

The PTAB ultimately invalidated the '810 and '916 patents in full and partially upheld the validity of the '931 patent. *See* '465 Litigation, Docket No. 41 at 1. On appeal, the Federal Circuit affirmed the PTAB's determination of validity as to claims 28 and 29 of the '931 patent and reversed as to the patent's remaining claims, remanding for further proceedings. *Sprint Spectrum L.P. v. Gen. Access Sols., Ltd.*, 812 F. App'x 999, 1000 (Fed. Cir. 2020). The PTAB's decision on remand is forthcoming.

At the conclusion of the IPRs but before the Federal Circuit appeal, this Court severed the '931 patent into a new case under the above caption. Docket No. 1. To facilitate the renewed litigation, the Court permitted the parties to submit supplemental contentions compliant with the Local Patent Rules. To date, General Access has continued to assert all the claims that the PTAB originally upheld, notwithstanding the Federal Circuit's reversal and the ongoing IPR of many of those claims. Sprint served its invalidity contentions in May and included grounds that it raised or could have raised in the IPR. Sprint's contentions also included alleged system prior art that, it claims, are embodied in dozens of patents and printed publications. A few months later, Sprint reduced the number of references describing its system prior art from 111 to 76. General Access moves to strike this election and Sprint's invalidity contentions. *See* Docket No. 109.

APPLICABLE LAW

I. IPR Estoppel

When a party seeks *inter partes* review of a claim in a patent and the IPR results in a final written decision, the party "may not assert [] in a civil action arising in whole or in part under section 1338 of title 28 . . . that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that" IPR. 35 U.S.C. § 315(e)(2). A petitioner may only seek IPR of a patent on the "basis of prior art consisting of patents or printed publications." 35 U.S.C.

§ 311(b). Accordingly, prior art “systems” cannot be raised during IPR proceedings. *Biscotti Inc. v. Microsoft Corp.*, No. 2:13-CV-1015, 2017 WL 2526231, at *8 (E.D. Tex. May 11, 2017).

II. Invalidity Contentions

The Local Patent Rules “exist to further the goal of full, timely discovery and provide all parties with adequate notice and information with which to litigate their cases.” *Computer Acceleration Corp. v. Microsoft Corp.*, 503 F.Supp.2d 819, 822 (E.D. Tex. 2007). The rules force litigants to “crystalize their theories of the case early in the litigation.” *MacroSolve, Inc. v. Antenna Software, Inc.*, No. 6:11-cv-287, 2013 WL 3833079, at *1 (E.D. Tex. July 23, 2013).

Local Patent Rule 3-3 requires a party charged with infringement to serve on all parties Invalidity Contentions that “identify each item of prior art that allegedly anticipates each asserted claim or renders it obvious.” P.R. 3-3(a). The contentions must identify specific combinations and the motivation to combine the underlying references, and they must include “[a] chart identifying where specifically in each alleged item of prior art each element of each asserted claim is found.” P.R. 3-3(b), (c).

Striking invalidity contentions “is an extreme decision comparable to determining ‘whether evidence should be excluded for discovery violations.’” *Eolas Techs. Inc. v. Amazon.com, Inc.*, Case No. 6:15-cv-1038, 2016 WL 7666160, at *1 (E.D. Tex. Dec. 5, 2016) (citing *Comput. Acceleration Corp.*, 503 F.Supp.2d at 822). “Therefore, courts are hesitant to strike contentions absent evidence of unreasonable delay and prejudice.” *Id.*

A party seeking to supplement or amend its invalidity contentions must obtain leave of Court upon a showing of good cause. P.R. 3-6(b). The Court examines four factors to determine whether a party has shown good cause to supplement or amend its contentions: “(1) the reason for the delay and whether the party has been diligent; (2) the importance of what the court is excluding

and the availability of lesser sanctions; (3) potential prejudice in allowing the amendment; and (4) the availability of a continuance to cure such prejudice.” *Motion Games, LLC v. Nintendo Co. Ltd.*, Case No. 6:12-cv-878-RWS-JDL, 2015 WL 1774448, at *2 (E.D. Tex. Apr. 16, 2015).

DISCUSSION

General Access’s motion presents three issues for the Court to decide: (1) whether Sprint is statutorily estopped from asserting its invalidity arguments; (2) whether Sprint’s “system” prior art is really printed subject matter in disguise that should also be estopped; and (3) whether Sprint’s invalidity contentions comply with the local patent rules. The Court addresses each in turn before turning to the question of whether Sprint may amend its contentions.

I. Sprint is Only Estopped On Claims 28 And 29

General Access does not deny that Sprint’s IPR is only partially final because the Federal Circuit reversed-in-part the PTAB’s determination of invalidity and remanded for further proceedings, which are ongoing. *See* Docket No. 109 at 8, 19. Yet General Access submits that “there is no reason for the Court to defer judgment on estoppel in this matter.” *Id.* at 19. Sprint argues that General Access’s motion is premature for all but claims 28 and 29 because the remaining claims are not subject to a final written decision from the PTAB. Docket No. 113 at 10.

Because only claims 28 and 29 are the subject of a final written decision, IPR estoppel only attaches to those claims. The statutory language commands this result: “[t]he petitioner in an inter partes review of *a claim* in a patent under this chapter that results in a final written decision under section 318(a) . . . may not assert in a civil action . . . that *the claim* is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.” 35 U.S.C. § 315(e)(2) (emphasis added). IPR estoppel plainly applies on a claim-by-claim basis, and any argument by General Access to the contrary does not comport with this statutory language.

Accordingly, Sprint is not estopped from asserting any of its invalidity defenses against asserted claims other than claims 28 and 29. Though a final written decision as to the remaining claims appears both inevitable and imminent, it is not for the Court to direct the parties how to allocate their resources in this action. Until that decision issues, Sprint may continue to assert its patent and printed publication invalidity defenses as to all but claims 28 and 29.²

II. Based On Sprint’s Representations, It May Assert Its System Prior Art. But It Must Rely On More Than Printed Subject Matter At Trial

IPR estoppel only applies to invalidity defenses based on patents and printed publications. *See* 35 U.S.C. § 311(b). General Access contends that Sprint is nonetheless estopped from asserting its system prior art because those asserted systems “are not really systems at all.” Docket No. 109 at 17. In other words, General Access accuses Sprint of asserting systems that are just disguised patents and printed publications that it could have asserted in the IPR. *Id.*

This Court has previously discussed whether IPR estoppel applies to printed subject matter describing a prior art system. In *Biscotti*, the Court concluded that if a defendant’s “purported system prior art relies on or is based on patents or printed publications that [it] would otherwise be estopped from pursuing at trial . . . , then [it] should be estopped from presenting those patents and printed publications at trial.” *Biscotti*, 2017 WL 2526231, at *8. When a party asserts a prior art system and relies exclusively on printed subject matter that it could have raised in IPR, it is not asserting a system at all. A contrary approach would drastically limit the scope of IPR estoppel, greatly reducing the potential simplification of trial issues IPRs may provide. *Cf. Infernal Tech., LLC v. Elec. Arts Inc.*, Case No. 2:15-cv-1523, 2016 WL 9000458, at *2 (E.D. Tex. Nov. 21, 2016) (“[T]he question of issue simplification depends on the scope of IPR estoppel”); *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-cv-1058, 2015 WL 1069111, at *4 (E.D. Tex. Mar. 11, 2015) (“[T]he

² This point is mooted by Sprint’s amended contentions, discussed below.

most important factor bearing on whether to grant a stay in this case is the prospect that the inter partes review proceeding will result in simplification of the issues before the Court”). At the same time, “regardless of any estoppel, defendants have considerable latitude in using prior art systems (for example, software) embodying the same patents or printed publications placed before the PTO in IPR proceedings. . . . This ability to raise such prior art systems in a subsequent district court litigation is always present.” *Intellectual Ventures II LLC v. Kemper Corp.*, Case No. 6:16-cv-81, 2016 WL 7634422, at *3 (E.D. Tex. Nov. 7, 2016). By obligating defendants to rely on evidence they could not have asserted in IPR, the *Biscotti* rule balances the issue simplification objective of IPR with the limited scope of IPR estoppel and is consistent with observations made by other districts. *See, e.g., In re: Koninklijke Philips Patent Litig.*, No. 18-cv-1885, Docket No. 994, at 45 n. 25 (N.D. Cal. Apr. 13, 2020) (“Barring the use of a printed publication may [] be appropriate in some circumstances”); *Milwaukee Elec. Tool Corp. v. Snap-On Inc.*, 271 F.Supp.3d 990, 1032 (E.D. Wis. 2017) (declining to find estoppel but observing that “Snap-On cannot skirt [estoppel] by purporting to rely on a device without actually relying on the device itself”); *Star Envirotech, Inc. v. Redline Detection, LLC*, Case No. SACV 12-01861, 2015 WL 4744394, at *4 (C.D. Cal. Jan. 29, 2015) (“[T]he physical machine itself discloses features claimed in the ’808 Patent that are not included in the instruction manual, and it is therefore a superior and separate reference”); *Clearlamp, LLC v. LKQ Corp.*, Case No. 12 C 2533, 2016 WL 4734389, at *9 (N.D. Ill. March 18, 2016) (agreeing that a defendant may not cloak printed publication prior under the guise of a system but ultimately concluding that estoppel did not apply because the datasheet the defendant relied on could not have been located with a diligent search prior to the IPR); *see also Cal. Inst. of Tech. v. Broadcom Ltd.*, Case No. CV 16-3714, 2018 WL 7456042, at *15–16 (C.D. Cal. Dec. 28, 2018) (“In this case, whether brought as a ‘printed publication’ or under the ‘known or used’ prong,

the core element that forms the basis of Defendants' prior art includes the same document(s). There is not even a separate and distinct product or document that could be used as the 'cloak' to shield Defendants.")

General Access urges the Court to find that this case presents a circumstance in which IPR estoppel bars Sprint from asserting its system prior art. The Court cannot do so at this stage of the case, with fact discovery ongoing and expert discovery yet to begin. Sprint represents that, in addition to patents and printed publications, it intends to establish the functionality of its asserted prior art systems through "analysis of the physical products; witness testimony . . . ; and documents that do not qualify as prior art printed publications, such as documents produced by third parties during discovery, and documents that post-date the applicable priority dates but evidence the systems as they existed before the priority dates." Docket No. 113 at 8; *see also* Docket No. 119 at 3 ("Sprint is entitled and intends to prove that the systems met the claims using evidence such as physical systems and witness testimony."). The Court must credit Sprint's representations. A contrary approach—asking Sprint, before the close of fact discovery and before it has served expert reports, to show what additional evidence it intends to rely on—would alter Sprint's obligations under the Federal and Local Rules. *See ROY-G-BIV Corp. v. ABB, Ltd.*, 63 F.Supp.3d 690, 699 (E.D. Tex. 2014) (observing that "[c]ontentions need not disclose specific evidence" while "expert reports must include a complete statement of the expert's opinions, the basis and reasons for them, and any data or other information considered when forming them").³

Sprint is, therefore, not yet precluded from presenting its invalidity defenses based on system prior art. Sprint will, in accordance with the Discovery Order, the Federal Rules of Civil

³ Nonetheless, at a more appropriate time and if necessary, the onus will be on Sprint to show that its system prior art is supported by more than IPR-estopped printed subject matter. Sprint, not General Access, should bear the burden of demonstrating that it is not seeking an unfair second bite at the apple.

Procedure and this Court's Local Rules, disclose the evidence and theories underlying its invalidity defenses. If General Access still believes that Sprint is using its system prior art as a Trojan horse for printed subject matter, General Access may refile its motion. Until then, consistent with *Biscotti*, Sprint is "limited to using any documents that qualify as patents or printed publications solely for the purpose of establishing the date on which the [prior art systems] were in public use or on sale." *See Biscotti*, 2:13-cv-1015, Docket No. 238 at 2.

III. Sprint's Invalidity Contentions Are Sufficient

General Access finally argues that Sprint's invalidity contentions are insufficient because they fail to specify how the references can be combined to invalidate the '931 patent. Docket No. 109 at 20. In response, Sprint points to this Court's practice of viewing documents that describe a prior art system as a single reference and argues that General Access ignores the significant discussion of motivations to combine in its invalidity contentions. Docket No. 113 at 12.

Sprint's contentions comply with the patent rules. They identify prior art combinations and explain why a person of ordinary skill in the art would be motivated to combine the references. *See, e.g.*, Docket No. 109-2 at 32 ("[I]t would have been obvious to combine or modify the Iospan System, as shown in Exhibit A-2 with one or more of Paulraj '290, Goldberg, Agee, or Toshimitsu . . ."). And the large number of references that describe each system, though unwieldy for purposes of trial, do not render the contentions insufficient. *See Model Order Focusing Patent Claims and Reducing Prior Art at 2 n.2* ("For purposes of this Order, a prior art instrumentality (such as a device or process) and associated references that describe that instrumentality shall count as one reference, as shall the closely related work of a single prior artist."). While Sprint will not be permitted to use patents or printed publications at trial to prove the functionality of its asserted prior art systems, its contentions put General Access on sufficient notice of its invalidity theories,

fulfilling their purpose. *See Am. Patents v. Coolpad Grp. Ltd.*, Civil Action No. 4:19-cv-877, 2020 WL 5534482, at *1–2 (E.D. Tex. Sept. 15, 2020).

General Access accuses Sprint of withholding evidence supporting its invalidity defenses, an assertion at least partially supported by Sprint’s argument that it may wait until its pretrial disclosure deadlines to disclose “specific evidence” such as “witness testimony and trial exhibits,” supporting its invalidity defenses. *See* Docket No. 119 at 3. In the context of the notice function of invalidity contentions, Sprint’s suggestion is problematic, and to the extent Sprint intends to rely on expert testimony that is supported by specific witness testimony and trial exhibits to present its invalidity defenses, it is incorrect. *See* FED. R. CIV. P. 26(a)(2)(B)(ii). But assuming Sprint has complied with its disclosure obligations under the Discovery Order and the Federal Rules of Civil Procedure—questions not currently before the Court—General Access’s generalized assertions do not support striking Sprint’s contentions, which otherwise comply with the Local Patent Rules. That is particularly true given that Sprint’s proposed amended invalidity contentions disclose the identity of witnesses Sprint intends to rely on. *See, e.g.*, Docket No. 113-17 at 3, Docket No. 113-19 at 3, Docket No. 113-23 at 3. General Access is free to depose those individuals to explore their potential testimony. If, following the close of expert discovery and upon entering the final sprint to trial, General Access believes that Sprint has or will engage in the type of “litigation by ambush” that this Court’s rules are designed to prevent, *see Comput. Acceleration Corp.*, 503 F.Supp.2d at 822, it may submit an appropriate motion.

IV. Sprint Will Be Permitted To Amend Its Contentions

Sprint cross-moves for leave to amend its invalidity contentions to narrow the scope of its invalidity defenses. Docket No. 113 at 13. Sprint submits that good cause supports its request because the proposed amended contentions address General Access’s complaints and reduce the

number of prior art references that Sprint intends to rely on. *Id.* at 14–15. General Access opposes, arguing that estoppel still bars the asserted combinations and that the amended contentions are no less vague regarding Sprint’s system reference combinations. Docket No. 116 at 5. General Access further contends that it would be prejudiced by the amendment given the imminent deadlines for expert reports. *Id.*

Sprint may amend its contentions. The Court has addressed most of General Access’s complaints above. With regards to prejudice, Sprint’s amended contentions provide more detail on a subset of the theories it originally disclosed, so the Court is at pains to see what prejudice General Access might suffer. General Access has possessed the proposed amended contentions for more than a month and will have several additional weeks to examine them before submitting its rebuttal expert report. Good cause supports Sprint’s request to amend.

CONCLUSION

Because Sprint represents that it will rely on more than printed subject matter to support its system prior art invalidity defenses and because its contentions comply with the Local Patent Rules, General Access’s motion to strike is **DENIED**. With respect to General Access’s concerns about Sprint’s system prior art, such denial is without prejudice to General Access refiling its motion if Sprint fails to provide evidence, in accordance with its regular discovery obligations, supporting its representations. Sprint’s motion for leave to amend is **GRANTED**.

So ORDERED and SIGNED this 1st day of December, 2020.


ROBERT W. SCHROEDER III
UNITED STATES DISTRICT JUDGE