for Summary Judgment of Noninfringement**

Defendants move for summary judgment of noninfringement pursuant to Federal Rule of Civil Procedure 56 or, in the alternative, for dismissal for failure to prosecute under Federal Rule of Civil Procedure 41(b). (D.I. 499)

The Court will deny summary judgment without prejudice.<sup>6</sup> Plaintiff has conceded two bases for entry of judgment of noninfringement of the ’250 patent and the Court sees no reason to resolve the evidentiary, procedural, and technical complexities Defendants seek to put before the Court in order to decide whether to grant such judgment on additional bases. Should this case be remanded for further proceedings with a different claim construction than the ones adopted by this Court, Defendants will have an opportunity (should they seek it) to renew all of their arguments as to the flaws in Plaintiff’s case.

The Court will deny Defendants’ request for dismissal due to failure to prosecute. In determining whether dismissal is warranted, the Court considers:

- (1) the extent of the party’s personal responsibility; (2) the prejudice . . . caused by the failure to meet scheduling orders and respond to discovery; (3) a history of dilatoriness; (4) whether the conduct of the party . . . was willful or in bad faith;

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<sup>5</sup> Accepting Defendants’ alternative invitation to resolve disputed issues of fact, and make findings about purported evidentiary failings by Plaintiff, would not be a wise use of the Court’s limited judicial resources, given the totality of circumstances presented here.

<sup>6</sup> Plaintiff insists that Defendants cannot establish “good cause” under Rule 16 for the timing of their motion for summary judgment. (*See* D.I. 506) (citing Fed. R. Civ. P. 16(b)(4)) The Court disagrees. Defendants filed their motion according to the schedule the Court entered for dealing with the parties’ (surprising) difficulty resolving issues relating to non-infringement of the ’250 patent.

(5) the effectiveness of sanctions other than dismissal . . . ; and (6) the meritoriousness of the claim.

*Poulis v. State Farm Fire and Cas. Co.*, 747 F.2d 863, 868 (3d Cir. 1984). Application of these factors here does not warrant dismissal. As Wi-LAN accurately explains:

[A]ll parties agreed<sup>7</sup> to cease litigating infringement of the '250 patent based on Wi-LAN's non-infringement concession so no fault or bad faith is attributable to Wi-LAN, especially in light of SEC's threats of sanctions if Wi-LAN continued to pursue its infringement claims. Further, SEC will not suffer any prejudice since its counterclaims will be dismissed without prejudice and neither Defendant will need to address the merits unless Wi-LAN wins on appeal. And Wi-LAN was not dilatory and promptly stipulated to non-infringement after the Court's claim construction ruling.

(D.I. 506 at 11-12)

### III. CONCLUSION

For the reasons given above, the Court will grant Plaintiff's motion for entry of judgment pursuant to Rule 54(b). The Court will also enter modified versions of Plaintiff's proposed orders. The Court's amendments to Plaintiff's proposals make clear that it is not just the proposed Stipulation but the record more broadly which demonstrates that there are no litigable issues regarding the conceded bases for noninfringement as to the '250 patent.

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<sup>7</sup> Defendants contend that the parties never reached an agreement that Wi-LAN could stop litigating the '250 patent without impunity. (*See, e.g.*, D.I. 507 at 6-7) Defendants insist that some additional discovery relating to the '250 patent took place as late as three weeks after Plaintiff confirmed for Defendants it would not be litigating the '250 patent any longer. (*See id.* at 8) Plaintiff's characterization of what occurred (including that Plaintiff did not object to deposition questioning by Defendants) is credible and persuasive. (*See* D.I. 509 at 6) Nothing in the record undermines Plaintiff's contention that it, fully and in good faith, believed the parties had agreed that the infringement case with respect to the '250 patent was no longer proceeding. Given Plaintiff's realization about the dispositive nature of the claim construction loss, given Defendants' threats to pursue Rule 11 sanctions and Section 285 relief if Plaintiff continued thereafter to litigate the '250 patent, and given Plaintiff's confirmation to Defendants that Plaintiff was not any longer litigating the '250 patent, Plaintiff was right to believe the parties had agreed that there would be no further (pre-appeal) litigation of the '250 patent.

The Court will deny Defendants' motion for summary judgment without prejudice to renew if this case is remanded following an appeal and proceeds on a different claim construction. The Court will deny Defendants' motion for dismissal due to lack of prosecution.

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	C.A. No. 15-379-LPS
	:	
SHARP ELECTRONICS CORPORATION,	:	
	:	
Defendant.	:	

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	C.A. No. 15-788-LPS
	:	
VIZIO, INC.,	:	
	:	
Defendant.	:	

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**ORDER**

At Wilmington, this **14th** day of **February, 2019**:

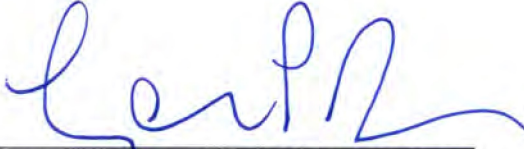
For the reasons set forth in the Memorandum Opinion issued this date, **IT IS HEREBY**

**ORDERED** that:

1. Plaintiff’s Motions for Summary Judgment of Infringement (C.A. No. 15-379 D.I. 406; C.A. No. 15-788 D.I. 334) are **DENIED**.
2. Defendants’ Motions for Summary Judgment of Non-Infringement (C.A. No. 15-379 D.I. 416; C.A. No. 15-788 D.I. 337) are **GRANTED**.
3. The parties shall meet and confer and, no later than **February 15th**, submit a joint status report regarding the status of the parties’ remaining claim(s) in suit, whether the Court

should resolve any of the parties' remaining motions, and generally how this case should now proceed.

4. As the Memorandum Opinion was filed under seal, the parties shall meet and confer and, no later than **February 15th**, submit a proposed redacted version. Thereafter, the Court will issue a public version of its Memorandum Opinion.



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UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

WI-LAN INC.,

Plaintiff,

v.

SHARP ELECTRONICS CORPORATION,

Defendant.

UNSEALED ON  
FEBRUARY 19, 2019

C.A. No. 15-379-LPS

WI-LAN INC.,

Plaintiff,

v.

VIZIO, INC.,

Defendant.

C.A. No. 15-788-LPS

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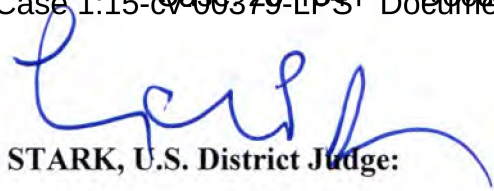
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Attorneys for Vizio, Inc.

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**MEMORANDUM OPINION**

February 14, 2019  
Wilmington, Delaware



**STARK, U.S. District Judge:**

Pending before the Court are Plaintiff Wi-LAN Inc.’s (“Plaintiff”) Motions for Summary Judgment of Infringement (C.A. No. 15-379 D.I. 406; C.A. No. 15-788 D.I. 334), Defendants Sharp Electronics Corporation and Vizio, Inc.’s (collectively, “Defendants”) Motions to Preclude the Expert Opinions of Craig K. Tanner (C.A. No. 15-379 D.I. 408; C.A. No. 15-788 D.I. 329), Defendants’ Motions to Preclude the Analysis of Rebecca Reed-Arthurs (C.A. No. 15-379 D.I. 410; C.A. No. 15-788 D.I. 330), Defendants’ Motions to Preclude the Expert Opinions of Ionut Mirel (C.A. No. 15-379 D.I. 411; C.A. No. 15-788 D.I. 331), Defendants’ Motions to Preclude the Expert Opinions of David A. Kennedy (C.A. No. 15-379 D.I. 412; C.A. No. 15-788 D.I. 332), Plaintiff’s Motions for Partial Summary Judgment of No Invalidity (C.A. No. 15-379 D.I. 414; C.A. No. 15-788 D.I. 339), Defendants’ Motions for Summary Judgment of Non-Infringement (C.A. No. 15-379 D.I. 416; C.A. No. 15-788 D.I. 337), and Plaintiff’s Motions to Preclude the Infringement and Validity Expert Reports of Clifford Reader (C.A. No. 15-379 D.I. 419; C.A. No. 15-788 D.I. 344). The Court heard arguments on these motions on December 19, 2018 and took all motions under advisement. (*See* D.I. 471 (“Tr.”)) The Court has also considered the parties’ supplemental briefs and letters responding to the Court’s post-hearing questions (C.A. No. 15-379 D.I. 470; C.A. No. 15-788 D.I. 399). (*See* C.A. No. 15-379 D.I. 472, 473, 474, 475, 481, 482; C.A. No. 15-788 D.I. 401, 402, 403, 404, 410, 411)<sup>1</sup>

**I. BACKGROUND**

While this was initially a three-patent case, only one patent remains asserted in this

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<sup>1</sup>Further docket citations will be made to the C.A. No. 15-379 docket, but apply equally to corresponding filings in the C.A. No. 15-788 action, unless specified otherwise.

action: U.S. Patent No. 6,359,654 (the “’654 patent”). Plaintiff alleges that Defendants each infringe claims 1, 4, and 9 of the ’654 patent, which are methods of displaying interlaced video data on non-interlaced monitors. The claimed methods require four steps: “capturing” two fields into buffers, “scaling” the fields, “adjusting” one of the fields, and “displaying” the two fields sequentially on a non-interlaced monitor. (’654 patent, cls. 1, 4, 9)

## II. LEGAL STANDARDS

Under Rule 56(a) of the Federal Rules of Civil Procedure, “[t]he court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” The moving party bears the burden of demonstrating the absence of a genuine issue of material fact. *See Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 585-86 (1986). An assertion that a fact cannot be – or, alternatively, is – genuinely disputed must be supported either by “citing to particular parts of materials in the record, including depositions, documents, electronically stored information, affidavits or declarations, stipulations (including those made for purposes of the motion only), admissions, interrogatory answers, or other materials,” or by “showing that the materials cited do not establish the absence or presence of a genuine dispute, or that an adverse party cannot produce admissible evidence to support the fact.” Fed. R. Civ. P. 56(c)(1)(A) & (B). If the moving party has carried its burden, the nonmovant must then “come forward with specific facts showing that there is a genuine issue for trial.” *Matsushita*, 475 U.S. at 587 (internal quotation marks omitted). The Court will “draw all reasonable inferences in favor of the nonmoving party, and it may not make credibility determinations or weigh the evidence.” *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 150 (2000).

To defeat a motion for summary judgment, the nonmoving party must “do more than simply show that there is some metaphysical doubt as to the material facts.” *Matsushita*, 475 U.S. at 586; *see also Podobnik v. U.S. Postal Serv.*, 409 F.3d 584, 594 (3d Cir. 2005) (stating party opposing summary judgment “must present more than just bare assertions, conclusory allegations or suspicions to show the existence of a genuine issue”) (internal quotation marks omitted). The “mere existence of some alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment;” a factual dispute is genuine only where “the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48 (1986). “If the evidence is merely colorable, or is not significantly probative, summary judgment may be granted.” *Id.* at 249-50 (internal citations omitted); *see also Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986) (stating entry of summary judgment is mandated “against a party who fails to make a showing sufficient to establish the existence of an element essential to that party’s case, and on which that party will bear the burden of proof at trial”). Thus, the “mere existence of a scintilla of evidence” in support of the nonmoving party’s position is insufficient to defeat a motion for summary judgment; there must be “evidence on which the jury could reasonably find” for the nonmoving party. *Anderson*, 477 U.S. at 252.

### III. DISCUSSION

The parties filed cross-motions for summary judgment regarding infringement of the ’654 patent.<sup>2</sup> (*See* D.I. 406, 416) Plaintiff’s case presents two theories of infringement against two

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<sup>2</sup>The parties’ *Daubert* motions do not impact the Court’s analysis of the parties’ cross-motions regarding infringement, so the Court need not first decide the *Daubert* motions.

sets of accused products. Plaintiff's first theory of infringement, asserted against a substantial majority of the accused products, is that Defendants directly infringe by selling televisions that automatically perform each step of the claimed methods. This theory of infringement is based on the Federal Circuit's decision in *SiRF Technology, Inc. v. International Trade Commission*, 601 F.3d 1319 (Fed. Cir. 2010). For the remaining accused products, Plaintiff asserts that Defendants directly infringe by testing those televisions in the United States in a manner that practices the claimed methods.

Plaintiff's evidence of infringement includes (and essentially depends on) two sets of declarations from the companies that manufacture for Defendants the System-on-Chips ("SoCs") which house the accused functionality (the "SoC declarations"). Plaintiff's other principal evidence of infringement is Register Transfer Level ("RTL") source code that provides the blueprint to manufacture the hardware of the SoCs. As Plaintiff cannot prove infringement without the source code, the Court will first consider the admissibility of the source code and the SoC declarations.

For purposes of this Opinion, the Court will assume that every limitation of the asserted claims is met by the accused products.<sup>3</sup> Under that assumption, it is undisputed that the accused products themselves perform every step of the asserted claims. (*See, e.g.*, D.I. 407 at 1; D.I. 447 at 17-18)

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<sup>3</sup>The Court recognizes that the parties dispute whether each limitation of the asserted claims is met by the accused products. Indeed, both parties moved for summary judgment on precisely whether or not certain limitations are met. As a result of the Court's conclusions in this Opinion, it need not rule on those portions of the parties' motions.

**A. Admissibility of Source Code and SoC Declarations**

Given the nature of the alleged infringement, and Defendants' relationship to the asserted patented methods, Plaintiff has "been on notice since the very beginning of the case that [it was] going to need source code from third parties." (D.I. 182 at 25; *see also* D.I. 91 at 33) That is, in order to meet its burden to prove infringement, Plaintiff has known that it would need to obtain source code from MediaTek, MStar, and Sigma (the "SoC manufacturers") – those third parties manufacture the SoCs that are accused of containing the infringing functionality in this case. (*See* D.I. 91 at 33; D.I. 182 at 25-26) When Plaintiff approached the SoC manufacturers, they did not easily and voluntarily produce their proprietary code. For example, in April 2017, MediaTek's counsel told Plaintiff's counsel that "MediaTek Inc. is not going to voluntarily produce each version of code that has existed for 15 chips over almost 8 years." (D.I. 423 Ex. 50 at 2; *see also id.* at 3 ("MediaTek Inc. does not have a single person, or even multiple people, who could state under oath that there are no 'material differences' for 15 chips over almost 8 years.")) The following month, Plaintiff sued the SoC manufacturers in this Court for patent infringement. (*See* D.I. 418 at 13) Shortly thereafter, Plaintiff entered into termination agreements with the SoC manufacturers which provided that the SoC manufacturers would produce source code and the lawsuits against them would be dismissed without prejudice. (*See* D.I. 445 at 30; D.I. 446 Exs. 16-17) Ultimately, the SoC manufacturers produced a single version of RTL source code with accompanying declarations stating that the code produced provides the implementation of the deinterlacing process for digital video data in a specified list



of chips, adding that there are “no material differences”<sup>4</sup> between the version of code produced and any versions used since 2009. (*See* D.I. 446 Exs. 9-14) Following this production, Defendants obtained a second set of SoC declarations in which the same declarants describe the circuitry and operation of the SoCs at issue. (*See* D.I. 418 at 27-28) Neither party has deposed any of the declarants. (*See id.* at 27) At the recent hearing, the parties told the Court that none of the declarants will appear at trial. (*See* Tr. at 43-44)

Plaintiff argues that the source code and the first set of SoC declarations are admissible, citing several grounds for admissibility. The Court addresses, and rejects, each in turn.<sup>5</sup>

First, Plaintiff argues that the source code and SoC declarations are admissible as records of a regularly conducted business activity under Federal Rule of Evidence 803(6). (*See* D.I. 472 at 1-3; D.I. 474 at 1-2) Rule 803(6) provides that a business record is not excluded as hearsay if “(A) the record was made at or near the time by . . . someone with knowledge; (B) the record was kept in the course of a regularly conducted activity of a business . . . ; (C) making the record was a regular practice of that activity; (D) all these conditions are shown . . . by a certification that complies with Rule 902(11) or (12) . . . ; and (E) the opponent does not show that the source of information or the method of circumstances of preparation indicate a lack of trustworthiness.” A business record is self-authenticating under Rule 902(11) as long as the requirements of Rule

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<sup>4</sup>As almost all of the declarations that Plaintiff relies on predate the Court’s issuance of its claim construction order (*see* Tr. at 46), the Court struggles to understand how the declarants could know whether distinctions among versions of the source code are “material” in a manner pertinent to this case. Plaintiff’s counsel admitted at the hearing “clearly, there have been revisions to the source code.” (*Id.* at 43)

<sup>5</sup>Defendants’ position is that none of the SoC declarations should be admitted, but if the Court finds that the first set is admissible then the second set of SoC declarations should also be admitted for completeness. (*See* D.I. 418 at 27; D.I. 473 at 5 n.3)

803(6)(A)-(C) are shown by a certification of a qualifying person and the adverse party had reasonable notice of the record and certification. *See* Fed. R. Evid. 803(6)(D) & 902(11).

The SoC declarations, which Plaintiff contends are the Rule 902(11) certifications for the source code, state that the declarant either is familiar with or has personal knowledge of the contents and functionality of the code and that the declarant understands that the code is maintained as a business record in the ordinary course of the company's business. (*See* D.I. 446 Exs. 9-14) However, as Defendants argue, the SoC declarations fail to demonstrate that the source code meets the requirements of Rule 803(6). The SoC declarations merely provide conclusory statements that the code is a business record without providing any factual basis for those statements, let alone addressing the three requirements of 803(6).

Mere "boilerplate recitation of the requirements under 803(6) fails to provide sufficient detail necessary to authenticate the exhibits or satisfy the requirements of Rule 803(6)." *JPMorgan Chase Bank, N.A. v. AME Fin. Corp.*, 2009 WL 10668518, at \*3 (N.D. Ga. Sept. 25, 2009). In *JPMorgan*, the declarant attested that she is an employee of a particular office of the plaintiff, "that she has personal knowledge of Plaintiff's practice of maintaining these records; that these records were created or received by Plaintiff in its regularly conducted business activity; and that they were retained by Plaintiff in its file on Defendant in the course of its regular practice for making and keeping such records." *Id.* The Court determined that such statements were too vague to meet the requirements of the Rule because the declarant failed to show her "familiarity with the creation and maintenance of these records" and failed to describe "any details about Plaintiff's record-keeping procedures." *Id.* Here, the SoC declarations provide even less information regarding the SoC manufacturers' creation and maintenance of the

source code and, therefore, are not adequate Rule 902(11) certifications.

Moreover, Plaintiff cannot satisfy the fifth requirement of Rule 803(6). Defendants have demonstrated a lack of trustworthiness in the materials; the source code contains inconsistent dates in the metadata, copyright, and revision histories<sup>6</sup> as well as added commentary on the printed excerpts. (See D.I. 456 at 4-5; D.I. 473 at 7-8) Plaintiff also failed to obtain change logs, file comparisons, or other evidence of code revisions that might clear up the inconsistencies in the code. (See D.I. 456 at 5) The circumstances surrounding the production, including the fact that the SoC manufacturers originally claimed that they could not produce one version of source code for all SoCs at issue in the case, raises further concern as to the credibility of both the source code and the SoC declarations seeking to authenticate the code. Accordingly, the source code is not admissible under Rule 803(6).

The SoC declarations, too, are not admissible under Rule 803(6) because they were prepared for purposes of litigation, nor in the ordinary course of business, and, further, do not contain much indicia of trustworthiness. (See D.I. 473 at 2-3; *see also United States v. Casoni*, 950 F.2d 893, 912 (3d Cir. 1991) (finding document not to be business record where it was “a tool of controversy, not a routine record of fact”); *Sommerfield v. City of Chicago*, 254 F.R.D. 317, 323 (N.D. Ill. 2008) (noting “guarantors of reliability,” such as employee’s “strong motive to be accurate,” are absent “when a document is created for a particular use that lies outside the business’s usual operations – especially when that use involves litigation”))

Plaintiff’s second asserted basis for admissibility of the source code is that it may be

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<sup>6</sup>For example, the 2017 source code has a copyright date of 2006, a last modified date of 2010, and many undated revisions in the revision history. (See D.I. 473 at 7)

authenticated under Rules 901(b)(1) and 901(b)(4). However, Rule 901(b)(1), which permits authentication via testimony, is not met because the SoC declarations are not trustworthy and neither the declarants nor anyone else with knowledge of the source code has been deposed or will be coming to trial. (*See* Tr. at 43-44) While Rule 901(b)(4) allows evidence to be authenticated by distinctive characteristics, such as the “appearance, contents, substance, internal patterns . . . taken together with all the circumstances,” this provision is not satisfied here – even if the source code is distinctive – given the highly dubious circumstances surrounding the production and the lack of indicia of trustworthiness in the source code. Furthermore, even if the source code could be authenticated, it does not necessarily follow that the source code would also be admissible. *See, e.g., Acceleration Bay LLC v. Activision Blizzard Inc.*, 2018 WL 5045186, at \*3 (D. Del. Oct. 17, 2018) (“Evidence that is properly authenticated may nonetheless be inadmissible hearsay.”). Accordingly, the Court concludes that the source code and SoC declarations are not admissible under Rules 901(b)(1) or 901(b)(4).

Plaintiff next argues that the source code is admissible under Federal Rule of Evidence 807(a)(3), because the SoC declarations are “more probative on the point for which [they are] offered than any other evidence that the proponent can obtain through reasonable efforts.” (*See* D.I. 472 at 5 n.6) However, “equivalent circumstantial guarantees of trustworthiness” is also a prerequisite under Rule 807 and, as already explained, the source code and declarations lack such characteristics. Fed. R. Evid. 807(a)(1).

Plaintiff additionally argues that, pursuant to Rule 703, its experts may reasonably rely on the source code in forming their opinions and may also disclose the contents of the source code to the jury because “their probative value in helping the jury evaluate the opinion substantially

outweighs their prejudicial effect.” (See D.I. 472 at 5-6) Plaintiff’s interpretation of this provision lacks merit. Rule 703 allows an expert to rely on his or her own experiences, statements made by others, and data presented by others even when that evidence on which the expert has relied would itself be admissible only if it was authenticated. See Fed. R. Evid. 703, advisory committee’s note on proposed rules. The Rule was not intended to create a “backdoor” to allow the admission into evidence of otherwise inadmissible declarations and other materials simply because they might assist the jury’s evaluation of an expert’s opinions.

Plaintiff also argues that the SoC declarations are admissible under Rule 801(d)(2)(B) as statements offered against Defendants that Defendants have “adopted or believed to be true.” In particular, Plaintiff insists that since Defendants submitted their own SoC declarations and relied on them in support of their motions for summary judgment and expert reports, “the statements of authenticity and admissibility in those declarations that mirror the statements in Wi-LAN’s SoC Declarations are *not hearsay*,” because “Defendants have adopted these statements as true and therefore are precluded from now claiming them to be hearsay.” (D.I. 472 at 2) This contention is, in the apt characterization of Defendants, “wildly inaccurate.” (D.I. 475 at 1) Defendants’ primary – and vehement – position has always been that all of the SoC declarations are inadmissible;<sup>7</sup> any reliance on them in Defendants’ papers has been argued in the alternative, in case the Court were to find them to be admissible.

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<sup>7</sup>See D.I. 332 at 2 (June 22, 2018 letter arguing declarations cannot substitute for trial testimony); D.I. 342 at 1-2 (July 2, 2018 letter arguing declarations are inadmissible); D.I. 418 at 2 (arguing in opening summary judgment brief that declarations are “wildly unreliable and inadmissible”); D.I. 456 at 1 (arguing in reply summary judgment brief declarations are “inadmissible hearsay”); D.I. 473 at 5 n.2 (“Defendants do not believe either set of SoC declarations should be admitted into evidence.”).

Finally, and most recently, Plaintiff requests that, should the Court finds the source code and SoC declarations inadmissible, it be given a further opportunity to cure any defects, citing Federal Rule of Civil Procedure 56(c)(2) as support. (*See* D.I. 474 at 2-3; D.I. 482 at 1) Rule 56(c)(2) allows a party to object to material cited in a summary judgment motion if it cannot be presented in a form that would be admissible in evidence. “The objection functions much as an objection at trial.” Fed. R. Civ. P. 56, committee notes on 2010 amendment. If the inadmissible evidence cannot be converted into admissible form, it must be excluded.

Rule 56(c)(2) does not help Plaintiff here. Plaintiff has had ample time and opportunities over years of litigation to obtain evidence of infringement from the SoC manufacturers. As but one example, as long ago as September 2017 the Court stated there was already at that time “a really strong case” to deny Plaintiff another opportunity to obtain source code from third parties, as the issue had been litigated since early 2016. (D.I. 182 at 25-26) (Sept. 11, 2017 Transcript) This has now been an issue for approximately three years – and trial is now just two months away. There is simply no reason to provide Plaintiff still another opportunity to fix its evidentiary deficiencies (even assuming Plaintiff could, somehow, do so).

Thus, the Court concludes that the source code and SoC declarations are inadmissible. They will be excluded from trial.<sup>8</sup> Accordingly, the Court grants Defendants’ objection to the evidence and excludes them from the record on which it must base its summary judgment determination. *See* Fed. R. Civ. P. 56(c)(2).

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<sup>8</sup>Given the Court’s conclusions, it is unnecessary for the Court to evaluate Defendants’ additional argument that the 2017 version of source code – which post-dates the expiration of the ’654 patent and post-dates the period relevant to infringement, which begins in 2009 – is irrelevant. (*See* D.I. 418 at 6-10)



Without source code from the SoC manufacturers, no reasonable juror could find that Defendants' accused televisions practice the limitations of the asserted claims. Therefore, Plaintiff cannot prove that Defendants directly infringe the '654 patent through sales or testing. It follows, then, that the Court must grant Defendants' motions for summary judgment of non-infringement and deny Plaintiff's motions for summary judgment of infringement.

**B. Direct Infringement Through Sales Under *SiRF***

Defendants present an alternative basis on which the Court may – and is – also granting summary judgment of non-infringement. “A method claim is directly infringed when someone practices every step of the patented method.” *Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201, 1219 (Fed. Cir. 2014). Direct infringement may also be present when certain steps are performed by the accused product so long as that performance is controlled by the accused infringer. *See SiRF*, 601 F.3d at 1329. Plaintiff's contention that this latter theory of direct infringement can be found on the present record is unavailing.

In *SiRF*, the defendant developed, manufactured, and sold GPS chips to customers who incorporated the chips into end-user GPS devices. *See id.* at 1323. That defendant also provided data generated from its own servers to the end-user GPS devices. *See id.* at 1324. The defendant designed and built the technology such that when the GPS device was activated by the end-user, the defendant's servers, software, and chips automatically performed the method steps. *See id.* at 1331. Under these circumstances, the Federal Circuit found that the defendant directly infringed the patent-in-suit, because the defendant controlled the equipment that automatically performed the claimed method.

The Federal Circuit has explained that its “decision in *SiRF* did not create direct



infringement liability whenever an alleged infringer sells a product that is capable of executing the infringing method.” *Ericsson*, 773 F.3d at 1221. In fact, the Federal Circuit has never “found direct infringement of a method claim by sales of an end user product which performs the entire method.” *Id.* at 1222.

Here, it is undisputed that no person or entity performs any steps of the asserted method claims; rather, it is the accused products themselves that perform every step of the claims. (*See, e.g.*, D.I. 407 at 1-3; D.I. 447 at 17-18) *SiRF*, then, is inapplicable. No reasonable juror could find on the present record that Defendants control the performance (automatically or not) of the claimed method. *See Ericsson*, 773 F.3d at 1221-22.

Plaintiff argues that Defendants directly infringe because they “control all aspects of the hardware within the accused televisions, including the [SoCs] and display modules.” (D.I. 407 at 2) In fact, as any reasonable factfinder would have to conclude, if anyone actually controls the performance of the steps of the method it is not Defendants **but the SoC manufacturers**, because the SOC manufacturers design and implement the allegedly infringing deinterlacing functionality, which is protected by confidential and proprietary source code to which Defendants do not even have access. (*See* D.I. 447 at 19) While Defendants incorporate the SoCs into their televisions, there is no evidence that Defendants assert any control over the precise functionality of those chips. Further, unlike in *SiRF*, where the defendant physically possessed and controlled the servers at the time of performance of the method, Defendants here have no control over performance of the method after they sell their televisions to end users. As “there are no steps automatically performed by equipment controlled by [Defendants],” *SiRF* does not apply. *Ericsson*, 773 F.3d at 1222; *see also Adaptix, Inc. v. Apple, Inc.*, 78 F. Supp. 3d 952, 957 (N.D.

Cal. 2015) (noting *SiRF* does not apply when defendant does not “perform or control any claim step”).<sup>9</sup> Accordingly, Defendants are not direct infringers.

Plaintiff argues that having no direct infringer “provides an unjust and prejudicial exemption for Defendants’ infringement” and that “*SiRF* serves the purpose of foreclosing such unintended results.” (D.I. 472 at 9) The Court is not persuaded that there must be a direct infringer in this case.<sup>10</sup> While it seems likely that if the ’654 patent claimed systems, rather than methods, Defendants would be direct infringers, the patentee here chose (for whatever reason) to claim methods. If no one performs (or controls the performance of) the claimed methods (as is the case here), then it may be that those methods cannot be infringed by anyone.

Thus, again, the Court will grant Defendants’ motions for summary judgment of non-infringement and deny Plaintiff’s motions for summary judgment of infringement.

### **C. Direct Infringement By Testing**

Plaintiff also contends that a reasonable jury could find infringement for a small portion of the accused products based on Defendants’ testing of those products in a way that practices the claimed methods. Defendants counter that Plaintiff has failed to identify evidence sufficient to

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<sup>9</sup>Plaintiff’s reliance on *Vehicle IP, LLC v. AT&T Mobility LLC*, 227 F. Supp. 3d 319 (D. Del. 2016), is misplaced. There, unlike here, the claimed steps were performed by both the products and the defendants.

<sup>10</sup>Defendants’ customers who purchase the accused televisions also do not control any steps of the asserted methods. Even though they may choose to use their televisions in either an infringing or non-infringing manner (by using input sources that broadcast either interlaced or progressive signals, respectively), turning the television on, changing the channel, or changing the input is not part of the claimed methods. As such, Defendants’ customers neither perform nor control any steps of the claims and are not direct infringers. *See SiRF*, 601 F.3d at 1331 (refusing to read limitations, such as “activating” device, into claims); *see also* D.I. 407 at 3; D.I. 445 at 4-6.

prove by a preponderance of the evidence that Defendants performed tests that practiced the claimed methods in the United States. (*See* D.I. 418 at 31-37)

Even assuming that a reasonable factfinder could find that Defendants have performed tests practicing the claimed methods in the United States, this evidence could not support a finding of direct infringement. This is because just as Defendants' end user customers are not direct infringers (*see supra* n.10), so, too, Defendants are not direct infringers by virtue of those occasions on which they plug in and turn on the accused televisions and obtain an interlaced signal. Additionally, Defendants have no control over the functionality in the SoCs installed in their televisions. Accordingly, those performing the testing on the accused products do not directly infringe the asserted claims.

#### **IV. CONCLUSION**

For the foregoing reasons, Plaintiff's motions for summary judgment of infringement will be denied and Defendants' motions for summary judgment of non-infringement will be granted. The Court will confer with the parties before determining whether it must resolve any or all of the remaining motions or any other issues.<sup>11</sup> An appropriate order follows.

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<sup>11</sup>The Court understands that, as a result of the accompanying Order, the only remaining claim in this lawsuit is Defendants' counterclaim for declaratory judgment of invalidity of the '654 patent. (*See* D.I. 472 at 10; D.I. 473 at 9) The parties will be ordered to meet and confer and advise the Court as to whether this understanding is correct.

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	C.A. No. 15-379-LPS
SHARP ELECTRONICS CORPORATION,	:	
	:	
Defendant.	:	

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	C.A. No. 15-788-LPS
VIZIO, INC.,	:	
	:	
Defendant.	:	

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**MEMORANDUM ORDER**

At Wilmington this **10th** day of **December, 2018**:

Pending before the Court is Plaintiff Wi-LAN Inc.’s (“Plaintiff”) Motion for Reconsideration (C.A. No. 15-379 D.I. 364; C.A. No. 15-788 D.I. 281), Plaintiff’s Motion for Leave to Supplement the Initial Expert Reports of David Kennedy (C.A. No. 15-379 D.I. 365; C.A. No. 15-788 D.I. 282), and Defendants Sharp Electronics Corporation and Vizio, Inc.’s (“Defendants”) Motion to Strike Portions of Plaintiff’s Supplemental and Rebuttal Expert

Reports (C.A. No. 15-379 D.I. 374; C.A. No. 15-788 D.I. 290).<sup>1</sup> Having reviewed the parties' submissions (D.I. 364, 365, 368, 373, 375, 379, 384, 394), **IT IS HEREBY ORDERED** that, for the reasons set forth below, Plaintiff's Motion for Reconsideration is **GRANTED IN PART** and **DENIED IN PART**, Plaintiff's Motion for Leave to Supplement is **DENIED**, and Defendants' Motion to Strike is **DENIED**.<sup>2</sup>

#### **I. WI-LAN'S MOTION FOR RECONSIDERATION**

1. On June 27, 2018, Defendants filed a Motion to Preclude Portions of Plaintiff's Expert Reports on Infringement that, in relevant part, sought to strike Plaintiff's induced infringement theory and sought to strike the Tanner Report in its entirety. (D.I. 336) Following briefing (D.I. 337, 351, 354), during a teleconference on July 31, 2018 the Court granted those portions of the motion. (*See* D.I. 362 at 25-28, 38) The Court ruled that Plaintiff's late disclosure of its indirect infringement theories must be stricken because Plaintiff repeatedly assured both the Court and Defendants that all of its liability theories had been disclosed during the multiple reviews of Plaintiff's infringement contentions. (*See id.* at 26) The Court further found that the *Pennypack* factors supported striking Plaintiff's indirect infringement theory. (*See id.* at 26-28) Based on this ruling, the Court then determined that the Tanner Report became "largely or at least entirely irrelevant;" however, the Court also felt that Mr. Tanner's reliance on reports of other experts not in this case was not proper. (*See id.* at 38) On August 14, Plaintiff moved for reconsideration of these rulings. (D.I. 364)

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<sup>1</sup> While this Order will resolve the motions on both dockets, all further docket citations will be to the C.A. No. 15-379 action.

<sup>2</sup> While these motions were set for oral argument on December 19, 2018 (*see* D.I. 439), the Court finds that further argument on these motions is not needed.

2. Pursuant to Local Rule 7.1.5, motions for reconsideration should be granted only “sparingly.” The decision to grant such a motion lies squarely within the discretion of the district court. *See Dentsply Int’l, Inc. v. Kerr Mfg. Co.*, 42 F. Supp. 2d 385, 419 (D. Del. 1999); *Brambles USA, Inc. v. Blocker*, 735 F. Supp. 1239, 1241 (D. Del. 1990). These types of motions are granted only if the Court has patently misunderstood a party, made a decision outside the adversarial issues presented by the parties, or made an error not of reasoning but of apprehension. *See Shering Corp. v. Amgen, Inc.*, 25 F. Supp. 2d 293, 295 (D. Del. 1998); *Brambles*, 735 F. Supp. at 1241. “A motion for reconsideration is not properly grounded on a request that a court rethink a decision already made.” *Smith v. Meyers*, 2009 WL 5195928, at \*1 (D. Del. Dec. 30, 2009); *see also Glendon Energy Co. v. Borough of Glendon*, 836 F. Supp. 1109, 1122 (E.D. Pa. 1993). It is not an opportunity to “accomplish repetition of arguments that were or should have been presented to the court previously.” *Karr v. Castle*, 768 F. Supp. 1087, 1093 (D. Del. 1991). A motion for reconsideration may generally be granted only if the movant can show at least one of the following: (i) there has been an intervening change in controlling law; (ii) the availability of new evidence not available when the court made its decision; or (iii) there is a need to correct a clear error of law or fact to prevent manifest injustice. *See Max’s Seafood Café by Lou-Ann, Inc. v. Quinteros*, 176 F.3d 669, 677 (3d Cir. 1999). However, in no instance should reconsideration be granted if it would not result in amendment of an order. *See Schering*, 25 F. Supp. 2d at 295.

3. With respect to the ruling striking Plaintiff’s indirect infringement theory, Plaintiff substantially restates its prior arguments that were already considered and rejected by this Court, adding that the Court should have applied the *Poulis* factors rather than the

*Pennypack* factors. (See D.I. 364 at 8-10) Since Plaintiff relied on the *Pennypack* factors in its initial motion (see D.I. 351 at 4; D.I. 354 at 2), the Court will not reconsider its prior decision based on a standard Plaintiff could have asked the Court to have applied initially.

4. With respect to the ruling relating to the Tanner Report, Plaintiff argues that the Court's understanding that its order striking the indirect infringement theories renders the Tanner Report irrelevant is incorrect. Plaintiff argues that Mr. Tanner did not opine on indirect infringement, but rather "demonstrate[d] the extent of use of the methods of the '654 patent by the accused products," which is relevant to damages for direct infringement, observing that the only expert who relied on Mr. Tanner's opinions was Plaintiff's damages expert, Dr. Kennedy. (D.I. 364 at 4-5) Defendants argue that Plaintiff's own citation to Dr. Kennedy's report shows that he "relied on the Tanner Report for his opinions that users likely infringe, not for damages." (D.I. 368 at 7) Based on the limited excerpts of Mr. Kennedy's report provided to the Court, it appears that Mr. Kennedy did, indeed, rely on Mr. Tanner's opinions for the extent of use of the patented invention, i.e., the ubiquity of the invention, which is relevant to damages. Accordingly, the Court will amend its prior ruling as follows: the portions of the Tanner Report that cite to and rely on the Wallace and Frankel Reports remain stricken for the reasons stated during the teleconference (see D.I. 362 at 38), but the remainder of the Tanner Report is not stricken from this case.

## **II. WI-LAN'S MOTION FOR LEAVE TO SUPPLEMENT THE INITIAL EXPERT REPORTS OF DAVID KENNEDY**

5. On August 17, 2018, Plaintiff moved for leave to supplement the initial expert reports on damages of David Kennedy, in light of the Court's July 31 Order striking the initial

Tanner Report. (D.I. 365 at 1) As Plaintiff notes, “Mr. Kennedy’s reports were submitted before the Court precluded Mr. Tanner’s report.” (*Id.* at 5) With portions of the Tanner Report reinstated pursuant to the Court’s ruling above, the request to supplement is moot.

### **III. DEFENDANTS’ MOTION TO STRIKE PORTIONS OF PLAINTIFF’S SUPPLEMENTAL AND REBUTTAL EXPERT REPORTS**

6. On September 10, 2018, Defendants moved to strike Section IV of Ionut Mirel’s Supplemental Expert Report and Section VIII.D.7 of Craig Tanner’s Rebuttal Expert Report, on two grounds. (*See* D.I. 374) First, Defendants argue that the two reports improperly circumvent the Court’s July 31, 2018 Order striking the initial Tanner Report. Given the Court’s ruling above, and the fact that the two reports do not rely on the Wallace or Frankel Reports, this argument is now moot.

7. Second, Defendants argue that the Mirel Supplemental Report improperly contains new opinions that are not proper supplementation under the Court’s July 30 Order, which limited the supplemental report to “(i) discovery produced by Defendants after June 15, 2018, and (ii) additional discovery ordered by the Court during the June 15, 2018 Discovery Hearing and in C.A. No. 15-379, D.I. 344.” (D.I. 360 at 2 n.1) Plaintiff contends that Section IV of the Mirel Supplemental Report, which is entitled “Interlaced Video Sources,” provides an “evidence-based description of the [four] sources from which the accused televisions receive interlaced video.” (D.I. 384 at 2) Plaintiff further contends that these opinions demonstrate Defendants’ direct infringement, particularly through “testing of the accused television[s] using one or more of the discussed interlaced video sources.” (*Id.*) The discovery produced by Defendants after June 15, 2018 included evidence of testing. (*See* D.I. 344; D.I. 384 at 4)



Plaintiff argues that it became necessary for Dr. Mirel to explain the interlaced video sources in order to arrive at his ultimate conclusion that the testing constitutes direct infringement, because Defendants had not described the format of the video signals used in their testing. (See D.I. 384 at 3-4) Defendants argue that Dr. Mirel cites evidence that was available prior to June 15, 2018, but they fail to respond to Plaintiff's explanation as to how citation to this earlier-produced evidence only became necessary after Defendants' testing evidence was produced. (See D.I. 394 at 2) Under the circumstances, Plaintiff properly supplemented Dr. Mirel's report.

8. Additionally, the *Pennypack* factors do not support striking Section IV of the Mirel Supplemental Report. The evidence is important, as it relates to Dr. Mirel's direct infringement opinions. Defendants are not prejudiced by the disclosures and have had an opportunity to have their own expert rebut Dr. Mirel's opinions and to have deposed Dr. Mirel. Finally, Defendants' concern about Dr. Mirel relying on already stricken opinions is moot given the Court's ruling in Section I above.

\* \* \*

**IT IS FURTHER ORDERED** that the parties shall meet and confer and, no later than December 13, submit a joint status report regarding the impact, if any, of this Order on the pending cases and motions.

  
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HONORABLE LEONARD P. STARK  
UNITED STATES DISTRICT JUDGE

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	C.A. No. 15-379-LPS
SHARP ELECTRONICS CORPORATION,	:	
	:	
Defendants.	:	
	:	

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	C.A. No. 15-788-LPS
VIZIO, INC.,	:	
	:	
Defendant.	:	
	:	

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**ORDER**

At Wilmington, this **27th** day of **April, 2018**:

For the reasons set forth in the Memorandum Opinion issued this date,

**IT IS HEREBY ORDERED** that the disputed claim terms in this case are construed as

follows:

Claim Term	Court's Construction
<p>“A method for displaying interlaced video data on a non-interlaced monitor, the interlaced video data comprising a plurality of paired fields, each pair of fields being vertically offset relative to each other by one-half of a field line spacing distance, each field comprising a plurality of lines of video data”</p>	<p>Preamble is limiting</p>
<p>“respective buffers”</p>	<p>“separate buffers for the first field and the second field”</p>
<p>“scaling”</p>	<p>“changing the vertical resolution by changing by a constant factor the number of lines in a field”</p>
<p>“adjusting”</p>	<p>“vertical repositioning”</p>
<p>“to substantially correct for the vertical offset between the pairs of fields”</p>	<p>“to largely or approximately correct for the vertical offset”</p>
<p>“said adjusting is performed concurrently with said scaling”</p>	<p>“the adjusting and scaling steps must overlap, either by interleaving or simultaneous execution, such that one cannot complete before the other begins”</p>
<p>“vertical interpolation between at least adjacent lines”</p>	<p>“calculating values for new pixels between at least vertically adjacent lines using known values”</p>
<p>“the adjusting step is achieved by vertical interpolation between at least adjacent lines”</p>	<p>“the adjusting step is achieved by calculating values for new pixels between at least vertically adjacent lines using known values”</p>
<p>“an apparatus for adjusting rates of the input multimedia data streams”</p>	<p>Preamble is limiting</p>
<p>“input multimedia data streams”</p>	<p>“individual elementary audio or video streams that are input to the system”</p>
<p>“output multimedia data stream”</p>	<p>“combined audio and video stream that are output from the system”</p>
<p>“a multimedia processor, coupled to the data rate analyzer”</p>	<p>“a multimedia processor connected to the data rate analyzer, where the multimedia processor is separate from, and not a sub-component of, the data rate analyzer”</p>

“a data rate analyzer, coupled to the output multimedia data stream”	“a data rate analyzer connected to the output multimedia data stream, where the data rate analyzer is separate from, and not a sub-component of, the output multimedia data stream”
“determining the data rate”	“determining the number of bits transmitted over a given period of time”
“target output data stream data rate”	“the optimal or maximum data rate for the output multimedia data stream at a given point in time”
“generating rate control signals for adjusting the data rates of the input multimedia data streams”	“generating rate control signals for increasing, decreasing or maintaining the data rates of the input multimedia data streams”



HONORABLE LEONARD P. STARK  
UNITED STATES DISTRICT JUDGE

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	C.A. No. 15-379-LPS
SHARP ELECTRONICS CORPORATION,	:	
	:	
Defendants.	:	
	:	

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WI-LAN INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	C.A. No. 15-788-LPS
VIZIO, INC.,	:	
	:	
Defendant.	:	
	:	

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**MEMORANDUM OPINION**

April 27, 2018  
Wilmington, Delaware



**STARK, U.S. District Judge:**

Plaintiff Wi-LAN Inc. (“Plaintiff”) brought this patent infringement suit against Defendants Sharp Corporation, Sharp Electronics Corporation, and Vizio, Inc. (“Defendants”), alleging that Defendants infringe Plaintiff’s U.S. Patent Nos. 6,359,654 (the “’654 patent”) and 6,490,250 (the “’250 patent”). (See generally D.I. 15)<sup>1</sup> The ’654 patent generally relates to methods to display interlaced video on non-interlaced monitors. (’654 patent, Abstract) The ’250 patent generally relates to an integrated multimedia encoding system. (’250 patent, Abstract)

Presently before the Court is the issue of claim construction. The parties submitted technology tutorials (see D.I. 252, 256), objections to such technology tutorials (see D.I. 267, 270), claim construction briefs (see D.I. 253, 254, 266, 269), and expert declarations (see D.I. 253-1, 255-3, 255-4, 266-1). The Court held a claim construction hearing on February 26, 2018, at which both sides presented oral argument. (See D.I. 272 (“Tr.”))

**I. LEGAL STANDARDS**

The ultimate question of the proper construction of a patent is a question of law. See *Teva Pharm. USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831, 837 (2015) (citing *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 388-91 (1996)). “It is a bedrock principle of patent law that the claims of a patent define the invention to which the patentee is entitled the right to exclude.”

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<sup>1</sup>Docket citations are made to C.A. No. 15-379, but apply equally to corresponding filings in C.A. No. 15-788. Plaintiff also asserted U.S. Patent No. 5,847,774 (see D.I. 15), but that patent has since been dismissed from the lawsuit. (See D.I. 216) Plaintiff filed similar complaints against ON Corp US, Inc. and ON Corporation, Inc. (C.A. No. 15-786) and Sansui America, Inc., Orion Electric Co., Ltd., and Orion America Inc. (C.A. No. 15-787), but those defendants did not participate in the claim construction process leading to this Memorandum Opinion.

*Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (internal quotation marks omitted).

“[T]here is no magic formula or catechism for conducting claim construction.” *Id.* at 1324. Instead, the Court is free to attach the appropriate weight to appropriate sources “in light of the statutes and policies that inform patent law.” *Id.*

“[T]he words of a claim are generally given their ordinary and customary meaning . . . [which is] the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application.” *Id.* at 1312-13 (internal citations and quotation marks omitted). “[T]he ordinary meaning of a claim term is its meaning to the ordinary artisan after reading the entire patent.” *Id.* at 1321 (internal quotation marks omitted). The patent specification “is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term.” *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996).

While “the claims themselves provide substantial guidance as to the meaning of particular claim terms,” the context of the surrounding words of the claim also must be considered. *Phillips*, 415 F.3d at 1314. Furthermore, “[o]ther claims of the patent in question, both asserted and unasserted, can also be valuable sources of enlightenment . . . [b]ecause claim terms are normally used consistently throughout the patent.” *Id.* (internal citation omitted).

It is likewise true that “[d]ifferences among claims can also be a useful guide. . . . For example, the presence of a dependent claim that adds a particular limitation gives rise to a presumption that the limitation in question is not present in the independent claim.” *Id.* at 1314-15 (internal citation omitted). This “presumption is especially strong when the limitation in dispute is the only meaningful difference between an independent and dependent claim, and one



party is urging that the limitation in the dependent claim should be read into the independent claim.” *SunRace Roots Enter. Co., Ltd. v. SRAM Corp.*, 336 F.3d 1298, 1303 (Fed. Cir. 2003).

It is also possible that “the specification may reveal a special definition given to a claim term by the patentee that differs from the meaning it would otherwise possess. In such cases, the inventor’s lexicography governs.” *Phillips*, 415 F.3d at 1316. It bears emphasis that “[e]ven when the specification describes only a single embodiment, the claims of the patent will not be read restrictively unless the patentee has demonstrated a clear intention to limit the claim scope using words or expressions of manifest exclusion or restriction.” *Hill-Rom Servs., Inc. v. Stryker Corp.*, 755 F.3d 1367, 1372 (Fed. Cir. 2014) (quoting *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 906 (Fed. Cir. 2004)) (internal quotation marks omitted).

In addition to the specification, a court “should also consider the patent’s prosecution history, if it is in evidence.” *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 980 (Fed. Cir. 1995), *aff’d*, 517 U.S. 370 (1996). The prosecution history, which is “intrinsic evidence,” “consists of the complete record of the proceedings before the PTO [Patent and Trademark Office] and includes the prior art cited during the examination of the patent.” *Phillips*, 415 F.3d at 1317. “[T]he prosecution history can often inform the meaning of the claim language by demonstrating how the inventor understood the invention and whether the inventor limited the invention in the course of prosecution, making the claim scope narrower than it would otherwise be.” *Id.*

In some cases, “the district court will need to look beyond the patent’s intrinsic evidence and to consult extrinsic evidence in order to understand, for example, the background science or the meaning of a term in the relevant art during the relevant time period.” *Teva*, 135 S. Ct. at

841. Extrinsic evidence “consists of all evidence external to the patent and prosecution history, including expert and inventor testimony, dictionaries, and learned treatises.” *Markman*, 52 F.3d at 980. For instance, technical dictionaries can assist the court in determining the meaning of a term to those of skill in the relevant art because such dictionaries “endeavor to collect the accepted meanings of terms used in various fields of science and technology.” *Phillips*, 415 F.3d at 1318. In addition, expert testimony can be useful “to ensure that the court’s understanding of the technical aspects of the patent is consistent with that of a person of skill in the art, or to establish that a particular term in the patent or the prior art has a particular meaning in the pertinent field.” *Id.* Nonetheless, courts must not lose sight of the fact that “expert reports and testimony [are] generated at the time of and for the purpose of litigation and thus can suffer from bias that is not present in intrinsic evidence.” *Id.* Furthermore, “statements made by a patent owner during an IPR [inter partes review] proceeding . . . can be considered for claim construction.” *Aylus Networks, Inc. v. Apple Inc.*, 856 F.3d 1353, 1362 (Fed. Cir. 2017). Overall, while extrinsic evidence “may be useful” to the court, it is “less reliable” than intrinsic evidence, and its consideration “is unlikely to result in a reliable interpretation of patent claim scope unless considered in the context of the intrinsic evidence.” *Id.* at 1318-19. Where the intrinsic record unambiguously describes the scope of the patented invention, reliance on any extrinsic evidence is improper. *See Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1308 (Fed. Cir. 1999) (citing *Vitronics*, 90 F.3d at 1583).

Finally, “[t]he construction that stays true to the claim language and most naturally aligns with the patent’s description of the invention will be, in the end, the correct construction.”

*Renishaw PLC v. Marposs Societa’ per Azioni*, 158 F.3d 1243, 1250 (Fed. Cir. 1998). It follows

that “a claim interpretation that would exclude the inventor’s device is rarely the correct interpretation.” *Osram GmbH v. Int’l Trade Comm’n*, 505 F.3d 1351, 1358 (Fed. Cir. 2007) (quoting *Modine Mfg. Co. v. U.S. Int’l Trade Comm’n*, 75 F.3d 1545, 1550 (Fed. Cir. 1996)).

**II. CONSTRUCTION OF DISPUTED TERMS**

**A. ’654 Patent**

1. **“A method for displaying interlaced video data on a non-interlaced monitor, the interlaced video data comprising a plurality of paired fields, each pair of fields being vertically offset relative to each other by one-half of a field line spacing distance, each field comprising a plurality of lines of video data”<sup>2</sup>**

<p><b>Plaintiff</b>                  Preamble is not limiting                  Plain and ordinary meaning                  No construction necessary</p>
<p><b>Defendants</b>                  Preamble is limiting</p>
<p><b>Court</b>                  Preamble is limiting</p>

The parties dispute whether the preamble of claim 1 is limiting. “[A] preamble limits the invention if it recites essential structure or steps, or if it is necessary to give life, meaning, and vitality to the claim.” *Catalina Marketing Int’l, Inc. v. Coolsavings.com, Inc.*, 289 F.3d 801, 808 (Fed. Cir. 2002) (internal quotation marks omitted). In other words, “when the preamble is essential to understand limitations or terms in the claim body, the preamble limits claim scope.” *Id.* Moreover, “[w]hen limitations in the body of the claim rely upon and derive antecedent basis from the preamble, then the preamble may act as a necessary component of the claimed

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<sup>2</sup>This term appears in the preamble of claim 1 of the ’654 patent.

invention.” *Pacing Techs., LLC v. Garmin Int’l, Inc.*, 778 F.3d 1021, 1024 (Fed. Cir. 2015) (internal quotation marks omitted). “Conversely, a preamble is not limiting where a patentee defines a structurally complete invention in the claim body and uses the preamble only to state a purpose or intended use for the invention.” *Catalina Marketing*, 289 F.3d at 808 (internal quotation marks omitted).

Plaintiff argues that the preamble is not limiting, because it “does not contain any steps,” but rather “describes an intended use of the claimed process” – displaying interlaced video data on a non-interlaced monitor – and the “‘features that necessarily exist’ in interlaced video data.” (D.I. 254 at 1-2; *see also* D.I. 266 at 1 (quoting *Schumer v. Lab. Computer Sys., Inc.*, 308 F.3d 1304, 1310 (Fed. Cir. 2002))) Defendants argue that the preamble is limiting, because it “recites the framework essential to understand the remainder of the claim and provides antecedent basis for numerous elements.” (D.I. 269 at 2)

The Court concludes that the preamble is limiting because it is essential to understanding terms in the remainder of the claim. For example, step (c) of the claim requires “correct[ing] the vertical offset;” without the preamble, a person of ordinary skill in the art (“POSA” or “POSITA”) would not know that the vertical offset is precisely “one-half of a field line spacing distance.” (’654 patent, cl. 1)

## 2. “respective buffers”<sup>3</sup>

**Plaintiff**

Plain and ordinary meaning

No construction necessary

Plain and ordinary meaning is “a first and second memory space”

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<sup>3</sup>This term appears in claim 1 of the ’654 patent.

<p><b>Defendants</b>  “separate buffers for the first field and the second field”</p>
<p><b>Court</b>  “separate buffers for the first field and the second field”</p>

Both sides agree that the term “respective buffers” requires that there be separate buffers for each field. (See Tr. at 24, 25, 38, 40) But Plaintiff argues that the claims do not require two separate buffers each with separate memory spaces; rather, the claims permit one buffer that has sufficient memory space to store both fields while “maintain[ing] separateness of the fields.” (Tr. at 29) Defendants argue that the patent teaches there must be two distinct buffers for each of the two fields in the pair of fields. (See D.I. 253 at 3; Tr. at 27-28)

The Court agrees with Defendants. In describing the background of the technology, the specification notes that the prior art method of “[d]einterlacing by interleaving two fields into a single buffer . . . gives very objectionable results when viewing video with rapid horizontal action.” (’654 patent at 1:47-53) This suggests that a single buffer, despite having sufficient memory space to store both fields separately without overlap, is not covered by the patent. The patent further provides:

[T]he present invention . . . capture[s] the *two fields into separate buffers, one for the odd field and one for the even field*. When one of the fields has been captured into the buffer, the buffer is displayed, scaled to the requested dimensions on the monitor using some scaling hardware or software. . . . That image is displayed until the next field is captured into *another buffer*, and then the subsequent image is displayed until the third field is captured into *either the original first buffer, or into another (third) buffer*. The *multiple buffering* is to ensure that a video buffer is not being updated while it is being displayed, to avoid “tearing” . . . .

(Id. at 4:43-60 (emphasis added)) Moreover, the asserted claims of the ’654 patent specify

“respective buffers” – that is, plural buffers. A POSA would understand that the patent claims completely separate buffers, rather than just separate memory spaces in a single buffer, in order to practice the claimed method.

**3. “scaling”<sup>4</sup>**

<p><b>Plaintiff</b>                  Plain and ordinary meaning                  No construction necessary                  Plain and ordinary meaning is “changing by a constant factor the number of lines and/or pixels in an image”</p>
<p><b>Defendants</b>                  “changing the vertical resolution of the video signal by a constant factor”<sup>5</sup></p>
<p><b>Court</b>                  “changing the vertical resolution by changing by a constant factor the number of lines and/or pixels in a field”</p>

Step (b) of claim 1 requires “scaling each of the first field and second field of each pair of fields to fill vertical resolution of the non-interlaced monitor.” (’654 patent, cl. 1) While the parties agree that scaling involves changing something by a constant factor, they disagree as to what may be changed. (See D.I. 254 at 3; D.I. 269 at 4)

Plaintiff argues that “[t]he term ‘scaling’ is used throughout the specification in its broad sense to describe various scaling methods” – line-by-line, pixel-by-pixel, vertically, and horizontally – “and is not limited to vertical scaling of lines.” (D.I. 254 at 3; see also Tr. at 45) Plaintiff further argues that “there is no lexicography that would limit scaling to any one

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<sup>4</sup>This term appears in claim 1 of the ’654 patent.

<sup>5</sup>In their opening brief, Defendants’ proposed construction of “scaling” was “changing by a constant factor the number of lines in the field of video data.” (D.I. 253 at 4) However, in their responsive brief, they proposed a new construction, which is the one reproduced in the table and which the Court has considered to be Defendants’ position. (D.I. 269 at 5)

particular type of scaling,” nor is there anything in the patent “that would rise to the level of a disavowal of any type of scaling.” (Tr. at 44) Defendants counter that the ’654 patent “universally refers to scaling in the context of adding new lines” and does not contemplate scaling solely by changing the number of pixels. (D.I. 253 at 5) While Defendants agree that scaling generally can be accomplished by just adding pixels and widening the horizontal resolution, in Defendants’ view such scaling would not practice claim limitation (b), which requires “scaling . . . to fill vertical resolution of the non-interlaced monitor.” (Tr. at 52; *see also* ’654 patent, cl. 1)<sup>6</sup> Defendants are also concerned that Plaintiff’s construction would improperly permit Plaintiff to contend that there is no requirement that the vertical resolution be *changed*, as long as it is filled. (*See* Tr. at 57) While Plaintiff conceded that simply adding pixels to widen the resolution horizontally would be “scaling” but would not meet the rest of the claim limitation – because it is not scaling to fill vertical resolution – Plaintiff also indicated that performing horizontal scaling would meet the claim limitation as long as it filled the vertical resolution. (*See id.* at 56-57) Separately, Defendants further argue that Plaintiff’s construction is incorrect because “the claimed scaling occurs on fields, not images, of video data.” (D.I. 253 at 4) (emphasis omitted)

While the Court recognizes there may be various types of scaling in general, the Court agrees with Defendants that all references to scaling in the specification of the ’654 patent refer to vertical scaling of lines, rather than just horizontal scaling of pixels. (*See, e.g.*, ’654 patent, at Figs. 4, 5, 6, 1:34-38, 1:63-2:7, 4:51-53, 5:19-64) More importantly, “the plainness of the claim

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<sup>6</sup>Defendants indicated they would be agreeable to dropping “vertical” from their proposed construction as long as the requirement in step (b) that scaling “fill the vertical resolution” of the monitor is not eviscerated. (*See* Tr. at 54)

language necessarily affects what ultimate conclusions about claim construction can properly be drawn based on the specification.” *Straight Path IP Grp., Inc. v. Sipnet EU S.R.O.*, 806 F.3d 1356, 1361 (Fed. Cir. 2015) (“[D]isavowal is required where claim language is plain, lacking a range of possible ordinary meanings in context.”). Here, the claim language – “scaling . . . to fill vertical resolution” – requires an actual *change* in *vertical* resolution. The proper resolution of the parties’ claim construction dispute must ensure that claim limitation (b) is not eviscerated.<sup>7</sup> Further, the Court concludes that the patent refers to scaling in fields rather than scaling in images.

**4. “adjusting”<sup>8</sup>**

<b>Plaintiff</b> “vertically repositioning”
<b>Defendants</b> “vertically repositioning”
<b>Court</b> “vertically repositioning”

At oral argument, the parties indicated that they now agree that “adjusting” should be construed as “vertically repositioning.” (See Tr. at 59-60) Accordingly, the Court will adopt that construction.

**5. “to substantially correct for the vertical offset between the pairs of fields”<sup>9</sup>**

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<sup>7</sup>Plaintiff expressed concern that Defendants will argue that an action was not “intended to fill the vertical resolution” cannot be infringing. (Tr. at 58) But there is no intent requirement in the claim.

<sup>8</sup>This term appears in claim 1 of the ’654 patent.

<sup>9</sup>This term appears in claim 1 of the ’654 patent.



<p><b>Plaintiff</b>                  Plain and ordinary meaning                  No construction necessary                  Plain and ordinary meaning is “to largely or approximately correct for the vertical offset”</p>
<p><b>Defendants</b>                  Indefinite</p>
<p><b>Court</b>                  “to largely or approximately correct for the vertical offset”</p>

Defendants argue that the phrase “to substantially correct” renders claim 1 indefinite. (D.I. 253 at 6-8) Pursuant to 35 U.S.C. § 112, “a patent’s claims, viewed in light of the specification and prosecution history, [must] inform those skilled in the art about the scope of the invention with reasonable certainty.” *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120, 2129 (2014); *see also Cox Commc’ns, Inc. v. Sprint Commc’n Co. LP*, 838 F.3d 1224, 1231 (Fed. Cir. 2016) (noting relevant inquiry is “whether the ‘claims,’ not particular claim terms” inform one of scope with reasonable certainty). “Indefiniteness must be proven by clear and convincing evidence.” *Sonix Tech. Co., Ltd. v. Publications Int’l, Ltd.*, 844 F.3d 1370, 1377 (Fed. Cir. 2017).

As an initial matter, the parties dispute whether “to substantially correct for the vertical offset” is limiting. Generally, claim language that “is only a statement of purpose and intended result” that “does not result in a manipulative difference in the steps of the claim” is not limiting. *Bristol-Myers Squibb Co. v. Ben Venue Labs., Inc.*, 246 F.3d 1368, 1376 (Fed. Cir. 2001); *see also Syntex (U.S.A.) LLC v. Apotex, Inc.*, 407 F.3d 1371, 1378 (Fed. Cir. 2005) (finding clause that “simply describes the intended result” of following steps in claimed method was not limiting). Defendants contend that the language here is limiting, because, as the patent specifies,

“[a]n important aspect of the present invention is the correction of the positional offset of the two interlaced video fields.” (Tr. at 71) (internal quotation marks omitted) Plaintiff responds that the language is not limiting because step (c) merely requires adjusting (that is, vertically repositioning) that must occur concurrently with said scaling, and that the correction language is subsumed within the adjusting step. (*See id.* at 79-81) Plaintiff acknowledges that there has to be some correcting, but contends that such correction need not be substantial, because substantial is an intended result. (*See id.* at 81)

The Court agrees with Defendants that “to substantially correct for the vertical offset” is limiting, and not merely an intended result, because the specification makes clear that “the correction of the positional offset” is “[a]n important aspect of the [] invention.” (’654 patent at 3:42-44) It is, therefore, “material to patentability.” *Javelin Pharms., Inc. v. Mylan Labs. Ltd.*, 2017 WL 4511352, at \*3 (D. Del. Oct. 10, 2017). It is also, therefore, limiting.

Turning to indefiniteness, it is important to note that terms of degree are not inherently indefinite. *See Interval Licensing LLC v. AOL, Inc.*, 766 F.3d 1364, 1370 (Fed. Cir. 2014) (stating that “absolute or mathematical precision is not required”). “Claim language employing terms of degree has long been found definite where it provided enough certainty to one of skill in the art when read in the context of the invention.” *Id.* “All that is required is some standard for measuring the term of degree.” *Exmark Mfg’g Co. Inc. v. Briggs & Stratton Power Prods. Grp., LLC*, 879 F.3d 1332, 1346 (Fed. Cir. 2018). Whether a limitation defined in functional terms is sufficiently definite “is highly dependent on context (e.g., the disclosure in the specification and knowledge of a person of ordinary skill in the relevant art area).” *Enzo Biochem, Inc. v. Applera Corp.*, 599 F.3d 1325, 1332-33 (Fed. Cir. 2010) (internal quotation marks omitted).

Defendants assert that the term “substantially correct” is “highly subjective” and that the patent “provides no objective boundaries of how one might know if the claim limitation is met or not.” (D.I. 253 at 6) Plaintiff argues that the phrase “reflects that the adjustment cannot always result in an *exact* correction, in which case substantial (i.e., less than perfect) correction is the objective.” (D.I. 266 at 2) In support, Plaintiff points to the specification, which presents “two ways . . . to deal with the vertical offset of the two fields.” (’654 patent at 5:14-15) With respect to the first way – displaying the odd and even fields in different positions on the display – the specification notes that “exactly correct repositioning” only occurs when even scaling factors are used, and that “the repositioning does not exactly correct for the vertical offset of the original fields” when odd scaling factors are used. (*Id.* at 5:30-41) The specification further provides that “visually more pleasing results” are obtained whenever the vertical offset is less than one half a line. (*Id.* at 5:42-46) Defendants assert that these are just “ways that adjusting may be performed, but [the patent] does not answer the question of whether there is a substantial correction of the offset.” (Tr. at 64-65)<sup>10</sup>

Plaintiff counters that the specification provides that *any* amount of reduction in vertical offset is a “substantial” correction. The reason is that, here, “[t]he term ‘substantially’ is merely a modifier implying ‘approximate’ rather than ‘perfect’” and that “substantially” is used in the claim, for example, to account for when odd scaling factors are used and do not achieve an exact

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<sup>10</sup>Defendants also argue that Plaintiff admitted this first way of dealing with vertical offset was in the prior art and, so, the specification’s discussion of the first way cannot inform the construction of the terms in claim 1. (*See* D.I. 269 at 6) The Court disagrees. This portion of the specification still provides guidance as to the function and boundaries of the claim language. The Court further agrees with Plaintiff that the second way of dealing with vertical offset discussed in the specification, through vertical interpolation, also supports its construction. (*See* ’654 patent at 7:8-42)

correction. (D.I. 254 at 8-9 (citing *Playtex Prods., Inc. v. Procter & Gamble Co.*, 400 F.3d 901, 907 (Fed. Cir. 2005)); *see also Enzo*, 599 F.3d at 1333 (noting “substantially” can denote “either language of approximation or language of magnitude”))

Defendants assert there are no objective boundaries as to when any change that lessens the amount of offset is considered to be a substantial correction. (*See Tr.* at 69) In particular, according to Defendants, “[w]hether an adjustment would ‘substantially’ correct the vertical offset between the relevant pair of fields would depend entirely on the subjective perspective of the viewer.” (*Id.* at 73) For example, according to Defendants, the picture quality could be affected by various other factors, including the content of the video, other technology in the monitor, the type of display screen, and the power supply circuitry. (*See id.* at 75) In Plaintiff’s view, however, the claim language does not depend on the subjective perspective of the viewer because a POSA would know to perform the adjustment whenever it would result in a vertical offset that is less than half a line, which is an objective standard. (*See id.* at 86-87, 93) In other words, when the adjustment would result in any amount of improvement, the patent teaches that such adjustment would still be worth doing, because it will produce “visually more pleasing results than when the data is not adjusted.” (’654 patent at 5:44-45; *see also Tr.* at 96-97)

The Court finds Plaintiff’s arguments persuasive.<sup>11</sup> In the context of the claim and the

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<sup>11</sup>Defendants cite cases finding terms of degree indefinite where, unlike here, the patents’ specifications failed to provide any guidance on the objective boundaries of the term. *See, e.g., Interval Licensing*, 766 F.3d at 1371 (finding “unobtrusive manner” to be highly subjective, where “sufficient guidance is lacking in the written description of the asserted patents”); *Vstream Techs., LLC v. PLR Holdings, LLC*, 2016 WL 6211550, at \*7 (E.D. Tex. Sept. 27, 2016) (finding “sufficiently correct” indefinite, because “[t]he specification does not provide any guidance as to what ‘criteria’ would be appropriate”); *Fairfield Indus., Inc. v. Wireless Seismic, Inc.*, 2015 WL 1034275, at \*15 (S.D. Tex. Mar. 10, 2015) (finding specification did not offer any objective boundaries).

patent’s specification, “substantially” is a modifier used to account for the varying amounts of correction that may occur when the adjusting step is performed, recognizing that the functional goal of the adjusting step is to get as close to exactly correct repositioning as possible. Rather than being a term of magnitude, “substantially” here is a term of approximation. A POSA, when reading the claim in light of the specification, would know with “enough certainty” that it should perform the adjusting step whenever it would result in any amount of correction to the vertical offset, because any reduction in vertical offset would be an improvement. *See Exmark*, 879 F.3d at 1346. Defendants have failed to prove, by clear and convincing evidence, that the claim as a whole, when viewed in light of the specification, does not inform a POSA with reasonable certainty of the scope of the claim. The Court will construe the term as having its plain and ordinary meaning, which is “to largely or approximately correct for the vertical offset.”

**6. “said adjusting is performed concurrently with said scaling”<sup>12</sup>**

<p><b>Plaintiff</b>                  “said adjusting is performed at or about the same time as said scaling, and before displaying the fields”</p>
<p><b>Defendants</b>                  “the adjusting and scaling steps must overlap, either by interleaving or simultaneous execution, such that one cannot complete before the other begins”</p>
<p><b>Court</b>                  “the adjusting and scaling steps must overlap, either by interleaving or simultaneous execution, such that one cannot complete before the other begins”</p>

Plaintiff insists that the adjusting and scaling steps happen “before displaying the fields.” (D.I. 254 at 5) Defendants respond that “[n]othing about the phrase ‘where said adjusting is performed concurrently with said scaling’ leads to the conclusion that the steps need only be

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<sup>12</sup>This term appears in claim 1 of the ’654 patent.

performed ‘before displaying the fields.’” (D.I. 269 at 10-11) The Court agrees with Defendants. Further, Plaintiff’s proposed construction, “about the same time,” is, as Defendants argue, unreasonably broad and vague. (D.I. 253 at 10; *see also* D.I. 269 at 10)

Plaintiff’s reference to claims 6 and 7, which are dependent on claim 1 and add the requirement that the step of scaling must be performed before (cl. 6) or after (cl. 7) the step of adjusting, does not alter the Court’s conclusion. (*See* D.I. 254 at 6-7) “It is axiomatic that a dependent claim cannot be broader than the claim from which it depends.” *Alcon Research, Ltd. v. Apotex Inc.*, 687 F.3d 1362, 1367 (Fed. Cir. 2012). Defendants explain that “claims 6 and 7 are consistent with Defendants’ construction,” because while the steps overlap, claim 6 requires the scaling step to start before the adjusting step and claim 7 requires the adjusting step to start before the scaling step. (D.I. 269 at 11; *see also* Tr. at 123) In other words, claims 6 and 7 do not state that the first step must be completed before the second step begins.

**7. “vertical interpolation between at least adjacent lines”<sup>13</sup>**

<p><b>Plaintiff</b>                  Plain and ordinary meaning                  No construction necessary                  Plain and ordinary meaning is “the process of determining new values using at least known values from vertically adjacent lines”</p>
<p><b>Defendants</b>                  “calculating values for new pixels between at least vertically adjacent lines using known values”<sup>14</sup></p>
<p><b>Court</b>                  “calculating values for new pixels between at least vertically adjacent lines using known values”</p>

<sup>13</sup>This term appears in claims 4 and 9 of the ’654 patent.

<sup>14</sup>Defendants’ argument that claim 9 of the ’654 patent is indefinite will be considered separately.

The specification contains numerous references to “interpolation” in the context of averaging the pixel in the line above with the pixel in the line below to achieve the pixel data for the missing line between. (*See, e.g.*, ’654 patent at 6:20-31, 6:48-51, 6:56-61) The specification also recognizes that interpolation may be conducted in other ways, such as “by using three or more input lines and using a more complex filter.” (*Id.* at 7:34-36) The Court agrees with Defendants that however interpolation is achieved in the claimed method it involves a calculation to determine the pixel value between the two or more sampled lines.

**8. “the adjusting step is achieved by vertical interpolation between at least adjacent lines”<sup>15</sup>**

<p><b>Plaintiff</b>                  Plain and ordinary meaning                  No construction necessary                  Plain and ordinary meaning is “the adjusting step is achieved by vertically repositioning either the first or second field of the pair of fields using the process of determining new values using at least known values from vertically adjacent lines”</p>
<p><b>Defendants</b>                  Indefinite</p>
<p><b>Court</b>                  “the adjusting step is achieved by calculating values for new pixels between at least vertically adjacent lines using known values”</p>

Defendants argue that “[u]nequivocal statements made by the patentee during prosecution render this claim indefinite to one of ordinary skill in the art.” (D.I. 253 at 12) In its Office Action rejecting claim 1, the PTO determined that prior art “Bolger teaches correcting line of video information for video information pixels having vertical offset in position” and found the claim obvious. (D.I. 231-3 at 135-36) In response, the patentee proposed an amendment and

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<sup>15</sup>This term appears in claim 9 of the ’654 patent.

stated, “Bolger merely teaches deriving additional lines of video information by ‘repeating previously displayed lines, or interpolating the video information pixels of adjacent lines to form an intermediate line of video information pixels having signal value averaged from adjacent line pixels,” which it stated was “different from the method described in the present claims as amended.” (*Id.* at 158) The patentee further stated, “Bolger does not teach ‘adjusting one of the first field or second field of the pair of fields to substantially correct for the vertical offset between the pairs of fields.’” (*Id.*)

Defendants argue that “the patentee made clear that claim 1’s ‘adjusting step’ does not include vertical interpolation of adjacent lines, which is the very adjusting expressly required by claim 9,” and “[b]ecause the scope of claim 1’s ‘adjusting step’ does not include what claim 9 recites, claim 9 recites an impossibility and is indefinite.” (D.I. 253 at 12-13) Plaintiff responds that the specification teaches that “*scaling* of video data can be performed by interpolation between adjacent lines, *without* performing an adjustment to correct the vertical offset between fields.” (D.I. 266 at 6) Thus, Plaintiff argues that the patentee’s “statements during prosecution are easily reconciled with claim 9 by understanding that scaling by vertical interpolation does not, in itself, result in ‘adjusting’ for the vertical offset between pairs of fields.” (*Id.*)

The Court agrees with Plaintiff. Defendants have failed to establish indefiniteness.



**B. '250 Patent**

**1. “an apparatus for adjusting rates of the input multimedia data streams”<sup>16</sup>**

<p><b>Plaintiff</b>                  Preamble is not limiting                  Plain and ordinary meaning                  No construction necessary</p>
<p><b>Defendants</b>                  Preamble is limiting                  “an apparatus of the multimedia encoding system that performs rate adjustment of the input multimedia data streams”</p>
<p><b>Court</b>                  Preamble is limiting</p>

The parties first dispute whether the preamble of claim 1 is limiting. Plaintiff argues the language is not limiting because it merely provides an intended purpose for the claimed apparatus and does not recite an essential structure or give necessary life, meaning, or vitality to the claim. (D.I. 254 at 11) Defendants counter that the preamble is limiting for four reasons: it ““(1) provides antecedent basis for a claim term, (2) is essential to help understand the claim terms, (3) provides any additional steps or structure that is underscored as important by the specification, [and] (4) was relied on during prosecution.”” (D.I. 253 at 13-15) (quoting *Mayne Pharma Int’l Pty Ltd. v. Merck & Co., Inc.*, 2016 WL 7441069, at \*7 (D. Del. Dec. 27, 2016)).

The Court concludes that the preamble is limiting for at least two reasons. First, the preamble provides antecedent basis for the terms “input multimedia data streams” and “output multimedia data stream,” because those terms are initially introduced in the preamble and referred back to in the following claim limitations. Second, the preamble was relied on during

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<sup>16</sup>This term appears in the preamble of claim 1 of the '250 patent.

prosecution. After the examiner initially rejected claim 1 for “failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention” (D.I. 231-4 at 82), the examiner withdrew its rejection after the applicant amended the preamble to “recite[] inventive elements” and “define the invention” (*id.* at 98, 119).

Turning to the parties’ dispute as to the proper construction of this term, Plaintiff contends that Defendants’ rearrangement of the words “for adjusting rates” to “that performs rate adjustment” provides no definition or helpful clarification. (D.I. 254 at 11-12) The Court agrees. Plaintiff also argues that Defendants’ addition of “multimedia encoding system” “seeks to improperly impose a limitation on the apparatus that is not present in the claim.” (*Id.* at 12) Defendants insist that the claimed apparatus “must be a part of a multimedia encoding system, and cannot exist outside of that system,” because “[t]he specification repeatedly and consistently discloses that the apparatus that performs rate adjustment is part of a multimedia encoding system.” (D.I. 253 at 15) But the Court agrees with Plaintiff that the “system” in claim 1 is already defined as “a system for combining input multimedia data streams to form an output multimedia data stream.” (D.I. 254 at 12) Defendants’ proposed construction is incorrect because the Federal Circuit “has expressly rejected the contention that if a patent describes only a single embodiment, the claims of the patent must be construed as being limited to that embodiment.” *Liebel-Flarsheim*, 358 F.3d at 906. Moreover, Defendants’ construction would introduce ambiguity by using a term that has no antecedent basis and has not been defined. (*See* Tr. at 127)

Accordingly, the Court finds that the preamble of claim 1 of the ’250 patent is limiting.

2. “input multimedia data streams”<sup>17</sup>  
 “output multimedia data stream”<sup>18</sup>

“input multimedia data streams”	“output multimedia data stream”
<b>Plaintiff</b> “individual elementary audio or video streams”	<b>Plaintiff</b> “combined audio and video stream”
<b>Defendants</b> “individual elementary video or audio streams that are input to the apparatus for adjusting rates”	<b>Defendants</b> “a combined video and audio stream that is output from the apparatus for adjusting rates”
<b>Court</b> “individual elementary audio or video streams that are input to the system”	<b>Court</b> “combined audio and video stream that are output from the system”

Defendants agree with Plaintiff’s constructions, except that they include an additional phrase in each construction to demonstrate that each data stream is entering or exiting a “shared common reference point.” (D.I. 253 at 16) Defendants assert that the common reference point is the “apparatus for adjusting rates.” (*Id.*) Defendants argue that “[t]he claim language itself demonstrates the proper relationship between these claim limitations.” (*Id.*) For example, according to Defendants, “the preamble makes clear that the apparatus for adjusting rates specifically adjusts the rates of the input multimedia data streams.” (D.I. 269 at 16) Defendants also point to the specification, which “repeatedly and consistently discloses that the elementary media data streams (*i.e.*, the claimed ‘input multimedia data streams’) are input into the apparatus for adjusting rates, and that those streams are combined to form a single combined multimedia data stream (*i.e.*, the claimed ‘output multimedia data stream’), which is output from

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<sup>17</sup>This term appears in claims 1 and 4 of the ’250 patent.

<sup>18</sup>This term appears in claims 1 and 6 of the ’250 patent.

the apparatus for adjusting rates.” (D.I. 253 at 16-17) (citing ’250 patent at 1:62-67, 2:11-15, 3:44-48, 4:6-9, 4:20-28, 6:14-20, Fig. 2)

Plaintiff argues that “the claim language does not limit the input and output streams to a particular device,” nor does “the specification describe the input and output data streams to be tied directly to an ‘apparatus for adjusting rates.’” (D.I. 254 at 13) In particular, Plaintiff contends that “the ‘apparatus’ of claim 1 is recited to be *part of* a larger system – ‘a system for combining input multimedia streams to form an output multimedia data stream.’” (*Id.* at 14) Additionally, Plaintiff points out that Defendants “do not identify any portion of the specification that describes the elementary data streams and the combined data streams being input or output from an ‘apparatus for adjusting rates,’” and that “[t]o the contrary, the claims explicitly relate the input and output streams to the ‘*system*’ recited in the preamble.” (D.I. 266 at 8)

The Court agrees with Plaintiff that Defendants’ construction would incorrectly limit the input and output multimedia data streams to entering and exiting an apparatus for adjusting rates. The claim language states that the apparatus is just one component of the entire “system for combining input multimedia data streams to form an output multimedia data stream.” (’250 patent, cl. 1) Furthermore, the specification, particularly the portions cited by Defendants, refers to many different components of the system that are involved in adjusting the data rates and combining input streams to form an output stream.

The Court does agree with Defendants to the limited extent that Plaintiff’s construction does not completely account for the “input” and “output” modifiers. The input and output streams are entering or exiting from the “system for combining input multimedia data streams to

form an output multimedia data stream” as a whole. Plaintiff does not dispute this. (See D.I. 266 at 8)

Accordingly, the Court has put together its own constructions, as shown above.

**3. “a multimedia processor, coupled to the data rate analyzer”<sup>19</sup>**

<p><b>Plaintiff</b>                  Plain and ordinary meaning                  No construction necessary                  Plain and ordinary meaning is “a multimedia processor, directly or indirectly connected to the data rate analyzer”</p>
<p><b>Defendants</b>                  “a multimedia processor connected to the data rate analyzer, where the multimedia processor is separate from, and not a sub-component of, the data rate analyzer”</p>
<p><b>Court</b>                  “a multimedia processor connected to the data rate analyzer, where the multimedia processor is separate from, and not a sub-component of, the data rate analyzer”</p>

Plaintiff argues that one of ordinary skill in the art would understand the term “coupled” to mean that “two components are connected, either directly or indirectly,” rendering Defendants’ proposed requirement that the two components “be *separate*, where one is not a sub-component of the other,” improper. (D.I. 254 at 18-19) Plaintiff also points to Figure 7 in the patent, which shows that a “data rate analyzer 724 is a sub-component of the multimedia processor 250.” (*Id.* at 19) (citing ’250 patent, at Fig. 7, 6:35-37, referring to “a second data rate analyzer 724 in the multimedia processor 250”) Defendants respond that “[t]he data rate analyzer in claim 1 expressly relates to the data rate analyzer that determines the data rate of the output multimedia data stream, i.e., data rate analyzer 700, not the data rate analyzer that determined the data rate of

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<sup>19</sup>This term appears in claim 1 of the ’250 patent.

individual elementary streams, i.e., data rate analyzer 724.” (D.I. 269 at 17) On this dispute the Court agrees with Defendants.

Defendants also direct the Court to the specification’s use of the word “coupled.” For example, the summary of the invention states that “[a] unified memory module is coupled to the multimedia encoders,” and Figure 2 shows that those components are separate (and neither is a sub-component of the other). (’250 patent at 2:4-5; *see also id.* at 2:11-12 (“A stream processor is coupled to the unified memory module and the multimedia encoders.”) *and* Fig. 2; Tr. at 138) On the other hand, the patent uses the word “in” when referring to sub-components: such as “a second data rate analyzer 724 in the multimedia processor 250,” which is the data rate analyzer to which Plaintiff is referring. (Tr. at 140; ’250 patent at 6:35-37) The Court agrees with Defendants that the patent consistently uses “coupled” to refer to components that are not sub-components of each other and “in” to refer to components that could be sub-components of each other.

**4. “a data rate analyzer, coupled to the output multimedia data stream”<sup>20</sup>**

<p><b>Plaintiff</b>                  Plain and ordinary meaning                  No construction necessary                  Plain and ordinary meaning is “a data rate analyzer, directly or indirectly connected to the output multimedia data streams”</p>
<p><b>Defendants</b>                  Indefinite</p>
<p><b>Court</b>                  “a data rate analyzer connected to the output multimedia data stream, where the data rate analyzer is separate from, and not a sub-component of, the output multimedia data stream”</p>

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<sup>20</sup>This term appears in claim 1 of the ’250 patent.

Defendants argue this claim term is indefinite because it “recites that a physical component (*i.e.*, the data rate analyzer) is ‘coupled to’ an intangible stream (*i.e.*, the output multimedia data stream)” and a POSA “would not have understood with reasonable certainty how a data rate analyzer could be coupled to an intangible data stream.” (D.I. 253 at 18) Defendants provide no support for this assertion. By contrast, Plaintiff’s expert, Dr. Sayood, opined that a POSA would understand that whether coupled to a signal or a component, the term has the same meaning. (*See* D.I. 266 at 10) Defendants have failed to meet their burden to show indefiniteness.

The Court does not, however, adopt Plaintiff’s proposed construction, as it is inconsistent with the Court’s findings above, including how the patent claims use the term “coupled.” Accordingly, the Court has adopted its own construction.

**5. “determining the data rate”<sup>21</sup>**

<p><b>Plaintiff</b>                  Plain and ordinary meaning                  No construction necessary                  Plain and ordinary meaning is “computing the number of bits transmitted or received over a given period of time”</p>
<p><b>Defendants</b>                  “determining the actual number of bits transmitted over a given period of time”</p>
<p><b>Court</b>                  “determining the number of bits transmitted over a given period of time”</p>

The parties’ proposed constructions are similar but differ in two respects. First, Plaintiff’s construction refers to transmitting and receiving bits, whereas Defendants’ refers only to transmitting bits. Defendants argue that since the term is referring to the output multimedia data

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<sup>21</sup>This term appears in claim 1 of the ’250 patent.

stream, only the transmission of bits is determined. (See D.I. 253 at 18-19) Plaintiff does not dispute that the term is limited to determining the data rate of the output stream. (See D.I. 266 at 9) Hence, the Court’s construction refers only to transmitting of bits.

Second, Defendants insert the word “actual” in their construction, because “the term ‘actual’ is repeatedly used in the specification and prosecution history to describe the bit rate being determined by the patented invention.” (D.I. 269 at 19) Plaintiff counters that the term “actual” is only used when comparing the actual data rate to the target data rate. (See D.I. 254 at 15) The Court will not include “actual” in its construction because the distinction between actual and target data rate is already clear; that is, the first step of the claim refers to “determining the data rate of the output multimedia data stream” while the second step compares that “determined output multimedia data stream data rate” to a target data rate. (’250 patent, cl. 1)

**6. “target output data stream data rate”<sup>22</sup>**

<p><b>Plaintiff</b>                  “adjustable parameter input to the multimedia processor providing the optimal or maximum data rate of the output multimedia data stream”</p>
<p><b>Defendants</b>                  Plain and ordinary meaning                  No construction necessary                  Plain and ordinary meaning is “a data rate chosen by a user or other source to specify the optimal or maximum data rate for the output multimedia data stream”</p>
<p><b>Court</b>                  “the optimal or maximum data rate for the output multimedia data stream at a given point in time”</p>

Again, the parties largely agree on the proper construction of this term, and the Court discusses just their differences. First, Plaintiff argues that “the ‘target’ rate is not merely a *fixed*

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<sup>22</sup>This term appears in claim 1 of the ’250 patent.



*maximum* data rate of the system, but, instead is an adjustable parameter that can be modified to account for changes in the system capacity.” (D.I. 254 at 16) The patent’s specification provides that “[t]he target data rate 226 is *preferably* adjustable as the system’s needs and capabilities change.” (’250 patent at 6:66-7:1) (emphasis added) The Court agrees with Defendants that the adjustable nature of the target rate is a preferred embodiment, not a claim limitation, so the Court will not import it as a requirement in the claims. (See D.I. 269 at 19-20) However, by including in its construction “at a given point in time,” the Court intends to make clear that the “target output data stream rate” could be adjusted, i.e., have different values at different times.

Second, Plaintiff argues that “the target data rate must be a parameter input to the multimedia processor,” because only a multimedia processor is recited in claim 1, even though the specification provides that a target data rate may be input to the stream processor as well. (D.I. 254 at 17; ’250 patent at 6:66-7:2, cl. 1) Plaintiff claims this is important because “it indicates that this value cannot be fixed within the multimedia processor.” (D.I. 254 at 17) Defendants contend that the term “parameter” is improper because it is unspecified and the determined data rate must be able to be compared to it. (See D.I. 269 at 20) The Court concludes that regardless of whether the target data rate is referred to as a parameter, the determined data rate can still be compared to it. It is not necessary for the construction to include the multimedia processor.

7. **“generating rate control signals for adjusting the data rates of the input multimedia data streams”<sup>23</sup>**

**Plaintiff**

“generating signals providing rate control information for increasing, decreasing or maintaining the data rates of the input multimedia data streams”

**Defendants**

“generating rate control signals to change the data rates of the input multimedia data streams”

**Court**

“generating rate control signals for increasing, decreasing or maintaining the data rates of the input multimedia data streams”

The Court agrees with Plaintiff that the construction of this term should allow for the scenarios where “the data rate of the elementary stream is (1) increased, (2) decreased, or (3) maintained.” (D.I. 254 at 18) While Defendants argue that a “change” is required, they acknowledge that the specification refers to the possibility of maintaining the data rate. (*See* D.I. 269 at 20) Accordingly, the Court will construe “generating rate control signals for adjusting the data rates of the input multimedia data streams” as “generating rate control signals for increasing, decreasing or maintaining the data rates of the input multimedia data streams.”

**III. CONCLUSION**

The Court construes the disputed terms as explained above. An appropriate Order follows.

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<sup>23</sup>This term appears in claim 1 of the '250 patent.