

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-3714-GW-AGR _x	Date	October 26, 2022
Title	<i>The California Institute of Technology v. Broadcom Limited, et al.</i>		

Present: The Honorable	GEORGE H. WU, UNITED STATES DISTRICT JUDGE
------------------------	--

Javier Gonzalez

None Present

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

None Present

None Present

PROCEEDINGS: IN CHAMBERS - RULING ON DEFENDANTS' MOTION TO REOPEN DISCOVERY [2415]

Attached hereto is the Court's redacted Final Order on Defendants' Motion. The Court DENIES Defendants' motion to reopen discovery. The parties are ordered to meet and confer and, within 7 days, file a joint scheduling report addressing the next phase of this case, consistent with the scope of new trial, including limited scope of revised expert reports, and the suggested schedule provided to the parties. *See* Docket No. 2412 at 5.

The California Institute of Technology v. Broadcom Limited et al.; Case No. 2:16-cv-03714-GW-(AGRx)
Final Order Regarding Scope of New Trial and Discovery¹

I. Introduction

On May 26, 2016, plaintiff The California Institute of Technology (“Plaintiff”) brought this patent infringement action against Defendants Broadcom Limited, Broadcom Corporation, Avago Technologies Limited (collectively, “Broadcom”), and Apple Inc. (“Apple,” collectively with Broadcom, “Defendants”). *See* Docket No. 1. After a jury found infringement and awarded damages on January 29, 2020 (*see* Docket No. 2114), the Court entered judgment on August 3, 2022 (*see* Docket No. 2245) and Defendants appealed (*see* Docket No. 2263). Following a partial reversal and remand by the Federal Circuit, *see Cal. Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (fed. Cir. 2022), the Court held several status conferences with the parties to discuss upcoming proceedings. On August 29, 2022, the Court issued an order regarding the scope of the new trial and discovery. *See* Docket Nos. 2412, 2408 (sealed). That order permitted Defendants to file a motion to reopen discovery, which they have presently done. *See* Motion, Docket Nos. 2415, 2417 (sealed); Opposition, Docket Nos. 2418, 2423 (sealed); Reply, Docket Nos. 2427, 2430 (sealed).

For the reasons stated below, the Court **DENIES** Defendants’ motion.

II. Background

Defendants move to reopen discovery on a limited basis so they can obtain marking-related discovery following Plaintiff’s post-trial accusations in another case that unmarked Microsoft products infringe the asserted patents. Motion at 1. Defendants contend that such discovery might eliminate all pre-suit damages in this case. *Id.* To that end, Defendants want discovery on: “(1) Caltech’s post-trial allegations that third-party products practice the asserted patents; (2) licenses alleged to cover use of the asserted patents by products Caltech contends practice those patents; and (3) failure to mark the products Caltech has accused.” *Id.*

Defendants argue that the Ninth Circuit’s multi-factor test concerning whether to reopen discovery under Rule 16 applies. *Id.* at 2-3 (citing *City of Pomona v. SQMN. Am. Corp.*, 866 F.3d 1060, 1066 (9th Cir. 2017) (district court abused its discretion by denying motion to reopen discovery on remand)). Applying that test, Defendants contend that, although Plaintiff opposes the request, no trial is imminent; Defendants diligently sought discovery regarding sublicenses

¹ An unredacted version of this ruling, which contains references to materials deemed confidential by one or more parties, has been filed under seal. A redacted version, with those references blackened, is being publicly filed.

before the initial trial; the unmarked Microsoft products were not disclosed until after trial; Plaintiff will not be prejudiced by allowing additional discovery, but Defendants will be prejudiced if they cannot get the discovery; it was not foreseeable that additional discovery would be needed; and the requested discovery would likely lead to relevant evidence. *Id.* at 7-13.

Plaintiff responds that the motion should be denied because it is not based on newly discovered licensing evidence, but rather a new legal position concerning marking as to which the Defendants were not diligent. *See Opp.* at 1. Plaintiff argues that it disclosed “extensive information” about the relevant Caltech-Cellular Elements licensing agreement during discovery, so Defendants had all the information they needed to determine whether to investigate further. *Id.* at 2-6. Moreover, Plaintiff observes that [REDACTED], which shows bad faith. *Id.* at 6-7. Plaintiff contends that Rule 16(b) applies because Defendants seek to modify the scheduling order, thus they must show good cause and diligence. *Id.* at 9. Plaintiff also invokes Rule 16(e), which provides that, after a final pretrial conference order has issued, it “shall be modified only to prevent manifest injustice.” Fed. R. Civ. P. 16(e); *see also Opp.* at 10-11.

Applying these rules, Plaintiff argues that the Court should adopt its earlier position that Defendants either already were aware of the potential sublicensing and patent marking arguments or should have been aware of them before trial. *Id.* at 13. Thus, Plaintiff concludes that Defendants were not diligent. *Id.* at 11-16. Plaintiff also asserts that reopening discovery would cause prejudice to Plaintiff and third parties because, *inter alia*, Defendants’ discovery expedition would transform what would have been otherwise a limited damages retrial into one involving complex licensing issues. *Id.* at 19-20. Finally, Plaintiff argues that Defendants have not carried their burden to show that the newly requested discovery would lead to relevant, non-cumulative evidence. *Id.* at 21-22.

III. Legal Standard

Under “the rule of mandate,” a district court must execute the terms of a mandate from an appellate court. *United States v. Kellington*, 217 F.3d 1084, 1092 (9th Cir. 2000). Any matters not disposed of by a mandate are left to the district court; “mandates require respect for what the higher court decided, not for what it did not decide.” *Id.* at 1093 (quotation marks omitted). “Absent contrary instructions, a remand for reconsideration leaves the precise manner of reconsideration – whether on the existing record or with additional testimony or other evidence –

to the sound discretion of the trial court.” *Pac. Gas & Elec. Co. v. United States*, 668 F.3d 1346, 1354 (Fed. Cir. 2012)

Where a new trial is required post-remand, “[a] new trial proceeds de novo, under the broad discretion of a district court judge to supervise trials.” *F.B.T. Prods., LLC v. Aftermath Recs.*, 827 F. Supp. 2d 1092, 1100 (C.D. Cal. 2011). “A district court judge’s discretion extends to whether to allow additional evidence.” *Id.* (citing *Walling v. Jacksonville Paper Co.*, 317 U.S. 564, 572 (1943)); *see also Kate Limited Liability Company v. AT & T Corporation*, 607 F.3d 60, 68 (2d Cir. 2010) (reviewing district court’s denial of motion to reopen discovery for abuse of discretion).

In considering how to exercise this discretion, some courts consider “the burden on the parties, the prejudice that may result by not taking new evidence, and judicial economy.” *F.B.T. Prods.*, 827 F. Supp. 2d at 1100 (citing *Rochez Bros., Inc. v. Rhoades*, 527 F.2d 891, 894 n.6 (3rd Cir. 1975)). Recently, in the post-remand context, the Ninth Circuit applied its traditional Rule 16 scheduling order framework to this question. The court explained that, “When ruling on a motion to amend a Rule 16 scheduling order to reopen discovery, we instruct district courts to consider the following factors: 1) whether trial is imminent, 2) whether the request is opposed, 3) whether the non-moving party would be prejudiced, 4) whether the moving party was diligent in obtaining discovery within the guidelines established by the court, 5) the foreseeability of the need for additional discovery in light of the time allowed for discovery by the district court, and 6) the likelihood that the discovery will lead to relevant evidence.” *City of Pomona v. SQMN. Am. Corp.*, 866 F.3d 1060, 1066 (9th Cir. 2017).

Rule 16(e), which governs final pretrial conference orders, does not cabin the Court’s discretion concerning whether to reopen discovery on remand. This is because “[n]othing in Rule 16(e) indicates that a pretrial order from a first trial controls the range of evidence to be considered in a second trial. Indeed, such a cramped interpretation of Rule 16(e) would greatly hobble the parties from meaningfully relitigating an issue which the court has decided required retrial.” *Johns Hopkins Univ. v. CellPro, Inc.*, 152 F.3d 1342, 1357 (Fed. Cir. 1998) (where post-trial ruling “changed the rules of the game,” waiver argument did not apply to newly relevant prior art).

IV. Analysis

Considering the relevant factors, the Court will exercise its discretion to deny Defendants’ motion. Although trial is not imminent, this factor is neutral because allowing new discovery will greatly extend what would have otherwise been a fairly short timeframe preceding a limited

damages retrial. *See* Docket No. 2412 at 5 (outlining expected streamlined procedures for limited updates to expert discovery based on the scope of the mandate, followed by short time to retrial).

Next, Plaintiff opposes Defendants' request, tipping this factor against allowing new discovery. Notably, part of the reason why Plaintiff opposes the request is that Plaintiff and other third-parties will be prejudiced by the time and expense associated with the burdens of new discovery at this late stage, especially where only a limited remand was contemplated. *See* Docket No. 2295 at 3 ("because Caltech's two-tier damages theory cannot be supported on this record, we vacate the jury's damages award and remand for a new trial on damages"). Defendants' discovery request would change this case from a limited retrial on damages to involve predicate complex licensing and product issues that fall outside the scope of this case. The Court is not inclined to have a trial within a trial to resolve the merits of licensing issues that are not part of this case.

Turning to whether the moving party was diligent in obtaining discovery, the Court concludes that Defendants were not diligent. The Court outlined the facts underlying the sublicensing dispute in its June 29, 2022 Order on Defendants' Rule 60(b) motion for relief from judgment. *See* Docket No. 2366 (sealed), 2375 (redacted) at 3-5. The Court adopts that summary and incorporates it by reference. In short, Defendants contend that the Caltech-Cellular Elements license references the asserted patents based on language concerning continuation-in-part applications; Cellular Elements granted Intellectual Ventures a sublicense; Intellectual Ventures then issued its own sublicenses to Microsoft, [REDACTED], and others.²

During discovery, Plaintiff provided a host of information that, had Defendants been interested at the time, could have led to more information concerning the disputed licensing agreements and potential product marking arguments. For example, Plaintiff produced the relevant licensing agreement with Cellular Elements and the 2011 amendment thereto during discovery. *See* Docket No. 2293-5 at 11. Plaintiff also provided an explanation concerning the Caltech-Cellular Elements license in an initial and updated interrogatory response and through related 30(b)(6) witness testimony. *See* Opp. at 3-5. Despite Plaintiff's productions and disclosures, Defendants never sought additional discovery on these issues from Plaintiff, Cellular

² To decide this motion, the Court need not resolve the license coverage disputes referenced by the parties; it mentions these licenses only to show the link between the relevant parties as relevant to knowledge or attainable knowledge. Conversely, the Court observes that, if it granted Defendants' request, it would have to resolve a case-within-a-case concerning the merits of the *Caltech v. Microsoft* licensing/marketing dispute, which it is disinclined to do.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.