IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

KERANOS, LLC	§	
	§	
v.	§	Case No. 2:13-cv-17
	§	
SILICON STORAGE	§	
TECHNOLOGY, INC., et al.	§	

ORDER ON PENDING MOTIONS

Plaintiff in this patent infringement action alleges that Defendants—manufacturers of flash memory products—infringe three related patents. (A related case, *Keranos v. Analog Devices, Inc.*, 2:13-cv-18, involves similar claims against customer defendants.) Defendants challenge the patents as invalid.

This order addresses a number of issues pending before the Court.

Motion to Strike Plaintiff's Second Set of Interrogatories (Doc. No. 7)

Defendants ask the Court to strike Plaintiff's second set of interrogatories as exceeding the number allowed by the Court. Considering the briefing and the applicable law, the motion is DENIED.

Defendants argue that Plaintiff agreed to limit the number of interrogatories to 25 per Defendant. Defendants also argue that Plaintiff's first set of interrogatories exhausted this limit based on the rules for counting distinct subparts as separate interrogatories. Accordingly, Defendants ask the Court to strike Plaintiff's second set of interrogatories. Plaintiff counters that Defendant misapplies the standard for counting interrogatories. Plaintiff emphasizes that under

Defendants' application of the rules, their own interrogatories would exceed the limit.[1]

Plaintiff's first set of interrogatories served on Defendant SST contained nine separately numbered interrogatories. Plaintiff's first set of interrogatories as to all remaining Defendants contained seven separately numbered interrogatories. According to Defendants, each subpart should be counted separately based on (1) the number of patents the interrogatory covers; (2) the number of accused products addressed by the interrogatory; and (3) because some interrogatories seek information about facts, legal bases, identification of documents, and the identification of people with relevant information. This case involves three patents and dozens of products manufactured by Defendants. Under Defendants' calculation, Plaintiff's first set of interrogatories amounted to several hundred interrogatories in total, with at least 33 served on each Defendant.

According to the Advisory Committee Notes to Rule 33, parties cannot circumvent the limit on the number of interrogatories "through the device of joining as 'subparts' questions that seek information about discrete separate subjects." The Advisory Committee does not define "subpart," but notes that "a question asking about communications of a particular type should be treated as a single interrogatory even though it requests that the time, place, persons present, and contents be stated separately for each such communication." Courts have generally determined that where the parent question can be answered without reference to the subpart, then the subpart should be counted as a distinct interrogatory. *FTC v. Think All Pub, L.L.C.*, No. 4:07-cv-011,

[1] Plaintiff also argues that Defendants waived this objection when they failed to raise it in response to Plaintiff's first set of interrogatories. Also, based on the complicated procedural history of this case, which originated as five separate actions that were realigned by the Court in December 2012, Plaintiff contends the parties agreed to 55 interrogatories per Defendant. Because the Court finds Defendants' argument without merit, the Court does not reach Plaintiff's alternative arguments.

2008 WL 687455, at *1 (E.D. Tex. Mar. 11, 2008).

Under this standard, the number of patents or accused products does not present a blanket basis for double-counting Plaintiff's interrogatories. The three patents in this action all cover similar technology, specifically split-gate flash memory, and the accused products incorporate similar or in some cases identical technology. Accordingly, Plaintiff's interrogatories should not be counted multiple times based on the number of patents or accused products responsive to each interrogatory.

Furthermore, as a general rule, Plaintiff's requests seeking facts, documents, *and* identification of persons with information do not automatically amount to three separate interrogatories. *See, e.g.*, *Stamps.Com, Inc. v. Endicia, Inc.*, No. CV 06-7499-ODW, 2009 WL 2576371, at *3 (C.D. Cal. May 21, 2009) ("[R]equests for facts, persons with knowledge of those facts and documents containing those facts should be considered one interrogatory because they are subsumed within the primary question of facts supporting defendants' infringement and validity contentions."); *but see FTC v. Think All Pub, L.L.C.*, No. 4:07-cv-011, 2008 WL 687455, at *2 (E.D. Tex. Mar. 11, 2008). Defendants have failed to demonstrate that these interrogatories should be separately counted.

Accordingly, Defendant's Motion to Strike Plaintiff Keranos, LLC's Second Set of Interrogatories (Doc. No. 7) is DENIED. To the extent Defendants have not already responded to the interrogatories or the parties have not otherwise resolved this issue, Defendants are ordered to submit their responses within 14 days of this order. The parties are encouraged to reach agreement if a modified response timeline is warranted (i.e. a rolling response).

Plaintiff's Motion to Compel Non-infringement Contentions (Doc. No. 23)

Plaintiff also challenges Defendants' responses to its non-infringement contentions as insufficient and asks the Court to compel Defendants to provide complete responses. Having considered the issues and the procedural posture of this case, the motion is GRANTED.

Defendants object to Plaintiff's request for complete responses, suggesting that Plaintiff is attempting to prematurely compel expert discovery. But the deadline to exchange expert reports has now passed. Thus, the time is ripe for Defendants to fully supplement their non-infringement contentions. Accordingly, to the extent they have not already done so, Defendants are ordered to serve supplemental responses to Plaintiff's non-infringement contention interrogatories within 14 days of this order.

Plaintiff's Motions for Leave to Amend Infringement Contentions (Doc. Nos. 49, 51)

Before the Court are Plaintiff's Motions for Leave to Amend Infringement Contentions (Doc. Nos. 49, 51)[2] Plaintiff seeks to amend its infringement contentions to add additional products disclosed by Defendants during discovery. For the reasons discussed below, the motions are DENIED.

Local Patent Rule 3-1 requires a party claiming infringement to identify each accused product in its infringement contentions. The "identification shall be as specific as possible," including name and model number, if known. PR 3-1(b). Generally, infringement contentions may only be amended or supplemented upon a showing of good cause. PR 3-6(b). The Court considers four factors when reviewing a motion to amend infringement contentions: "(1) the

[2] Although these motions were recently filed in this case, the Court notes that the motions originally were filed in July 2012. Following the claim construction hearing, the Court denied the motions without prejudice, realigned the parties, and ordered the parties to attend mediation. The motions were refilled pursuant to the Court's order after mediation proved unsuccessful.

explanation for the party's failure to meet the deadline, (2) the importance of what the Court is excluding, (3) the potential prejudice if the Court allows the thing that would be excluded, and (4) the availability of a continuance to cure such prejudice." *Alexsam Inc. v. IDT Corp.*, No. 2:07-cv-420-CE, 2011 WL 108725, at *1 (E.D. Tex. Jan. 12, 2011). As part of the good cause showing, the party seeking to amend must demonstrate that it was diligent in discovering the additional products and in seeking to amend. *Id.*; *see also West v. Jewelry Innovations, Inc.*, No. C 07-1812, 2008 WL 4532558, at *2 (Oct. 8, 2008) (finding that a party must be diligent in discovering the basis for amendment).

Plaintiff's proposed amendment would add thousands of additional products not specifically disclosed in Plaintiff's original infringement contentions. Each of these products incorporates Defendant SST's SuperFlash technology. Accordingly, Plaintiff argues that each of these products fall within the scope of its original infringement contentions, which identified some specific products and generally "identified" other products sold by Defendants in the United States that incorporated the SuperFlash technology.

Plaintiff also notes that it is not adding any new claims or altering its infringement theory. The products Plaintiff seeks to add were disclosed by Defendants in response to Plaintiff's interrogatories.

Defendants counter that Plaintiff failed to exercise due diligence prior to filing this action or in the 18 months between when Plaintiff first filed this action and when Plaintiff served its original infringement contentions. Specifically, Defendants note that the many of the products were designated as including the SuperFlash technology in documents already in Plaintiff's possession at the time of its original infringement contentions. Furthermore, Defendants note that

other products could have been identified using public documents available on Defendants' websites or using third-party websites to search product datasheets. Additionally, Defendants insist that once they identified the additional products, Plaintiff continued to delay in amending its infringement contentions. Defendants argue that Plaintiff's failure to exercise diligence in identifying infringing products cannot be excused under the facts of this case.

Plaintiff counters that the documents in their possession when they served their original infringement contentions or that were otherwise publically available do not sufficiently disclose that the products used the SST SuperFlash technology. Instead, many of the documents merely noted that the products incorporated flash technology or referred to the products as "microprocessors." Through expensive reverse engineering, Plaintiff claims it found that some of these products did not include the accused SuperFlash technology. Furthermore, Plaintiff notes that none of these documents indicated whether the products were sold or marketed in the United States. Plaintiff concludes that the only feasible way to identify all of the infringing products was through discovery. Plaintiff claims that it exercised due diligence when it promptly served on Defendants interrogatories aimed at identifying the products. But according to Plaintiff, Defendants dragged their feet in responding to the interrogatories. Furthermore, Plaintiff alleges that Defendants cannot claim to be prejudiced by the amendment as each of the new products falls within the general scope of its original infringement contentions.

Plaintiff has failed to demonstrate that it acted diligently in searching for and naming the additional products that incorporate the accused technology. Defendants demonstrate a number of means through which Plaintiff could have identified products incorporating the SuperFlash technology. Instead of making these efforts, Plaintiff chose to list a handful of exemplar products

and then demand that Defendants disclose additional products. But the burden is on Plaintiff, not Defendants, to search for and identify infringing products to the extent possible based on publically available information. *Am. Video Graphics, L.P. v. Elec. Arts, Inc.*, 359 F. Supp. 2d 558, 560 (E.D. Tex. 2005) ("The Patent Rules demonstrate high expectations as to plaintiffs' preparedness before bringing suit, requiring plaintiffs to disclose their preliminary infringement contentions before discovery has even begun.").

The Court finds unavailing Plaintiff's argument that the publically available documents did not conclusively demonstrate that the products incorporated the accused technology or address whether the products were sold in the United States. First, many of the products identified by Plaintiff in its original contentions were identified using the exact or similar documents that Plaintiff now claims are insufficient. Plaintiff simply did not exhaust its search, instead choosing to shift the burden to Defendants.

Furthermore, the Court finds significant the sheer volume of the additional products Plaintiff seeks to add. It may be conceivable that even acting diligently, Plaintiff would have failed to identify some of the products that incorporate the accused technology. Instead, Plaintiff found the efforts to identify products to be expensive and cumbersome and instead disclosed only a few products in its original contentions, then demanded that Defendants identify the remaining products that incorporate the accused technology. This is contrary to Plaintiff's responsibility under the local patent rules and demonstrates a lack of diligence by Plaintiff.

Because Plaintiff has failed to demonstrate it acted diligently, Plaintiff's Motions for Leave to Amend Infringement Contentions (Doc. Nos. 49, 51) are DENIED.

<u>Plaintiff's Motion to Limit Defendants' Asserted Prior Art References (Doc. No. 18)</u>

Also before the Court is Plaintiff's motion to limit defendant's asserted prior art references (Doc. No. 18). Having considered the parties' arguments and the applicable law, the motion is GRANTED.

Defendants have disclosed 93 prior art references related to the 10 asserted claims. Plaintiff asks the court to limit Defendants to two to three references per claim. Plaintiff also asks that Defendants be ordered to amend their invalidity contentions to reflect this limitation.

Defendants argue that Plaintiff's request is premature and seeks to prevent Defendants from asserting combinations of more than three references. The Court disagrees.

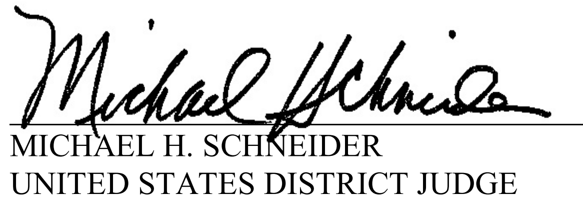
To the extent Defendants argue that Plaintiff's request is premature, the Court notes that discovery has substantially completed, thus alleviating Defendants' concerns.[3] Additionally, Defendants' concern about limiting combinations is misplaced. The Court routinely limits Defendants to two or three prior art references. *See, e.g.*, *Global Session LP v. Travelocity.com LP*, No. 6:10-cv-671-LED-JDL, slip op. at 1 (E.D. Tex. November 14, 2012), ECF No. 415. The Court will count a combination as a single prior art reference.

[3] The Court also notes that the Advisory Council for the United States Court of Appeals for the Federal Circuit recently released a model order for use by district courts. Advisory Council for the United States Court of Appeals for the Federal Circuit, A Model Order Limiting Excess Patent Claims and Prior Art (2013), *available at https://www.docketnavigator.com/images/FinalModelOrderLimitingExcessPatentClaimsAndPriorArt.pdf.* The model order requires the parties to pare down the number of asserted claims and prior art references in two stages: prior to claim construction and again after claim construction. *Id.* In both instances, the parties must limit their

Accordingly, Defendants are order to limit their prior art references to two to three per claim. Defendants must serve Plaintiff with amended invalidity contentions reflecting these limitations within 14 days of this order.

It is SO ORDERED.

SIGNED this 2nd day of August, 2013.



MICHAEL H. SCHNEIDER
UNITED STATES DISTRICT JUDGE

asserted claims or prior art references before the close of discovery. *Id.*