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8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**

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11 PULSE ELECTRONICS, INC., a) Case No.: 3:18-cv-00373-BEN-MSB
12 Delaware corporation,)
13 Plaintiff,) **ORDER:**
14 v.) (1) **DENYING PLAINTIFF’S**
15 U.D. ELECTRONIC CORP., a Taiwan) **MOTION FOR SUMMARY**
16 corporation,) **JUDGMENT**
17 Defendant.) (2) **GRANTING DEFENDANT’S**
18) **MOTION FOR SUMMARY**
19 U.D. ELECTRONIC CORP., a Taiwan) **JUDGMENT AND DAUBERT**
20 corporation,) **MOTION**
21 Counterclaimant,) (3) **REQUIRING PLAINTIFF TO**
22 v.) **SHOW CAUSE AS TO WHY**
23 PULSE ELECTRONICS, INC., a) **DEFENDANT SHOULD NOT BE**
24 Delaware corporation,) **GRANTED SUMMARY**
25 Counterdefendant.) **JUDGMENT**
) **[ECF Nos. 143, 144, 150, 151, 154, 157]**

26 **I. INTRODUCTION**

27 Plaintiff/Counterdefendant PULSE ELECTRONICS, INC., a Delaware corporation
28 (“Plaintiff” or “Pulse”) brings this action for a patent infringement against

1 Defendant/Counterclaimants Defendant U.D. Electronic Corp., a Taiwan corporation
2 (“Defendant” or “UDE”). Second Amended Complaint, ECF No. 106 (“SAC”).

3 Before the Court are (1) Plaintiff’s Motion for Partial Summary Judgment, ECF No.
4 143 (“Pltff. Mot.”), and (2) Defendant’s Motion for Summary Judgment and *Daubert*
5 Motion, ECF No. 144 (“Def. Mot.”). The Motions were submitted on the papers without
6 oral argument pursuant to Civil Local Rule 7.1(d)(1) and Rule 78(b) of the Federal Rules
7 of Civil Procedure. ECF No. 158.

8 After considering the papers submitted, supporting documentation, and applicable
9 law, the Court (1) **DENIES** Plaintiff’s Motion for Summary Judgment, ECF No. 143, and
10 (2) **GRANTS** Defendant’s Motion for Summary Judgment and *Daubert* Motion, ECF No.
11 144. Additionally, as outlined below, the Court, *sua sponte*, orders Plaintiff to show cause
12 as to why summary judgment should not be granted in Defendant’s favor by submitting
13 briefing within seven (7) days of this order setting forth Plaintiff’s evidence of infringing
14 activities within the United States (“U.S.”).

15 **II. BACKGROUND**

16 This matter arises out of a dispute over whether Defendant is infringing on the claims
17 of U.S. Patent Nos. (1) 7,959,473 (the “473 Patent”), (2) 9,178,318 (the “318 Patent”),
18 and (3) 6,593,840 (the “840 Patent”) (collectively, the “Patents-in-Suit”). *See generally*
19 SAC. Plaintiff contends that Defendant directly and indirectly infringes the Patents-in-Suit
20 including by making, using, selling, importing, and/or offering for sale—including through
21 the sale and importation by Defendant’s customers, rather than Defendant itself—multigig
22 (e.g., 2.5G, 5G, 10G) 2xN¹ integrated connector modules (“ICMs”) or products that contain
23 the aforementioned ICMs, including Defendant’s four ICM series products: (1) the G
24 series; (2) the GX-X series; (3) the S Series; and (4) the N Series. November 10, 2020
25

26 ¹ As will be addressed, 2xN refers to the number of ports on the ICM and “means that
27 there are two rows of ports, one on top of the other.” Def. Mot. at 8:22-23. All accused
28 products in this case have the “2xN” designation, and as such, this case involves only multi-
port, rather than single port, ICMs.

1 Infringement Report of Plaintiff’s Expert, Lex Baxter, Exhibit 5 to Def. Mot., ECF No.
2 142-4 (“Baxter Report”) at 7²; December 8, 2020, Rebuttal Expert Report of Defendant’s
3 Expert, Justin R. Blok, Exhibit 10 to Def. Mot., ECF No. 142-9 (“Blok Report”) at 5.

4 **A. Statement of Facts**

5 The accused products in this case relate to ICMs that connect electronic devices
6 across local area networks (“LANs”). Blok Report at 9. In the 1960s, LANs originally
7 developed as a way to connect multiple computers to each other but until the invention and
8 standardization of Ethernet and Wi-Fi technology, they were not widely used by
9 consumers. *Id.* at 9-10. Ethernet technology “sends its communications through radio
10 frequency signals carried by a coaxial cable.” David F. Norden, *Filtering Out Protection:*
11 *The Law, the Library, and Our Legacies*, 53 Case W. Res. L. Rev. 767, 814, n.41 (2003).

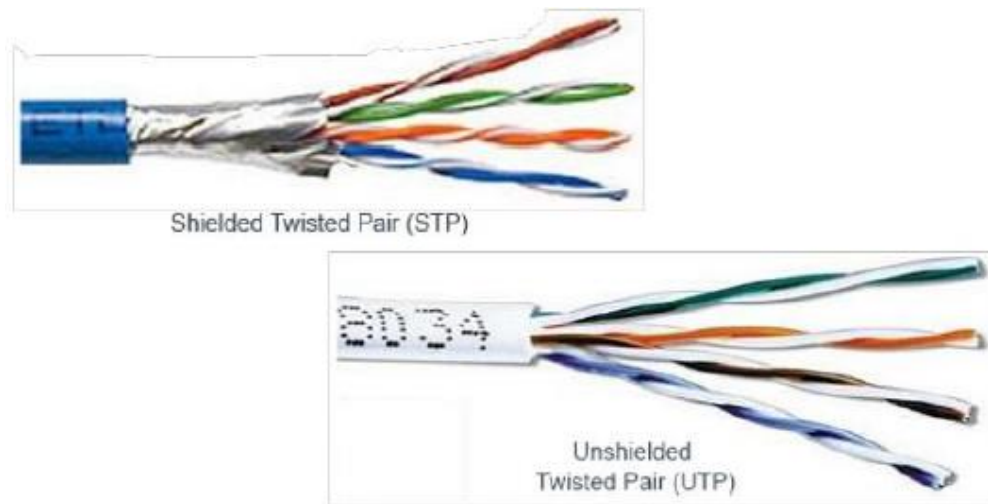
12 In the 1970s, Ethernet became the most widely used LAN technology. Blok Report
13 at 10. Eventually, Ethernet cables evolved becoming faster and covering a variety of
14 distances. *Id.* Today, most Ethernet cables use “twisted pair cabling” with a new standard
15 connector: the Registered-Jack 45 (“RJ-45”). *Id.* at 10-11. The RJ-45 ICM, which is at
16 issue in this case, is an electrical connector module used for Ethernet networking, which
17 resembles a telephone jack but consists of Ethernet cable ports that can be embodied either
18 as a single or multi-port device and that are incorporated into computer networking devices.
19 SAC at 3:11-13; *see also* Def. Mot. at 5:2-5. The “ICM has ports into which an ethernet
20 cable can be plugged, providing a connection between the cable and the motherboard of an
21 electronic device, such as a laptop computer or a network switch.” Def. Oppo. at 6:26-7:2.
22 Single port and multiport ICMs are pictured below:



27 ² Unless otherwise indicated, all page number references are to the ECF generated
28 page number contained in the header of each ECF-filed document.

1 See SAC at 3:14-22.

2 A common problem with Ethernet network infrastructures is electromagnetic
3 interference (“EMI”), which is the disruption of the operation of an electronic product due
4 to electromagnetic waves. Blok Report at 13. However, the industry has developed two
5 primary methods for managing EMI: shielding and filtering. *Id.* First, through shielding,
6 various forms of protection, such as metal plates, block electromagnetic fields, protecting
7 the devices from external radiation and keeping other devices from emitting radiation that
8 can cause interference with devices. *Id.* An example of shielded twisted pair Ethernet
9 cables is shown below, which incorporate a thin foil around the wires to mitigate EMI:



18 *Id.* Second, “[f]iltering targets specific sources of noise and can divert it to the ground,
19 absorb it, or return it to where it was emitted.” Blok Report at 14. Filtering can be
20 accomplished through two different electronic components: (1) “[c]apacitors, which can
21 inhibit direct current and allow alternating current to pass, reducing EMI,” and (2)
22 “[i]nductors, which are small electromagnets that hold energy in a magnetic field as electric
23 current passes through it, reducing EMI.” *Id.* In this case, “[t]he Patents-in-Suit generally
24 teach physical arrangement used to suppress noise caused by EMI when connectors are
25 positioned in close proximity.” *Id.* at 7.

26 ICMs are generally low margin products, meaning they are relatively inexpensive to
27 manufacture, and as a result, pricing of ICMs heavily drives competition in the industry.
28 Defendant’s Opposition to Plaintiff’s Motion for Summary Judgment, ECF No. 151 (“Def.

Oppo.”) at 7:2-3. Because ICMs, including the RJ-45 ICMs, are assembled with other components to make consumer electronics, sales of RJ-45 products directly correlated with sales of consumer and commercial electronics. *Id.* November 10, 2020 Report of Plaintiff’s Expert, Arthur H. Cobb, ECF No. 142-5 (“Cobb Report”) at 3. In this case, both Plaintiff and Defendant manufacture ICMs to sell to Electronics Manufacturing Services (“EMS”) “companies, which combine the ICMs with other components (e.g., motherboard, power supply) to create an electronic device on a contract basis for a ‘brand’ company,” such as Hewlett-Packard Enterprises (“HPE”) or Cisco. Def. Mot. at 7:4-7; *see also* Def. Oppo. at 7:6-7. “EMS companies almost exclusively manufacture outside the U.S., such as [in] Asia, where labor cost is low and raw materials are available.” Def. Oppo. at 7:7-9; Def. Mot. at 7:8-9. Meanwhile, the brand companies save money by purchasing their components from EMS companies because the brand companies do not have to maintain their own factories and workforce. Def. Mot. at 7:9-10; Def. Oppo. at 7:9-10

Founded in 1947, Plaintiff designs and manufactures electronic components, including RJ-45 ICMs, which are intended for use with electronics. SAC at 3:6-10; 144-1 at 5:2-5. Defendant admits that Plaintiff “has been in the electronics industry for many years, while UDE is a relative newcomer that has grown rapidly.” Def. Oppo. at 7:17-18. Plaintiff maintains its headquarters in San Diego, California but operates engineering design centers, manufacturing facilities, and sales offices throughout North America, Europe, and Asia. *Id.*; *see also* SAC at 2:5-7, 3:6-10. Plaintiff owns more than 100 United States and international patents dealing with RJ-45 ICM technology, four of which are at issue in this case and cover various methods for limiting EMI. SAC at 3:23-25. These Patents-in-Suit are summarized below:

Patent No.	Title	Description	Issue Date	Expiration Date
6,593,840	Electronic Packaging Device with Insertable	The 840 Patent covers “a device for electrically interconnecting and packaging electronic components which utilize a series retainer or retention	7/15/2003	3/18/2021

1		Leads and Method of Manufacturing	elements associated with certain of the sidewalls of the base member to retain the lead terminals laterally.” Pltff. Mot. at 3:5-11.		
2					
3					
4	7,959,473	Universal Connector Assembly and Method of Manufacturing	This “Patent generally describes a technique for routing wire from electronic components to conductive terminals, and in particular to routing wires within the periphery of two insert bodies when assembled together (using ‘slots’ in some claims).” Blok Report at 18.	6/14/2011	6/28/2025
5					
6					
7					
8					
9					
10					
11	9,178,318	Shielded Integrated Connector Modules and Assemblies and Methods of Manufacturing the Same	This Patent covers ICMs “that provide enhanced external and intra-connector noise suppression, including suppressing noise between integral electronic components and the substrate to which the assembly is mounted.” Pltff. Mot. at 2:24-28. This noise suppression is accomplished in part through a claimed “shielding tab, which is a sort of protrusion from the front of a printed circuit board.” <i>Id.</i>	11/3/2015	3/12/2033
12					
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20 See Blok Report at 16, 18; see also SAC at 4:8-19; see also Exhibit B to SAC, ECF No. 106-3 at 2; Exhibit D to SAC, ECF No. 106-5 at 2; Pltff. Mot. at 3:5-11.

21
22 Founded in 2005, Defendant is a Taiwan corporation that manufactures and supplies
23 communications equipment, including RJ-45 ICMs, for integration into computer
24 networking devices overseas. SAC at 2:8-10, 3:26-27; see also Answer, ECF No. 108 at
25 2:8; Def. Mot. at 5:2-5; see also Blok Report at 5. “Defendant is currently headquartered
26 in Taoyuan City, Taiwan, and operates two factories in Guandong and Sichuan, China.”
27 Blok Report, at 5. As of May 2018, Defendant held a 9% market share (by volume) of the
28 global copper ICM market and was the second largest manufacturer of the RJ-45 ICM

1 connectors in the world (by revenue), with Plaintiff being the fifth largest manufacturer.
2 *See* Exhibit “M” to SAC, ECF No. 106-14 at 4, 8; *see also* Blok Report at 8.

3 In a typical sales transaction, Defendant receives a purchase order from an EMS
4 company at its headquarters in Taiwan. Def. Oppo. at 7:11-12. Then, Defendant
5 manufactures the ICMs in China and ships them “to the EMS company outside the United
6 States, typically in Asia.” *Id.* at 7:12-14. After Defendant ships the ICMs to the purchaser,
7 Defendant asserts that it “does not have knowledge or control over where the ICMs go.”
8 *Id.* at 7:14-15. Defendant claims “[t]he EMS company and the brand company control
9 where the electronic devices will be distributed.” *Id.* at 7:15-16. Both parties agree that “in
10 some instances,” ICMs are “multi-sourced,” which means that even if Defendant supplies
11 ICMs for a certain brand company’s products, that brand company will also generally rely
12 on anywhere from one to four additional suppliers when manufacturing that product. Pltff.
13 Oppo.at 19:13.

14 Defendant claims that its “competitive advantage is (1) proprietary technology that
15 automates ICM manufacturing, and (2) flexibility to customize ICM designs with short
16 lead time.” Def. Oppo. at 7:18-20. On February 24, 2016, Defendant “proposed at one
17 point a joint venture that would use UDE’s superior manufacturing capabilities with
18 Pulse’s better known name in the electronics industry.” Def. Oppo. at 7:23-26; *see also*
19 SAC at 5:17-26. However, Defendant argues that instead, Plaintiff used a visit to
20 Defendant’s factory to gather intelligence and conspire with one of Defendant’s
21 competitors to slow down Defendant’s growth. Def. Oppo. at 7:26-8:1; *see also* Exhibit 1
22 to Def. Mot., ECF No. 142-1 at 2.

23 While the parties disagree as to whether Defendant makes any direct sales within the
24 U.S., both parties agree that if the invoices for Defendant’s worldwide sales evidence any
25 U.S. sales, those sales are at most twelve percent (12%) of Defendant’s worldwide sales.
26 Pltff. Oppo. at 4:3-6; Def. Reply at 5:21-28 (arguing the 12% incorrectly includes invoices
27 for non-accused products, and when limited to accused products, the figure is 7.8%).
28 However, Plaintiff argues that even if Defendant manufactures and sells its ICMs outside

1 the U.S., it induces direct infringement by the branded companies or their consumers
 2 because Defendant allegedly knows and even hopes its ICMs will eventually end up in
 3 products that make their way into the U.S. *Id.* at 9:12-17. In that vein, Plaintiff alleges
 4 Defendant substantially used the Accused Products in the U.S. for sales, including but not
 5 limited to by (1) providing samples and/or prototypes of the Accused Products to potential
 6 customers for evaluation; (2) securing “design wins” with potential customers resulting in
 7 large volume orders of the Accused Products; and (3) negotiating and entering into sales
 8 contracts involving the Accused Products. SAC at 5:2-10. Plaintiff argues that “[b]ut for
 9 this U.S.-based infringing activity by Defendant, such design wins would not have been
 10 achieved and Defendant would not have benefited from the resulting sales and associated
 11 revenue and profit.” *Id.* at 5:10-12.

12 The instant cross-motions for summary judgment relate to the below series and
 13 Patents-in-Suit:

UDE Multi-Gig 2xN ICMs with MPNs that Start with:	Plaintiff’s Claimed ³ Representative Model Product Number “MPN”	Plaintiff’s Asserted		
		473 Patent Claims Involved:	318 Patent Claims Involved:	840 Patent Claims Involved:
“G”	GMD-AA-0002	1, 16, 18, 33, 37, 39, and 41	N/a	1, 7, 10, 11, and 12
“GX-X”	GM-41000VJ84-1		1, 3, 4, 5, 6, 7, and 11 ⁴	

22 ³ The Court notes which MPNs Plaintiff claims are representative for reference only
 23 and does not accept those designations as true. As addressed within the context of
 24 Plaintiff’s Motion for Summary Judgment, while Plaintiff claims certain MPNs are
 25 representative of the Accused Products, the Joint Stipulation Regarding Representative
 26 Accused Products, ECF No. 124 (the “Representative Product Stipulation”), only addresses
 27 the G Series of Accused Products.

28 ⁴ As discussed in this order, Plaintiff’s SAC and original Infringement Contentions
 only asserted Claims 14 and 17, and those claims were also the only claims at issue when
 this Court undertook Claim Construction. Any additional claims asserted pursuant to
 Plaintiff’s Amended Infringement Contentions are not properly at issue in this case.

1	“N”	N42-ZT-0001		N/a	
2	“S”	S3Y-HP-0001	N/a	14 and 17	

3 See Baxter Report at 7; see also See SAC at 4:2-28, 8:5-9, 38:16-20.

4 **B. Procedural History**⁵

5 On February 16, 2018, Plaintiff filed this lawsuit against Defendant, based on the
6 three Patents-in-Suit as well as U.S. Patent No. 6,773,302 (“the 302 Patent”). See ECF.
7 No. 25-1 ¶ 14. On June 11, 2018, UDE filed its Answer along with eight counterclaims
8 for non-infringement and invalidity of the 302, 473, 318, and 840 Patents. ECF. No. 13.

9 On January 17, 2020, Plaintiff filed a First Amended Complaint (“FAC”). ECF No.
10 61. However, on July 6, 2020, the Court granted Defendant’s motion to dismiss the FAC
11 *without prejudice* and granted leave to amend. Order, ECF No. 100. The Court found
12 Plaintiff did not allege sufficient facts to establish a plausible claim for relief under the
13 *Twombly/Iqbal* standard as to both induced and contributory infringement. *Id.* at 4-5.

14 On December 17, 2018, the Court granted Defendant’s motion to stay this case
15 pending *inter partes* review of all four Patents-in-Suit. Order, ECF No. 28 at 6-7. Later
16 that month, the Patent Trial and Appeal Board (“PTAB”) granted *inter partes* review of
17 the 302 Patent. ECF No. 45 at 4:20-28. As such, on February 14, 2020, this Court granted
18 a joint motion for dismissal of the claims related to the 302 Patent *without prejudice*.⁶ ECF
19 No. 72. As to the other patents, however, the PTAB denied institution of a trial. ECF No.
20 46 at 5:23-27. Thus, on November 18, 2019, this Court granted Plaintiff’s Motion to Lift
21

22 ⁵ Due to the issues raised in both parties’ briefs arising out of Plaintiff’s service on
23 Defendant of Amended Infringement Contentions in violation of the Local Patent Rules
and various court orders, a detailed recitation of the procedural history is appropriate.

24 ⁶ As Defendant notes, the 302 Patent was the only patent asserted against Defendant’s
25 single-port and lower speed (e.g., 1G) ICMs, meaning that after the dismissal of the claims
26 pertaining to the 302 Patent, only Defendant’s multi-gigabit (i.e., high speed) 2xn ICMs
27 remain at issue. Def. Mot. at 8:19-22. In other words, according to Defendant, Plaintiff
28 may “only accuse ICMs for the niche market of high-speed networking devices,” which
reduces the number of accused ICMs from thousands, down to about 185 UDE product
numbers.” *Id.* at 8:23-26 (citing Baxter Report at 28-29, ¶¶ 95-108).

1 the Stay that had been in place during the *inter partes* review. Order, ECF No. 52. As a
2 result, the stay has been lifted for well over one year.

3 On January 14, 2020, Magistrate Judge Daniel Butcher issued the Amended Case
4 Management Order (“CMO”) Regulating Discovery and Other Pretrial Proceedings,
5 providing that “[t]he deadline for filing, as of right, Amended Infringement Contentions by
6 a party claiming infringement is February 13, 2020.” Order, ECF No. 58 at 2:1-2; *see also*
7 Patent L. R. 3.6 (providing that “[a]s a matter of right, a party asserting infringement may
8 serve Amended Infringement Contentions no later than the filing of the parties’ Joint Claim
9 Construction Chart,” which in this case was filed on February 14, 2020, ECF No. 70).

10 On July 16, 2020, Plaintiff filed the SAC, which is the operative complaint and
11 alleges three claims for relief for direct, induced, and contributory infringement of the 473,
12 318, and 840 Patents. SAC. Shortly thereafter, on July 30, 2020, Defendant filed another
13 answer and counterclaims. Answer, ECF No. 108. Defendant’s operative counterclaims
14 allege non-infringement and invalidity of the 473, 318, and 840 Patents. *Id.* Plaintiff filed
15 an Answer to those counterclaims, denying the majority of the claims. ECF No. 110.

16 On July 30, 2020, this Court issued its Claim Construction Order. ECF No. 107. On
17 August 27, 2020, the Case Management Conference (“CMC”) took place in this matter.
18 ECF No. 112. Because Local Patent Rule 3.1 requires a party claiming patent infringement
19 to serve “Disclosure of Asserted Claims and Infringement Contentions,” fourteen (14) days
20 after the CMC, Plaintiff had until September 10, 2020 to serve its Original Infringement
21 Contentions.

22 Following the CMC, Judge Butcher issued another CMO, providing that all “[a]ll
23 discovery, including expert discovery, shall be completed by all parties on or before
24 December 8, 2020,” defining “completed” as meaning “that interrogatories, requests for
25 production, and other discovery requests must be served at least thirty (30) days *prior to*
26 the established cutoff date so that responses thereto will be due on or before the cutoff
27 date.” Order, ECF No. 113 at 1:23-28 (emphasis added).

28 On September 23, 2020, Defendant’s counsel sent Plaintiff’s counsel an e-mail,

1 stating “[f]or purposes of this litigation, UDE identified the following representative MPNs
2 and design files for the 2xN multi-gig ICM products.” Exhibit 1 to Pltff. Mot. at 2. This
3 e-mail elaborated that Defendant believed the following design files contained the level of
4 detail that Plaintiff had requested:

5 MPNs	Representative MPN	Representative Design File
6 MPNs with first letter “G”	GMD-AA-0002	UDE0022608
7 MPNs with first letter “S”	S3Y-HP-0001	UDE0022600
8 MPNs with first letter “M”	M4-ZZ-0047	UDE0031378
9 MPNs with first letter “N”	N6-AT-0006	UDE0024316
10 MPNs with first letters “RM”	RM7-ZZ-0012	UDE0024287
MPNs with first letters “RN”	RN6-DA-0004	UDE0024296

11 *See* Exhibit 1 to Pltff. Mot. at 2; *see also* Pltff Mot. at 2:16-18.

12 On October 14, 2020, a Status Conference took place in this case, at which point the
13 Court set trial in this matter for February 17, 2021 at 9:30 a.m.⁷ ECF No. 123. During this
14 hearing, Plaintiff made no mention of seeking to amend infringement contentions. Shortly
15 thereafter, on October 30, 2020, the Parties entered into the Representative Product
16 Stipulation, pursuant to which both parties agreed Plaintiff could “use certain
17

18 ⁷ As will be addressed later on in this order, Plaintiff makes reference to the “highly
19 accelerated trial schedule” and asserts that “[t]he Court further accelerated the schedule by
20 setting a Jury Trial for February 17, 2021.” Pltff. Reply at 6:14-18. Under the Civil Justice
21 Reform Act of 1990, introduced by then-Senator, now President Joseph Biden, district
22 courts are encouraged to ensure timely termination of all cases within three years of filing.
23 *See* 28 U.S.C. § 471; H.R. REP. NO. 101-732 (1990); *see also* 28 U.S.C. § 476(a)(3)
24 (requiring “[t]he Director of the Administrative Office of the United States Courts [to]
25 prepare a semiannual report, available to the public, that discloses for each judicial
26 officer . . . the number and names of cases that have not been terminated within three years
27 after filing”). This case was filed on February 16, 2018. *See* ECF No. 1. By setting a trial
28 date in February 2021, this Court was making every effort to adhere to the Legislature’s
mandate to district courts to “ensure just, speedy, and inexpensive resolutions of civil
disputes,” 28 U.S.C. § 471, by ensuring trial of this matter within three years of the date of
filing. To the extent Plaintiff complains of the previously set trial date, this date was not
“accelerated,” and the Court finds three years to be ample time for any case, even a patent
case, to proceed to trial.

1 representative products to prove structure and operation of a broader set of UDE products
2 strictly for the purposes of proving, as to products accused of infringing the Patents-in-
3 Suit, the structure and operation of the products in the ‘Representative MPN’ for all other
4 products in the ‘Represented Product’ column of the same row in the table below”:

Representative MPN	Represented Products
GMD-AA-0002	MPNs with first letter “G” not including MPNs with first four characters “GX-X”

7 ECF No. 124 at 2-3.

8 On November 4, 2020, almost three years after filing this case, Plaintiff “attempted
9 to seek leave from the Court to amend the infringement contentions but was informed by
10 the Court . . . that such a motion would not be heard.” Proposed Pretrial Order Attached
11 as Exhibit 7 to Def. Oppo., ECF No. 151-9 at 7, 27-28. Despite the fact that the Court
12 denied Plaintiff leave to amend its infringement contentions and even though the Parties
13 entered into the Representative Product Stipulation governing representative products,
14 which did not include the S3Y-HP-0001 product as representative of the S Series, on
15 November 10, 2020, Plaintiff served Amended Infringement Contentions on Defendant.
16 These Amended Contentions asserted (1) the S3Y-HP-0001 as representative of the S
17 Series and (2) new claims pertaining to the 318 Patent not previously asserted or discussed
18 in the SAC. *See* Pltff. Mot. at 2:18-21. Forty-two days after service of these contentions,
19 on December 22, 2020, discovery concluded in this case. ECF No. 119.

20 On December 29, 2020, Plaintiff filed for partial summary judgment as to direct
21 infringement pertaining to claims (1) 1, 3-7, and 11 of the 318 Patent and (2) 1, 7, and 10-
22 12 of the 840 Patent for Defendant’s S Series Accused Products. *See* Pltff. Mot. That same
23 day, Defendant filed a motion for summary judgment and *Daubert* motion. *See* Def. Mot.
24 Defendant asks the Court to grant summary judgment of non-infringement in Defendant’s
25 favor as to (1) all of Plaintiff’s claims on the issue of indirect or induced infringement and
26 (2) as to Plaintiff’s claims of infringement pertaining to the GX-X, N, and S-Series of
27 Products. Def. Mot. at 5-6. Defendant also asks the Court to exclude various opinions
28 provided by Plaintiff’s expert as unreliable and speculative. *Id.* at 6.

1 On January 6, 2021, the Final Pretrial Conference took place in this case, ECF No.
2 125, as trial in this case had been scheduled for February 17, 2021, ECF No. 123. However,
3 due to the COVID-19 pandemic, and Orders of the Chief Judge Nos. 56, 60, this Court
4 vacated the jury trial indefinitely until one could be safely conducted. *See* ECF No. 145.

5 On January 15, 2020, both parties opposed each other's motions and filed related
6 motions to seal. *See* ECF No. 146-151. On January 25, 2020, both parties riled reply briefs
7 along with additional motions to seal. *See* ECF Nos. 152-157.

8 **III. LEGAL STANDARD**

9 **A. Summary Judgment**

10 Where a moving party shows "there is no genuine dispute as to any material fact and
11 the movant is entitled to judgment as a matter of law," the Court must grant summary
12 judgment. FED. R. CIV. P. 56(a); *see also Celotex Corp. v. Catrett*, 477 U.S. 317, 322
13 (1986). A fact is material if it could affect the outcome of the case under governing law.
14 *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). A dispute of material fact is
15 genuine if the evidence, viewed in light most favorable to the non-moving party, "is such
16 that a reasonable jury could return a verdict for the non-moving party." *Id.*

17 If the moving party has the burden of proof at trial on an issue, like Plaintiff, that
18 party must affirmatively show that no reasonable jury could find other than in the moving
19 party's favor. *Celotex*, 477 U.S. at 331 (Brennan, J., dissenting). The moving party may
20 make this showing by identifying those portions of the pleadings, discovery, and affidavits
21 that demonstrate the absence of a genuine issue of material fact. *Celotex*, 477 U.S. at 323.
22 If the moving party will not bear the burden of proof at trial, like Defendant, that party may
23 "after adequate time for discovery," show that the opposing party who will bear the burden
24 of proof at trial cannot "make a showing sufficient to establish the existence of an element
25 essential to that party's case." *Celotex*, 477 U.S. at 322. If the moving party makes such
26 a showing, then, "the plain language of Rule 56(c) mandates the entry of summary
27 judgment." *Celotex*, 477 U.S. at 322; *see also In re Oracle Corp. Sec. Litig.*, 627 F.3d 376,
28 387 (9th Cir. 2010). Thus, the party moving for summary judgment bears the initial burden

1 of identifying those portions of the pleadings, discovery, and affidavits that demonstrate
2 the absence of a genuine issue of material fact. *Celotex*, 477 U.S. at 323.

3 If a moving party carries its burden of showing the absence of evidence as to an
4 essential element of the opposing party's case (e.g., a genuine issue of material fact), "the
5 burden then shifts to the non-moving party to designate specific facts demonstrating the
6 existence of genuine issues for trial." *Oracle*, 627 F.3d at 387; *see also Fed. Trade*
7 *Comm'n v. Stefanchik*, 559 F.3d 924, 927-28 (9th Cir. 2009). "This burden is not a light
8 one." *Oracle*, 627 F.3d at 387. The party opposing the motion for summary judgment
9 "must show more than the mere existence of a scintilla of evidence" by coming forward
10 "with evidence from which a jury could reasonably render a verdict in the non-moving
11 party's favor." *Oracle*, 627 F.3d at 387. The nonmoving party must go beyond the
12 pleadings and designate facts showing a genuine issue for trial. *Bias v. Moynihan*, 508
13 F.3d 1212, 1218 (9th Cir. 2007) (citing *Celotex*, 477 U.S. at 324). It can do this by citing
14 to specific parts of the materials in the record or by showing that the materials cited by the
15 moving party do not compel a judgment in the moving party's favor. FED. R. CIV. P. 56(c).

16 In ruling on a motion for summary judgment, the substantive law governing a claim
17 determines whether a fact is material. *Suever v. Connell*, 579 F.3d 1047, 1056 (9th Cir.
18 2009). The court also draws inferences from the facts in the light most favorable to the
19 nonmoving party. *Earl v. Nielsen Media Research, Inc.*, 658 F.3d 1108, 1112 (9th Cir.
20 2011); *see also Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 587
21 (1986). However, the nonmoving party's mere allegation that factual disputes exist
22 between the parties will not defeat an otherwise properly supported motion seeking
23 summary judgment. *See* FED. R. CIV. P. 56(c). Further, if the factual context makes the
24 nonmoving party's claim as to the existence of a material issue of fact implausible, that
25 party must come forward with more persuasive evidence to support his claim than would
26 otherwise be necessary. *Matsushita*, 475 U.S. at 587.

27 For motions for summary judgment involving patent infringement, the party
28 claiming patent infringement must prove infringement "by a preponderance of the

1 evidence, which simply requires proving that infringement was more likely than not to
2 have occurred,” *Warner-Lambert Co. v. Teva Pharm. USA, Inc.*, 418 F.3d 1326, 1341, n.15
3 (Fed. Cir. 2005) (internal citations omitted). Because the ultimate issue of infringement is
4 a question of fact, *Columbia Sportswear N. Am., Inc. v. Seirus Innovative Accessories, Inc.*,
5 942 F.3d 1119, 1129 (Fed. Cir. 2019), infringement issues that require courts to draw
6 inferences from the known facts are not well-suited to summary judgment because all such
7 inferences must be drawn against the moving party, *Matsushita*, 475 U.S. at 587. A moving
8 party seeking a judgment of non-infringement, however, does not “have to support its
9 motion [for summary judgment] with evidence of non-infringement.” *Exigent Tech., Inc.*
10 *v. Atrana Sols., Inc.*, 442 F.3d 1301, 1308-09 (Fed. Cir. 2006).

11 **B. Motion to Exclude Expert Opinions**

12 Federal Rule of Evidence 702 establishes the following requirements for
13 admissibility of expert opinion evidence: (1) the witness must be sufficiently qualified as
14 an expert by knowledge, skill, experience, training, or education; (2) the scientific,
15 technical, or other specialized knowledge must assist the trier of fact” either “to understand
16 the evidence” or “to determine a fact in issue”; (3) the testimony must be “based on
17 sufficient facts and data”; (4) the testimony must be “the product of reliable principles and
18 methods”; and (5) the expert must reliably apply the principles and methods to the facts of
19 the case. FED. R. EVID. 702.

20 Under *Daubert* and its progeny, the district court must assure expert testimony “both
21 rests on a reliable foundation and is relevant to the task at hand.” *Daubert v. Merrell Dow*
22 *Pharm., Inc.*, 509 U.S. 579, 597 (1993). “Expert opinion testimony is relevant if the
23 knowledge underlying it has a valid connection to the pertinent inquiry.” *Primiano v.*
24 *Cook*, 598 F.3d 558, 565 (9th Cir. 2010). Courts will find expert opinion testimony
25 “reliable if the knowledge underlying it has a reliable basis in the knowledge and
26 experience of the relevant discipline.” *Id.* However, parties should attack shaky but
27 admissible evidence by cross-examination, contrary evidence, and careful instruction on
28 the burden of proof, not outright exclusion. *Daubert*, 509 U.S. at 596. The judge is “to

1 screen the jury from unreliable nonsense opinions, but not exclude opinions merely because
2 they are impeachable.” *Alaska Rent-A-Car, Inc. v. Avis Budget Grp., Inc.*, 738 F.3d 960,
3 969 (9th Cir. 2013).

4 The Supreme Court has requires courts to consider several factors when evaluating
5 the reliability of expert testimony: (1) whether a theory or technique is testable; (2) whether
6 it has been published in peer reviewed literature; (3) the error rate of the theory or
7 technique; and (4) whether it has been generally accepted in the relevant scientific
8 community. *Mukhtar v. Cal. State Univ.*, 299 F.3d 1053, 1064 (9th Cir. 2002), *overruled*
9 *on other grounds by Estate of Barabin v. Asten Johnson, Inc.*, 740 F.3d 457, 460 (9th Cir.
10 2014). These factors are meant to be “helpful, not definitive.” *Kumho Tire Co. v.*
11 *Carmichael*, 526 U.S. 137, 151 (1999). The Court retains “discretion to decide how to test
12 an expert’s reliability as well as whether the testimony is reliable, based on the particular
13 circumstances of the particular case.” *Primiano*, 598 F.3d at 564 (citations and quotation
14 marks omitted). “[T]he test under *Daubert* is not the correctness of [experts’] conclusions
15 but the soundness of [their] methodology.” *Daubert v. Merrell Dow Pharmaceuticals, Inc.*,
16 43 F.3d 1311, 1318 (9th Cir. 1995).

17 **IV. DISCUSSION**

18 A patent is defined as “[t]he right to exclude others from making, using, marketing,
19 selling, offering for sale, or importing an invention for a specified period (20 years from
20 the date of filing), granted by the federal government to the inventor if the device or process
21 is novel, useful, and nonobvious.” Garner, Brian A., *Black’s Law Dictionary* (11th ed.
22 2019) (citing 35 U.S.C. §§ 101-103). The Patent Act of 1952, which was later revised by
23 the Leahy-Smith America Invents Act (“AIA”), provides for the granting and issuance of
24 patents; sets out the requirements and procedures for securing a patent; and provides a
25 federal cause of action for patent infringement. *See* 35 U.S.C. § 1, *et seq.* The AIA grants
26 protection for three types of patents, one of which includes utility patents. *R.R. Donnelley*
27 *& Sons, Co. v. United States*, 40 Fed. Cl. 277, 279, n.6 (1998). Utility patents protect new,
28 nonobvious, and useful products, processes, machines, devices, and/or other inventions and

1 “comprise the vast majority (approximately 95%) of all issued patents.” 35 U.S.C. § 101;
2 *see also R.R. Donnelley*, 40 Fed. Cl. at 279, n.6.

3 This case involves Plaintiff’s allegations of infringement of its utility patents.
4 Section 271 of the AIA defines infringement to include (1) direct infringement, 35 U.S.C.
5 § 271(a), and (2) indirect infringement arising out of either induced infringement, where a
6 party actively induces a third-party to infringe a patent, 35 U.S.C. § 271(b), or
7 contributory infringement, where the accused party supplies a component or material used
8 to infringe on a patent, 35 U.S.C. 271(c). Plaintiff’s SAC claims Defendant committed
9 acts of direct infringement, induced infringement, and contributory infringement.

10 Plaintiff’s Motion for Summary Judgment raises the issue of direct infringement
11 while Defendant’s Motion for Summary Judgment addresses both direct and induced
12 infringement. Neither party moved on the grounds of contributory infringement. Both
13 direct and indirect patent infringement require a two-step analysis. *Grober v. Mako Prod.,*
14 *Inc.*, 686 F.3d 1335, 1344 (Fed. Cir. 2012). First, courts determine “the scope and meaning
15 of the patent claims asserted.” *Id.* Having already undertaken a claim construction in this
16 case, *see* Order, ECF No. 107, the Court has completed this step. Second, courts compare
17 the asserted patent claims to the allegedly infringing devices. *Id.* However, infringement
18 of a patent only becomes relevant if the infringing acts fall within the purview of the AIA
19 by taking place within the U.S. in some manner.

20 “It is axiomatic that U.S. patent law does not operate extraterritorially to prohibit
21 infringement abroad.” *Power Integrations, Inc. v. Fairchild Semiconductor Int’l, Inc.*, 711
22 F.3d 1348, 1371 (Fed. Cir. 2013) (“*Power Integrations I*”). Thus, the AIA’s definition of
23 direct patent infringement only applies to acts taking place within the country by providing:
24 “Except as otherwise provided in this title, whoever without authority makes, uses, offers
25 to sell, or sells any patented invention, ***within the United States*** or ***imports into the United***
26 ***States*** any patented invention during the term of the patent therefore, infringes the patent.”
27 35 U.S.C. § 271(a) (emphasis added). Consequently, “purely extraterritorial conduct
28 cannot constitute *direct* infringement of a U.S. patent, as § 271(a) includes express

1 language limiting its scope to domestic acts.” *Merial Ltd. v. Cipla Ltd.*, 681 F.3d 1283,
2 1302 (Fed. Cir. 2012). In sum, direct infringement occurs where the accused party commits
3 one of the following acts within the U.S.: making, using, offering to sell, selling, or
4 importing the patented invention. 35 U.S.C. § 271(a).

5 “Unlike direct infringement under 35 U.S.C. § 271(a), which must occur in the
6 United States, liability for induced infringement under § 271(b) can be imposed based on
7 extraterritorial acts, provided that the patentee proves the defendant possessed the requisite
8 knowledge and specific intent to induce direct infringement in the United States.” *See,*
9 *e.g., Enplas Display Device Corp. v. Seoul Semiconductor Co., Ltd.*, 909 F.3d 398, 407
10 (Fed. Cir. 2018) (finding substantial evidence the plaintiff intended to induce infringement
11 because the plaintiff did not dispute that it (1) knew of the patents in suit, (2) was informed
12 the product it manufactured, co-developed, and sold was covered by the patents, (3) had a
13 50% worldwide market share, and (4) had customers that sold televisions in the U.S.).
14 Thus, in this case, Plaintiff must, at a bare minimum, prove that an EMS or brand company
15 sold or imported a device containing Defendant’s ICMs. Plaintiff must also prove that
16 Defendant both knew and intended the EMS or brand company would sell its product in
17 the U.S. *Epcon Gas Sys., Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1033-34 (Fed.
18 Cir. 2002).

19 Plaintiff moves for summary judgment as to its claims for relief pertaining to the S
20 Series of Accused Products only, seeking a judgment that the S Series of Accused Products
21 directly infringe the 318 and 840 Patents. *See* Pltff. Mot. In order to secure summary
22 judgment, even before establishing whether Defendant’s products infringe on Plaintiff’s
23 Patents-in-Suit, Plaintiff must show there is no genuine issue of fact that Defendant makes,
24 uses, offers to sell, or sells the Accused Products in the U.S. Def. Oppo. at 7:3-5.
25 Defendant, on the other hand, seeks summary judgment that Defendant did not induce
26 infringement of any of Plaintiff’s Patents-in-Suit. *See* Def. Mot. Defendant also seeks a
27 summary judgment of non-infringement on the issue of direct infringement of the S, GX-
28 X, and N Series of Accused Products by claiming Plaintiff lacks evidence creating a

1 genuine issue of material fact as to infringement of those products. *See* Def. Mot.

2 As discussed below, the Court denies Plaintiff’s motion for summary judgment as
3 to direct infringement for the S Series of Products. The Court grants Defendant’s motion
4 for summary judgment on the basis that Defendant has shown the absence of evidence in
5 the record showing induced infringement. The Court also grants Defendant’s motion for
6 summary judgment on the issue of direct infringement as to the GX-X Series, S Series, and
7 N Series of Accused Products—with the exception of MPNs S3H-HP-0001 and N42-ZT-
8 0001—also due to the absence of evidence in the record showing infringing acts within the
9 U.S. While neither party moved for summary judgment as to the G Series of Accused
10 Products, the Court orders Plaintiff to show cause as to why the Court should not grant
11 summary judgment, *sua sponte*, in Defendant’s favor as to all claims in this case by
12 providing evidence of infringing acts within the U.S. sufficient to substantiate the
13 remaining claims of direct and contributory infringement Plaintiff pursues in this case.

14 **A. Plaintiff’s Motion for Summary Judgment as to Direct Infringement of**
15 **the 318 and 840 Patents by Defendant’s S Series of Products**

16 Plaintiff seeks partial summary judgment by arguing that the undisputed facts in this
17 case show Defendant’s MPN S3Y-HP-0001 (1) directly infringes claims 1, 3-7, and 11 of
18 the 318 Patent and claims 1, 7, and 10-12 of the 840 Patent as outlined in Pulse’s Amended
19 Infringement Contentions and the Expert Report of Mr. Les Baxter and (2) is representative
20 of MPNs with first letter “S” for purposes of this litigation. Pltff. Mot. at 2:16-25. Plaintiff
21 argues Defendant has not identified any claim element from the 318 Patent or 840 Patent
22 allegedly missing from the representative S Series MPN S3Y-HP-0001. *Id.* at 2:7-9.

23 To prevail on its motion for summary judgment, Plaintiff must prove that
24 Defendant’s Accused Products literally infringe all limitations of the asserted claims for
25 Plaintiff’s Patents-in-Suit. *Duncan Parking Techs., Inc. v. IPS Grp., Inc.*, 914 F.3d 1347,
26 1360 (Fed. Cir. 2019). Thus, even though a court will find patent infringement if only a
27 single claim is infringed, *Grober v. Mako Prod., Inc.*, 686 F.3d 1335, 1344 (Fed. Cir. 2012),
28 if even a single limitation from that one claim is absent from the accused product, “there is

1 no literal infringement as a matter of law.” *Amgen Inc. v. F. Hoffman—LA Roche, Ltd.*,
2 580 F.3d 1340, 1374 (Fed. Cir. 2009).

3 Plaintiff argues that (1) “it detailed every asserted claim element of direct
4 infringement in its Amended Infringement Contentions,” (2) its “expert provided detailed
5 charts of UDE’s infringement, including additional rationale that UDE’s ‘S3Y-HP-0001’
6 is representative of UDE’s ‘S’ Series Accused Products,” and (3) once it detailed the direct
7 infringement, Defendant and its expert failed to rebut the infringement analysis by
8 analyzing the S3D-AR-0001 instead of the S3Y-HP-0001. Ptff. Mot. at 5:1-9. Thus,
9 Plaintiff argues the aforementioned facts along with the Court’s Claim Construction and
10 undisputed evidence as to the structural components of Defendant’s S Series Accused
11 Products entitle Plaintiff to summary judgment of direct infringement. *Id.* at 5:9-12.

12 In its Opposition, Defendant argues the Court should deny Plaintiff’s Motion for
13 three reasons: First, Plaintiff fails to present any admissible evidence that Defendant
14 commits any of the five acts recited in 35 U.S.C. § 271(a) qualifying as direct infringement
15 within the U.S., or that the S Series of Products ever even arrived in the U.S. Def. Oppo.
16 at 5:6-12, 6:16-18. Second, Defendant contends that Plaintiff’s mere e-mail from
17 Defendant’s counsel and expert testimony fail to show that the S3Y-HP-0001 is
18 representative of the entire S Series of Products. *Id.* at 5:13-24, 6:18-20. Third, Defendant
19 argues that the deposition testimony of Defendant’s technical expert, Dr. Michael Leby,
20 opining that the S Series of Products do not infringe the Patents-in-Suit, at a minimum,
21 creates a genuine issue of material fact as to whether the S Series of Products even practice
22 the asserted Patents-in-Suit. *Id.* at 5:25-6:22.

23 In response, Plaintiff argues the Court should grant it summary judgment that the S
24 Series of Accused Products directly infringe the asserted claims because (1) Plaintiff only
25 seeks “partial summary judgment that UDE’s ‘S’ Series Accused Products directly
26 infringe,” *not* “that UDE performs directly infringing acts in the United States”; (2) “the
27 S3Y-HP-0001 is representative for ‘MPNs with first letter ‘S’”; and (3) Defendant’s
28 technical expert did not opine on the S3Y-HP-0001, and thus, partial summary judgment

1 for the S Series of Accused Products is warranted. Reply at 2:21-28.

2 To support its Motion for Summary Judgment, Plaintiff primarily relies on two
3 items: (1) Plaintiff’s Amended Infringement Contentions and (2) the expert report prepared
4 by its infringement expert, Les Baxter (“Mr. Baxter”), rather than his sworn deposition
5 testimony. This alone warrants denying this motion. First, infringement contentions are
6 not evidence. *MediaTek Inc. v. Freescale Semiconductor, Inc.*, No. 11 Civ. 5341, 2014
7 WL 2859280, at *8 (N.D. Cal. June 20, 2014). Second, the Court cannot rely on expert
8 reports for conclusions of law. *See, e.g., Telemac Cellular Corp. v. Topp Telecom, Inc.*,
9 247 F.3d 1316, 1329 (Fed. Cir. 2001) (holding “broad conclusory statements offered by
10 Telemac’s experts are not evidence and are not sufficient to establish a genuine issue of
11 material fact”). For these reasons along with those outlined below, the Court **DENIES**
12 Plaintiff’s Motion for Summary Judgment on the grounds that (1) Plaintiff has failed to
13 provide any admissible evidence showing that any of Defendant’s products directly
14 infringe claims 1, 3-7, and 11 of the 318 Patent⁸ or claims 1, 7, and 10-12 of the 840 Patent;
15 (2) a genuine issue of material fact exists as to whether the S3Y-HP-0001 is representative
16 of the S Series Accused Products; and (3) expert opinions on legal conclusions may not
17 defeat summary judgment. *Telemac*, 247 F.3d at 1329.

18 **1. Plaintiff Has Failed to Show the Absence of a Genuine Issue of Fact**
19 **as to Direct Infringement of the “S” Series of Products**

20 Defendant argues that “in order to prevail on summary judgment, Pulse must show
21 that there is no genuine dispute that UDE makes, uses, offers to sell, or sells in the United
22 States, or imports into the United States the accused products.” Def. Oppo. at 7:3-5.
23 However, Defendant argues that Plaintiff cannot make this showing because it “fails to

24 _____
25 ⁸ As discussed, although Plaintiff seeks summary judgment by arguing Defendant’s
26 products directly infringe claims 1, 3, 4, 5, 6, 7, and 11 of the 318 Patent, the Court only
27 considers Claims 14 and 17. The Court finds consideration of the other claims mentioned
28 improper as Claims 14 and 17 are the only claims alleged to infringe in the operative
complaint, and Plaintiff admits it amended its infringement contentions in direct violation
of the Court’s instructions, Scheduling Order, and the Local Patent Rules.

1 present any admissible evidence that the S3Y-HP-0001 product, let alone any of the other
2 ‘S’ Series products, ever enter the United States.” *Id.* at 5:8-9. Plaintiff responds that the
3 S Series products directly infringe because Defendant’s customers—not Defendant itself—
4 “each make, use, offer to sell, or sell the ‘S’ Series products in the United States, or import
5 the ‘S’ Series products into the United States.” Pltff. Reply at 3:2-4.

6 The Supreme Court has reiterated that “[t]he general rule under United States patent
7 law is that no infringement occurs when a patented product is made and sold in another
8 country.” *Microsoft Corp. v. AT & T Corp.*, 550 U.S. 437, 441 (2007). Plaintiff tries to
9 show direct infringement in this case by relying on (1) evidence of HPE’s sales of its own
10 products, (2) invoices from Defendant with a “Bill to” address in the U.S., and (3) the fact
11 that Defendant provided Plaintiff with product samples in response to discovery requests
12 and as required by a court order in this case. *See* Def. Oppo. at 7:6-9.

13 Plaintiff argues that the relevant inquiry in this case is “whether UDE’s end
14 customers in the U.S. directly infringe.” Pltff. Mot. at 3:4-6. The Court disagrees. As
15 discussed below, ample case law supports the Court concluding that Plaintiff’s evidence
16 fails to show the absence of a genuine issue of fact as to whether infringing acts took place
17 within the U.S. Thus, even if the Accused Products infringe on the Patents-in-Suit, a
18 conclusion the Court has not drawn, the record indicates Plaintiff is not entitled to summary
19 judgment on infringement because the evidence to date indicates the allegedly infringing
20 acts (e.g., making, using, selling, or offering to sell) do not take place within the U.S.

21 a. *Third-Party HPE’s Sales of HPE’s Own Products*

22 As stated, Plaintiff argues that Defendant commits direct infringement in the U.S.
23 because third-party HPE sells and offers to sell HPE products in the U.S. that contain
24 Defendant’s ICMs. Pltff. Mot. at 3:1-4. Defendant responds that Plaintiff “makes no
25 attempt to show how *third-party HPE’s* sales or offers to sell *HPE’s own products* is a
26 sale or offer to sell *by UDE*.” Def. Oppo. at 7:23-24 (original emphasis). Defendant
27 reiterates that it “does not sell or offer to sell HPE products” and only “sells components
28 outside the United States to third-party manufacturing companies who then sell end-

1 customer products to brand companies (e.g., [REDACTED]), which brand companies then sell those
2 end-customer products (e.g., an [REDACTED] networking switch).” *Id.* at 7:24-8:1. Plaintiff
3 responds that Exhibits 7 and 8 submitted in support of its motion, show HPE JL-network
4 switches that use the S3Y-HP-0001 shown in Exhibit 9 offered for sale (albeit by a third-
5 party on the third-party’s website) available to ship to a U.S. address. Pltff. Reply at 3:21-
6 26. Thus, Plaintiff argues that “no genuine issue of material fact exists that the JL-series
7 with infringing UDE ‘S3Y-HP-0001’ is offered for sale in the U.S.” *Id.* at 3:26-27. The
8 Court finds that Plaintiff’s evidence pertaining to third-party HPE shows a genuine issue
9 of fact exists as to infringement for the below reasons.

10 First, the exhibits Plaintiff submits to prove Defendant or HPE sell products in the
11 U.S.—namely, Exhibits 7 and 8—do not, in fact, prove either of HPE or UDE sells their
12 products there, much less that HPE’s products even contain Defendant’s products. *See*
13 *Def. Oppo.* at 8:1-6. Rather, those exhibits show that “third parties ServerSupply (Ex. 7)
14 and ProVantage (Ex. 8) appear to be making the sales or offers to sell.” *Id.* at 8:3-5.

15 Second, Exhibits 7 and 8 show, at a minimum, a genuine issue of fact exists as to
16 whether the HPE products sold by Server Supply and ProVantage even contain
17 Defendant’s Accused Products. Defendant argues that even if some of the identified
18 product models use its Accused Products, Plaintiff “does not attempt to show that the
19 *specific products* sold or offered for sale in the United States contain UDE’s accused
20 products.” *Def. Oppo.* at 8:12-14. Defendant states that a manufacturing company that
21 uses its products typically sources ICMs from one to four other ICM manufacturers for the
22 same end-product, meaning, *assuming arguendo*, any of Defendant’s Accused Products
23 were incorporated into third-party devices that arrived in the U.S., those Accused Products
24 could be found in as few as 10% to as many as 50% of the units for a given networking
25 device. *Id.* at 8:15-19. Defendant also argues that the products shown in Exhibits 7 and 8
26 do not appear to contain the class of Accused Products much less the S Series of Products
27 on which Plaintiff seeks summary judgment. *Def. Oppo.* at 8:22-24. Rather, Exhibit 7
28 shows a product described as having several single port ICMs and 1 Gigabit, but Plaintiff

1 “only accuses multi-port ICMs, i.e., 2xN *not* 1xN” that are multi-gigabit (e.g., 2.5G, 5G,
2 10G). *Id.* at 8:24-9:3. As for Exhibit 8, Defendant argues that it is unclear whether that
3 product is relevant at all because Plaintiff only accuses ICM port products, but Exhibit 8
4 describes the product as having non-ICM ports with 25 GbE, 40 GbE, and 100 GbE speeds,
5 and Defendant only sells ICM ports with speeds of 2.5G, 5G, and 10GbE speeds. *Id.* at
6 9:4-10. That being said, Exhibit 8 “does describe 10GbE speeds, which is accused, but
7 there is no indication those are 10 GbE ICMs, as opposed to alternative and unaccused
8 technology like discrete LAN or SFP/QSFP.” *Id.* at 9:10-12.

9 Plaintiff responds by disputing Defendant’s contention that the HPE switches
10 offered for sale in the U.S. shown in Exhibits 7 and 8 contain other parts that are not the
11 S3Y-HP-0001 “because the evidence shows ‘S3Y-HP-0001’ is included in the JL-series
12 HPE switches.” Pltff. Reply at 4:5-8. Plaintiff relies on Exhibit 9 to support this argument,
13 but this exhibit merely shows Sanmina’s product descriptions, Defendant’s MPN, the
14 Supplier Name, an HPE Product Number, and the quantity of Sanmina’s—not
15 Defendant’s—products shipped to the U.S. from January 1, 2021 to June 18, 2020 along
16 with the quantity shipped to non-U.S. locations. *See* ECF No. 153-1 at 3. Thus, this proves
17 the quantity of Sanmina’s products shipped to the U.S. However, even establishing
18 Defendant supplies its ICMs to Sanmina, this evidence does not address the problem of
19 multi-sourcing. In other words, unless Defendant supplied 100% of the Sanmina products
20 incorporated into the HPE devices shipped to the U.S., it does not prove infringement. As
21 long as HPE devices are distributed worldwide and use multiple suppliers for ICMs,
22 Pulse’s ICMs rather than Defendant’s could feasibly be in all devices shipped to the U.S.

23 Finally, Plaintiff argues that Exhibit 12 submitted concurrently with its Reply Brief,
24 contradicts Defendant’s argument that it only sells to manufacturing companies rather than
25 end customers. Pltff. Reply at 3:21-26 (citing to Exhibit 12 to its Reply Brief, ECF No.
26 153-4 at 5). However, Exhibit 12 is an e-mail from an [REDACTED] employee to one of Defendant’s
27 employees, and the referenced price offering by Defendant is eligible and unreadable. *See*
28 *id.* Assuming the e-mail is what Plaintiff represents it is (*i.e.*, a price offering to [REDACTED]), it

1 still would not prove direct infringement as Plaintiff provides no proof the sale or offer to
2 sell took place was in the U.S. This is especially true considering the [REDACTED] representative
3 in the e-mail, [REDACTED], has a signature block indicating she is located in Singapore.
4 ECF No. 153-4 at 5. Plaintiff also argues that Defendant “knows the corresponding end
5 customer part numbers for its ICMs,” citing Exhibit 12, ECF No. 153-4 at 3-4, implying
6 that knowing the corresponding [REDACTED] part numbers that incorporate Defendant’s products
7 somehow means Defendant knows its products will end up in the U.S. However, as
8 discussed in further detail later in this order, this proves nothing. The evidence indicates
9 [REDACTED] makes sales throughout the U.S. but also throughout other countries, and Plaintiff has
10 offered no proof that the products discussed in Exhibit 12 were sold in the U.S.

11 Plaintiff’s evidence, including but not limited to Exhibits 7-9 and 12 show a genuine
12 issue of fact as to whether the S Series of Products infringe the 318 and 840 Patents.

13 b. Invoices with a “Bill To” Address in the U.S.

14 Plaintiff argues that Defendant also commits of direct infringement because two
15 invoices show a “Bill to” address within the U.S. Pltff. Mot. at 3:4-6. Defendant argues
16 that (1) Plaintiff “does not even bother to submit to the Court the evidence on which it
17 relies” in violation of Local Rule 7.1(f)(2)(a),⁹ Def. Oppo. at 9:23-10:28, and (2) invoices
18 with a “Bill to” address do not establish direct infringement. Def. Oppo. at 5:23-6:6.

19
20 ⁹ Local Rule 7.1(f)(2)(a) requires, “[i]n addition to the affidavits required or permitted
21 by Fed. R. Civ. P. 6(d) and 56, copies of all documentary evidence which the movant
22 intends to submit in support of the motion” to “be served and filed with the motion.”
23 Plaintiff failed to submit the invoices on which it relied along with its moving papers and
24 rather attempted to rely on the invoices once provided by Defendant in its opposition as
25 well as by providing additional invoices in its reply brief. Defendant contends that if
26 Plaintiff attempts to submit the missing evidence with its reply brief, the Court should
27 decline considering such evidence. *Id.* at 10:24-28 (citing *Stickle v. SCI Western Market*
28 *Support center, L.P.*, No. 08-083-PHX-MHM, 2009 WL 3241790, at *4 (D. Ariz. Sept. 30,
2009) (“The rule that a moving party must present all of its evidence or raise all of its legal
arguments in a substantive brief, rather than in reply, is a rule rooted in the notion of
fairness between parties.”)). However, given the outcome of the Court’s ruling, the Court
finds no prejudice to Defendant in considering the invoices.

1 Defendant points out that in another case in which Pulse was sued for patent
2 infringement, Pulse advanced the same arguments Defendant advances in this case. *See*
3 Def. Oppo. at 11-12. In *Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 769 F.3d 1371, 1374, 1381
4 (Fed. Cir. 2014), *vacated and remanded*, 136 S. Ct. 1923 (2016) (“*Halo I*”), the Federal
5 Circuit affirmed the district court’s decision, holding that “the district court did not err in
6 granting summary judgment that Pulse did not sell within the United States those products
7 that Pulse manufactured, shipped, and delivered abroad.” In *Halo I*, the plaintiff-patent
8 holder sued Pulse for patent infringement relating to surface mount electronic packages
9 Pulse sold and manufactured in Asia. *Id.* at 1375. Pulse argued the majority of its products
10 “were delivered outside the United States, for example, to contract manufacturers for
11 companies such as Cisco,” who then “incorporated the electronic packages supplied by
12 Pulse into end products overseas, including internet routers manufactured for Cisco, which
13 were then sold and shipped to consumers around the world.” *Id.* The court noted that
14 “[f]or those products that Pulse delivered abroad, all purchase orders were received at
15 Pulse’s sales offices abroad.” *Id.*

16 Like Defendant in this case, Pulse denied infringement and moved for summary
17 judgment in *Halo I* on the grounds that it did not directly infringe the patents by selling or
18 offering to sell products it manufactured, shipped, and delivered outside the U.S. *Id.* at
19 1376. On appeal, Pulse reiterated that its “products at issue were sold or offered for sale
20 outside the United States because those products were manufactured, ordered, invoiced,
21 shipped, and delivered abroad,” and any “pricing discussions with Cisco in the United
22 States were merely forecasts and were not a guarantee that Pulse would receive any actual
23 order from any of Cisco’s contract manufacturers.” *Id.* at 1377. The Federal Circuit
24 “agree[d] with Pulse that the district court did not err in granting summary judgment of no
25 direct infringement with respect to those products that Pulse manufactured, shipped, and
26 delivered outside the United States because those products were neither sold nor offered
27 for sale by Pulse within the United States.” *Id.* Although the parties petitioned for writ of
28 certiorari to the Supreme Court, “[b]ecause the Supreme Court’s review was limited to the

1 issue of enhanced damages,” it “left undisturbed the judgments on other issues.” *Halo*
2 *Elecs., Inc. v. Pulse Elecs., Inc.*, 831 F.3d 1369, 1373 (Fed. Cir. 2016) (reaffirming “the
3 summary judgment of no direct infringement of the Halo patents by the accused products
4 that Pulse manufactured, shipped, and delivered outside the United States”).

5 Similarly, in *M2M Sols. LLC v. Motorola Sols., Inc.*, another case discussed by both
6 parties, the court also granted the defendants’ motion for summary judgment of non-
7 infringement by products made and shipped outside the U.S. No. CV 12-33-RGA, 2016
8 WL 70814, at *22 (D. Del. Jan. 6, 2016). It reasoned that “because Plaintiff has failed to
9 offer a shred of evidence that a single product shipped abroad, let alone all of them, made
10 it into the U.S., the presumption against the extraterritorial application of U.S. patent law
11 must govern.” *Id.*

12 Defendant argues that because in *Halo I*, the Federal Circuit found that there was no
13 genuine issue of material fact as to the fact that Pulse’s conduct did not qualify as direct
14 infringement, this Court should likewise find there is no genuine issue of material fact by
15 concluding Defendant’s conduct, which is identical to Pulse’s conduct in *Halo I*, is not
16 infringement. Def. Oppo. at 11:12-19. Defendant also points out that Plaintiff “does not
17 explain how the “Bill to’ address in the United States somehow completely reverses this
18 holding in its favor.” *Id.* at 11:15-17. Defendant also posits that Plaintiff’s “failure to even
19 cite the caselaw that Pulse itself brought about is telling of the meritless nature of Pulse’s
20 case.”¹⁰ *Id.* at 11:17-25 (arguing “[t]here is no good basis for Pulse failing to address this
21 caselaw in the Motion,” especially given Defendant has raised that legal authority multiple
22 times throughout this case).

23
24 ¹⁰ The Court reminds Plaintiff of its obligations under Rule 11 of the Federal Rules of
25 Civil Procedure, which provides that “[b]y presenting to the court a . . . written motion, . .
26 . an attorney . . . certifies that . . . the . . . legal contentions are warranted by existing law
27 or by a nonfrivolous argument for extending, modifying, or reversing existing law or for
28 establishing new law.” *See also* Rule 3.3, Cal. Rules Prof. Conduct (prohibiting a lawyer
from failing to disclose to the tribunal legal authority the lawyer knows to be directly
adverse to the position of the client).

1 Plaintiff responds that Defendant’s reliance on *Halo I* is misplaced because the quote
2 on which Defendant relies “is limited to ‘products that Pulse manufactured, shipped, and
3 delivered outside the United States,’” but “[h]ere, the UDE ‘S’ Series ICMs are delivered
4 within the United States by UDE and UDE’s end customers.” Pltff. Reply at 4:18-22.
5 Plaintiff contends that Defendant produced eleven invoices showing the “S” Series
6 Products were shipped and/or billed to addresses within the U.S., including eight invoices
7 with a “Ship to” address within the U.S. *Id.* at 4:11-14 (citing Ex. 10 to Reply, ECF No.
8 153-2). Thus, Plaintiff argues that “even if the Court finds a ‘Bill to’ address is not
9 sufficient for partial summary judgment, the invoices with a ‘SHIP TO’ address clearly
10 evidence direct infringement by UDE and UDE’s end customers.” *Id.* at 4:14-17.
11 However, as outlined below, Plaintiff’s arguments misrepresent the legal significance of
12 what the invoices prove. In that vein, Plaintiff’s attempts to distinguish *M2M* by arguing,
13 again, that Defendant made sales within the U.S. fail for the same reasons. *Id.* at 5:23-3.

14 Of the invoices produced in Exhibit 10 to Plaintiff’s Reply brief, all of the invoices
15 show the following¹¹: (1) Defendant’s place of business is listed as being in Taoyuan City,
16

17 ¹¹ International sales contracts, like the invoices at issue, are ordinarily governed by a
18 multilateral treaty, the United Nations Convention on Contracts for the International Sale
19 of Goods (“C.I.S.G.”), which applies to “contracts of sale of goods between parties whose
20 places of business are in different States . . . when the States are Contracting States.”
21 C.I.S.G., art. 1(1)(a), 15 U.S.C. App., 52 Fed. Reg. 6262 (March 2, 1987). In this case, the
22 United States and China are both contracting states to the C.I.S.G. *Chateau des Charmes*
23 *Wines Ltd. v. Sabate USA Inc.*, 328 F.3d 528, 530 (9th Cir. 2003). Taiwan, however, is
24 not. *See, e.g., Golden-Legion Auto. Corp. v. LUSA Indus., Inc.*, No. CV-0905962-MMM-
25 CWX, 2010 WL 11570941, at *4 (C.D. Cal. Oct. 4, 2010) (applying California law to a
26 dispute between a Taiwanese company and California corporation).

27 Article 1 of the C.I.S.G. indicates that it applies “to sales contracts where the places
28 of business of the parties are in different States, and either (a) both states are Contracting
States, or (b) only one State is a Contracting State and private international law choice-of-
law rules lead to the application of the law of a Contracting State.” Folsom, Ralph H., 1
International Business Transactions § 1:4 (3d ed.) (Dec. 2020 Update). However, a
contract of sale between a U.S. party and non-Contracting State, will not be governed by
CISG, if U.S. law is applicable under usual choice-of-law rules. *Id.* “Instead of CISG,

1 Taiwan; (2) all goods were shown as being shipped from Hong Kong; (3) all goods were
2 “Made in China”; and (4) the shipment method was “Shipped Per Truck,” making it
3 impossible for the goods to have been shipped from their place of manufacture (e.g., China)
4 to the U.S. as any shipment would have needed to be by boat or plane. At a minimum, the
5 Court finds the invoices show the Accused Products were not “made” in the U.S. While
6 eight of the invoices show a “Forwarder” address in the U.S. and a different set of eight
7 invoices show a “Bill to” address in the U.S., this does not prove direct infringement for
8 the below reasons:

9 First, a freight forwarder is generally an agent that organizes shipments for
10 corporations to get goods from a manufacturer, like Defendant, to a customer or final point
11 of distribution. *See, e.g., Clipper Exxpress v. Rocky Mountain Motor Tariff Bureau, Inc.*,
12 690 F.2d 1240, 1245 (9th Cir. 1982) (“As a freight forwarder, Clipper itself ships no goods,
13 but rather assembles and consolidates small shipments into single lots for shipment by
14 carrier companies.”). Even assuming the invoices show Defendant used a freight forwarder
15 located in the U.S., because the goods would only be passing through the U.S. as part of
16 the process of arriving at their final destination, which all invoices indicate was Hong
17 Kong, passing through the U.S. would not qualify as a “sale,” “offer to sell,” or “use” by
18 *Defendant* within the U.S.

19 Second, even if Plaintiff argues Defendant violated the provisions prohibiting
20 importation¹² of infringing goods, Defendant is exporting the allegedly infringing goods

21 United States law for domestic sales transactions would govern, which means the Uniform
22 Commercial Code (UCC) is applicable in forty-nine states (all but Louisiana).” *Id.*

23 Despite providing the Court with over 1,777 pages of briefing and documents related
24 to the instant cross-motions for summary judgment and motions to seal, neither party
25 addressed what law should apply to the Court’s determination of the place of sale. Because
neither party addresses this issue, the Court has requested briefing on it.

26 ¹² Throughout Plaintiff’s Motion, Plaintiff argues the invoices show Defendant
27 imported goods. However, Plaintiff seems to confuse the significance of importing as
28 opposed to exporting goods. Importation has been widely defined as “the bringing of goods
into the country.” *Largan Precision Co, Ltd v. Genius Elec. Optical Co.*, 86 F. Supp. 3d
1105, 1116 (N.D. Cal. 2015), *judgment entered*, No. 13-CV-02502-JD, 2015 WL 1940200

1 while the forwarder is importing the allegedly infringing goods. As such, only the
2 forwarder, rather than Defendant, could be liable for any allegedly unlawful importation.

3 Third, most of the invoices have a payment term of “Net 45 Days” or “Net 60
4 Days,¹³” and as to trade terms, five have the term “Collect,¹⁴” three have the term “F.O.B.,”
5 two have the term “F.O.B. HK,¹⁵” and one has the term “EXW.¹⁶” “‘F.o.b’ or ‘free on
6 board’ is ‘a method of shipment whereby goods are delivered at a designated location,
7 usually a transportation depot, at which legal title and thus the risk of loss passes from
8 seller to buyer.’” *Litecubes, LLC v. N. Light Prod., Inc.*, 523 F.3d 1353, 1358, n. 1 (Fed.

9
10 (N.D. Cal. Apr. 29, 2015), and *aff'd sub nom. Largan Precision Co. v. Genius Elec. Optical*
11 *Co.*, 646 F. App'x 946 (Fed. Cir. 2016). Export, on the other hand, means “[t]he process
12 of transporting products or services to another country.” Garner, Brian A., *Black’s Law*
13 *Dictionary*, EXPORT (11th ed. 2019). In other words, if someone buys a product within
14 the U.S. from Asia containing UDE’s ICMs, the purchaser would be importing infringing
15 goods, while the seller (whether the seller is a third-party or Defendant) would be exporting
16 the goods. *See, e.g., Fellowes, Inc. v. Michelin Prosperity Co., Ltd.*, 491 F.Supp.2d 571,
17 584 (E.D. Va. 2007) (holding that where accused products were sold abroad by
18 manufacturer “FOB China,” meaning the manufacturer was an exporter and the buyers
19 were importers).

13 “Net 30 Days” generally requires a purchaser to tender payment within however
14 many number are days indicated of receiving the invoice. *See, e.g., Avery Dennison Corp.*
15 *v. Home Tr. & Sav. Bank*, No. 02-2007 LRR, 2003 WL 22697175, at *1 (N.D. Iowa Nov.
16 7, 2003) (providing that “[t]erms of ‘net 30 days’ means that Group One was allowed 30
17 days from the invoice date to pay that invoice”). Courts have held that such payment terms
18 can be relevant to the passing of title to goods and is another issue the parties may want to
19 address in the requested briefing.

14 The term “Collect” is another trade term generally used to indicate that the
20 receiver/purchaser is responsible for freight charges.

15 Because the two contracts that specify “F.O.B. HK” were shipped from Hong Kong
21 to Hong Kong, the “HK” designation does not provide any clarity as to whether the contract
22 is a shipment contract or destination contract. In the absence of such clarity, if either the
23 UCC or CISG apply, a shipment contract would be presumed.

16 “Under the Incoterms Ex Works (EXW) commercial term (including Ex Factory and
24 Ex Warehouse), the seller needs only to ‘tender’ the goods to the buyer by placing them at
25 the buyer’s disposal at a named place of delivery and notifying the buyer of the time and
26 place where the goods will be at its disposal.” Folsom, Ralph H., *supra*, § 2:25. “The risk
27 of loss transfers to the buyer at the time the goods are placed at its disposal.” *Id.*
28

1 Cir. 2008) (finding patent infringement despite defendant’s argument that because its sales
2 to U.S. customers were shipped f.o.b., the sales took place in Canada, and as a result, the
3 customer imported the goods into the U.S.). When the delivery term is F.O.B. the place of
4 shipment, which is otherwise known as a “shipment contract,” the seller must, at the seller’s
5 place of business, ship the goods by placing them into possession of a carrier while bearing
6 the expense and risk of putting them into the possession of a carrier. U.C.C. § 2509(1)(a);
7 *see also* Anzivino, Ralph C., Lacy, Philip T., 1 *Uniform Commercial Code Transaction*
8 *Guide*, § 7:17, (Oct. 2020 Update); *see also* C.I.S.G., art. 67(1), 52 Fed. Reg. 6262-02.
9 When the delivery term is F.O.B. the place of destination, also known as a “destination
10 contract,” the seller must bear the risk and expense of transporting the goods to the place
11 of destination and tender delivery along with documents of title at the destination. U.C.C.
12 § 2509(1)(b); *see also* Anzivino at § 7:17; *see also* C.I.S.G., art. 67(1), 52 Fed. Reg. 6262-
13 02; *Wheeler Lumber Bridge & Supply Co. of Des Moines, Iowa, v. United States*, 281 U.S.
14 572, 578-79 (1930) (holding that where a seller “engages to deliver f. o. b., not at the place
15 of shipment, but at the place of destination, which is the place of sale and delivery[,] [t]here
16 is no delivery, and therefore no sale, until after the transportation is completed”).

17 At the point that risk of loss passes to the buyer, so too does title to the goods,
18 meaning that the sale has taken place. *C.f.* C.I.S.G., art. 53, 66, 52 Fed. Reg. 6262-02.
19 Under both the U.C.C. and C.I.S.G., “[i]f the parties fail to indicate clearly whether their
20 agreement is a shipment contract or a destination contract, the court will assume that the
21 parties intended a shipment contract.” Anzivino at § 7:17; *see also* *Urica, Inc. v.*
22 *Pharmaplast S.A.E.*, No. CV 11-02476 MMM RZX, 2014 WL 3893372, at *2 (C.D. Cal.
23 Aug. 8, 2014), *aff’d sub nom. Urica, Inc. v. Medline Indus., Inc.*, 669 Fed. App’x 421 (9th
24 Cir. 2016) (applying the CISG while noting that the goods at issue were shipped to the
25 plaintiff buyer F.O.B., meaning the plaintiff “paid the freight from Egypt to Los Angeles
26 and assumed all risk of damage to the goods during shipment”).

27 Here, three of the invoices show the goods are to be shipped to the buyer “F.O.B.,”
28 without specifying whether it is meant to be F.O.B., the place of shipment or destination,

1 meaning the term “F.O.B., the place of destination” is never used, and the “contract” is
2 presumed to be a shipment contract. The U.C.C. defines a “sale” as “the passing of title
3 from the seller to the buyer for a price.” U.C.C. § 2-106(1). Thus, under a shipment
4 contract, where the contract requires the seller to send the goods to the buyer, “title passes
5 to the buyer at the time and place of shipment.” U.C.C. § 2-401(2)(a). In this case, title
6 passed to the buyers of Defendant’s products either at the place of destination (e.g., Hong
7 Kong) or the place of shipment (also Hong Kong). As a result, unless some other law
8 applies, under the U.C.C. or C.I.S.G., the place of sale was in China, not the U.S., and
9 Section 271 does not apply to create liability for Defendant for direct infringement.

10 In sum, even though Plaintiff argues that Defendant’s reliance on *Halo I* is misplaced
11 because in this case, Defendant’s S Series ICMs are delivered within the U.S. by Defendant
12 or its end customers, Pltff. Reply at 4:18-22, this is not the case. Contrary to Plaintiff’s
13 argument, Defendant, like Pulse in *Halo I*, never delivered made, used, offered to sell, sold,
14 or imported goods into the U.S. *Accord MEMC Elec. Materials, Inc. v. Mitsubishi*
15 *Materials Silicon Corp.*, 420 F.3d 1369, 1377 (Fed. Cir. 2005) (affirming the decision of
16 the district court concluding the defendant’s actions could not be construed by a reasonable
17 jury to constitute a sale or offer to sell within the U.S. where the defendant manufactured
18 accused chip wafers in Japan and sold the product to a Japanese company, who then, sold
19 the products to its affiliate in Austin, Texas); *but see Litecubes*, , 523 F.3d at 1358, 1369-
20 70 (holding that although the Canadian defendant did not have offices, facilities, or assets
21 within the U.S., evidence at trial established the defendant “sold the accused products
22 directly to customers located in the United States and . . . would ship the products, f.o.b.,
23 from its Canadian offices to its customers in the United States”).

24 Finally, Plaintiff argues Defendant’s damages expert, Justin Blok (“Mr. Blok”),
25 opined “that UDE sells less than 30% of its products in the U.S., not that UDE does not
26 sell its product in the U.S.” Pltff. Reply at 5:12-13 (citing Blok Report at 3, ¶ 86). However,
27 an examination of the Mr. Blok’s report reveals he did not, in fact, testify to this fact:

28 **In the absence of evidence of UDE’s actual sales of Accused**

1 **Products in the U.S.**, I have conservatively adopted the
2 assumption that 30% of UDE's Accused Product revenues were
3 generated from end-products that were sold in the U.S., as
4 provided by the Cobb report. As discussed in greater detail
5 below, there is substantial evidence that the 30% figure is not
6 representative of the percentage of UDE's Accused Products that
7 are sold in the U.S., and in fact, may be much lower.

8

9 As of the date of this report, **UDE has produced information**
10 **pertaining to the sale of Accused Products worldwide** for the
11 period from January 16, 2015 through September 30, 2020.

12 *See* Blok Report at 3, ¶ 86, 4, ¶ 111. In other words, Mr. Blok's testimony establishes that
13 there is no evidence, whatsoever, of Defendant's actual sales of products in the U.S., and
14 that any figures he mentions are estimates based on sales of Defendant's products
15 worldwide. *But see Halo*, 769 F.3d at 1379 (holding that direct infringement will not be
16 found for products made and sold abroad). Plaintiff also argues that Mr. Blok "cites
17 evidence from two of UDE's customers that reflect U.S. Sales between 7.2% and 15.4%."
18 Pltff. Reply at 5:14-15 (citing Blok Report at 5-6, ¶ 167). Again, an examination of Mr.
19 Blok's report reveals he did not testify that Defendant had U.S. sales in that amount; rather,
20 he testified that Defendant's customers, who incorporate Defendant's products into their
21 own products, have sales in those amounts. *See* Blok Report at 5-6, ¶ 167. Similarly,
22 Exhibit 14, on which Plaintiff also relies to establish U.S. sales, only establishes
23 Defendant's worldwide sales from 2015 through September 30, 2020 and does not offer a
24 way for the Court to decipher whether any of those sales were made within the U.S. ECF
25 No. 142-10 at 1-42.

26 In sum, Plaintiff's evidence fails to establish the absence of a genuine issue of fact
27 as to whether Defendant makes sales within the U.S., as is required for direct infringement.

28 c. *Defendant's provision of produced samples in compliance with
the Court's order is not direct infringement*

Plaintiff argues that direct infringement is satisfied because its expert, Mr. Baxter,
obtained the S3Y-HP-0001 from its counsel, who received it "from UDE's counsel that
originally imported the 'S3Y-HP-0001.'" Pltff. Mot. at 4:6-11. In other words, Plaintiff

1 contends that when Defendant provided a sample of the S3Y-HP-0001 product to Plaintiff
2 as part of discovery, Defendant committed an act of infringement. *Id.* Defendant responds
3 that it only produced the sample pursuant to the Court’s June 16, 2020 order, Def. Oppo.
4 at 13:5-7, which provided: “Defendant is **ORDERED** to produce a sample for inspection
5 of the requested products, to the extent Defendant possesses such sample(s), at a reasonable
6 cost to Plaintiff.” Order, ECF No. 97 at 1:25-27. In compliance with this order, Defendant
7 shipped samples of the S3Y-HP-0001 to San Diego, California for inspection by Plaintiff,
8 which Plaintiff argues constitutes infringement. Def. Oppo. at 13:7-10.

9 While some cases have held that providing samples constitutes infringement,
10 *Largan*, 86 F. Supp. 3d at 1117, Defendant correctly points out the absurdity of applying
11 Plaintiff’s argument in this case, where the samples were provided pursuant to court order:

12 If Pulse’s theory were correct, then literally every defendant in
13 every patent infringement lawsuit in the United States would
14 always be liable for a directly infringing act: plaintiff need only
15 serve a request for inspection of the accused product and
16 defendant is automatically liable. The only alternative would be
17 to not comply with discovery obligations and be held in contempt
18 of court. So, Pulse’s view of direct infringement means every
19 defendant is either automatically liable or must violate the
20 Federal Rules of Civil Procedure and be held in contempt of
21 court. For what it is worth, under Pulse’s theory, it would also
22 seem that the Court itself is liable for induced infringement for
23 inducing UDE to commit an act of direct infringement through
24 the above referenced Order compelling the production of
25 samples.

26 Def. Oppo. at 13:11-21. The Court agrees with Defendant and rejects any argument that
27 Defendant committed direct infringement by complying with a court ordered requiring it
28 to product a sample of the product.

29 In sum, Plaintiff fails to overcome the presumption against extraterritoriality by
30 relying on (1) products sold by non-parties that Plaintiff has not proven contained
31 Defendant’s ICMs, (2) invoices with a “Bill to” address in the U.S., or (3) samples provided
32 by Defendant pursuant to Court order. The Court denies Plaintiff’s motion for summary

1 judgment as to direct infringement as to the “S” Series of Products.

2 **2. A Genuine Issue of Fact Exists as to Whether the MPN Is**
3 **Representative**

4 Where a patent holder accuses multiple models of a defendant’s accused product of
5 infringing on the patented product, the patent holder must prove that each and every
6 accused model contains every limitation. *Duncan*, 914 F.3d at 1360. However, a patent
7 holder may carry its burden of proof by showing that (1) a representative example infringes
8 and (2) every accused model conforms to that representative example. *Accord Infineon*
9 *Techs. AG v. Volterra Semiconductor*, No. C-11-06239 MMC (DMR), 2013 WL 5366131,
10 at *4 (N.D. Cal. July 31, 2013) (“A patentee is not required to provide a claim chart for
11 each accused product if the chart provided is representative of the other accused
12 products.”). “Courts have previously held that the representative method of disclosing
13 infringement contentions is appropriate, provided the infringement contentions provide
14 reasonable notice of the patent owner’s theories of infringement.” *ASUS Computer Int’l v.*
15 *Round Rock Research, LLC*, No. 12-CV-02099-JST, 2013 WL 5545276, at *3 (N.D. Cal.
16 Oct. 8, 2013). Absent evidence provided by such a representative example, the patent
17 holder must provide proof for each accused product.

18 Plaintiff argues that the Court should grant it summary judgment of direct
19 infringement because (1) S3Y-HP-0001 is representative of MPNs with the first letter “S,”
20 (2) Pulse amended its infringement contentions to include the S3Y-HP-0001 model as
21 representative of the S Series, and (3) Defendant failed to identify any claim element from
22 the 318 and 840 Patents missing from the representative “S” Series MPN S3Y-HP-0001.
23 Mot. at 2:2-21. The Court denies Plaintiff’s Motion for Partial Summary Judgment on the
24 basis that the record in this case clearly indicates that a genuine issue of fact exists as to
25 whether S3Y-HP-0001 is representative of the “S” Series Products. To the extent Plaintiff
26 argues that infringement is established because Defendant “provided no evidence to rebut
27 the direct infringement of the representative ‘S3Y-HP-0001’ ICM,” so “no genuine issue
28 of material fact precludes Pulse from partial summary judgment for direct infringement of

1 the '840 patent and '318 patent for UDE's 'S' Series ICMs," the Court disagrees. This
2 argument disregards the fact that Defendant rescinded its comments regarding the S3Y-
3 HP-0001 as being representative, and the only stipulation on record is as to another product.
4 Further, because Plaintiff improperly amended its infringement contentions, Defendant
5 was not required to respond to those amended contentions.

6 a. The Parties Did Not Enter a Binding Stipulation as to
7 Representativeness for the S Series of Products

8 Plaintiff's primary basis for alleging that S3Y-HP-0001 is representative of the S
9 Series is an e-mail from Defendant's counsel, presented without context, that asserts the
10 parties reached an agreement to stipulate to this issue. Def. Oppo. at 14:21-24 (citing ECF
11 No. 143-4). Defendant contends that this was merely an initial proposal. *Id.* at 14:24-15:4.

12 Rule 29 of the Federal Rules of Civil Procedure allows parties to stipulate to "other
13 procedures governing or limiting discovery." FED. R. CIV. P. 29(b). Stipulations as to an
14 issue of fact will generally be treated as binding and conclusive. *Leuhsler v. Comm'r*, 963
15 F.2d 907, 911 (6th Cir. 1992) (reiterating that "narrowing disputes to the essential disputed
16 issues is the primary function of stipulations"). "A stipulation is treated as a conclusive
17 admission by the parties to the stipulation unless otherwise permitted by the court or agreed
18 upon by those parties." *Olsen v. Comm'r*, 2 F. App'x 795, 796 (9th Cir. 2001).

19 Plaintiff's reliance on an e-mail between counsel discussing a proposal to
20 compromise on an issue is inappropriate in light of Defendant's rescission of the offer,
21 which would make such evidence inadmissible at trial. *See, e.g.*, FED. R. EVID. 408(a)
22 (prohibiting evidence of statements made during compromise negotiations about a claim);
23 *see also Rose v. Saginaw Cty.*, 353 F. Supp. 2d 900, 917 (E.D. Mich. 2005) (holding the
24 plaintiffs were not entitled to judgment as a matter of law because their "reliance on letters
25 between counsel discussing settlement proposal is inappropriate, as such evidence would
26 not be admissible at trial"). Defendant asserts that "[t]he parties began discussing a
27 stipulation as to representative products on September 17, 2020." Def. Oppo. at 15:5-6
28 (Canavera Decl. at ¶ 15). However, significant changes occurred between the initial

1 discussions and final agreement. As a result, “[t]he parties ultimately entered into the
2 Representative Products Stipulation containing the terms the parties could agree to: a
3 representative for the ‘G’ Series of products, which would be representative of only the
4 ‘structure and operation of a broader set of UDE products.’” *Id.* at 16:14-17 (citing
5 Representative Products Stipulation at 1). Defendant also argues that “there is a significant
6 question about the admissibility of the September 23 email and its contents,” and thus, the
7 Court should not rely on it when considering Plaintiff’s Motion. *Id.* at 17:8-11. Defendant
8 contends that the email is inadmissible because it (1) is not a stipulation entered by the
9 Court and binding on the parties, (2) is hearsay,¹⁷ and (3) even if admissible, should be

10
11 ¹⁷ Defendant objects to the exhibits submitted by Plaintiff in support of its Motion for
12 Summary Judgment as well as in Opposition to Defendant’s Motion for Summary
13 Judgment on the grounds that many of the exhibits are inadmissible hearsay, cannot be
14 authenticated, or lack foundation. *See, e.g.*, Def. Reply at 9:1-6 (objecting that many of
15 documents on which Plaintiff “relies on are inadmissible hearsay lacking foundation and
16 authentication, which will be excluded at trial”) (citing Fed. R. Evid. 802, 901). The Court
17 addresses all arguments raised by Defendant in both motions as follows:

18 Defendant correctly notes that “hearsay evidence ‘is inadmissible and may not be
19 considered by this court on review of a summary judgment.’” *Scosche Indus., Inc. v. Visor*
20 *Gear Inc.*, 121 F.3d 675, 681 (Fed. Cir. 1997); *see also* FED. R. EVID. 801 (defining
21 hearsay); FED. R. CIV. P. 56(c)(1)(B). However, under the business records exception to
22 the hearsay rule, certain business records are excluded from the rule against hearsay, where
23 a “custodian or another qualified witness” certifies that the records meet various conditions
24 that show the reliability of the records, and “the opponent does not show that the source of
25 information or the method or circumstances of preparation indicate a lack of
26 trustworthiness.” *See* FED. R. EVID. 803(g). Where a copy of business records meets the
27 aforementioned requirements, “as shown by a certification of the custodian or another
28 qualified person,” the records are self-authenticating. FED. R. EVID. 902(11). Nonetheless,
the 2017 Advisory Committee Notes to Rule 902 of the Federal Rules of Evidence indicate
that while “the expense and inconvenience of producing an authenticating witness for this
evidence is often unnecessary,” the adverse party may still challenge such evidence, in
which case an authenticating witness may be necessary.

Here, many of the exhibits on which Plaintiff relies did not include a declaration or
affidavit from a custodian of records authenticating and laying the foundation for Plaintiff
to rely on the records, and Defendant objects to Plaintiff’s reliance on these records. FED.
R. CIV. P. 56(c)(2). That being said, the Court must also draw all plausible inferences in
favor of the non-moving party when ruling on a motion for summary judgment. *Earl*, 658

1 excluded as prejudicial under Rule 403 of the Federal Rules of Evidence. *Id.* at 17:11-21.

2 “A trial court can only consider admissible evidence in ruling on a motion for
3 summary judgment.” *Orr v. Bank of Am., NT & SA*, 285 F.3d 764, 773 (9th Cir. 2002)
4 (affirming the district court’s decision to exclude the plaintiff’s exhibits submitted in
5 opposing the defendant’s motion for summary judgment because the exhibits are
6 inadmissible due to inadequate authentication or hearsay, and as such, did not present a
7 triable issue of material fact). A party, like Defendant, “may object that the material cited
8 to support or dispute a fact cannot be presented in a form that would be admissible in
9 evidence.” FED. R. CIV. P. 56(c)(2). The Court agrees with Defendant that not only does
10 the September 23 e-mail fail to show the absence of a genuine dispute on the issue of
11 whether the S3Y-HP-0001 is representative of the “S” Series of Products, but Plaintiff has
12 also failed to show that it is admissible. As a result, it does not show the absence of a
13 genuine issue of fact as to whether the S3Y-HP-0001 is representative.

14 b. *Plaintiff’s Expert’s Testimony Also Creates a Genuine Issue of*
15 *Fact as to Whether the S3Y-HP-0001 Is Representative.*

16 Plaintiff’s other basis for alleging that S3Y-HP-0001 is representative of the S Series
17 is Mr. Baxter’s analysis, and more particularly, the two claim construction charts attached
18 to his expert report. Def. Oppo. at 17:26-18:2 (citing Pltff. Mot. at 4:3-5). However, the
19 basis for Mr. Baxter’s opinion that the S3Y-HP-0001 is representative of all products in
20 the S Series is unfounded given he testified during his deposition that the S3Y-HP-0001
21 was the only product he ever examined. *Id.* at 18:28-19:5. In other words, if he never
22 examined any other products in the series, how could he know whether one product was
23 representative of another product in the same series? *Id.*

24 F.3d at 1112. As such, the Court did not rely on the e-mail to which Defendant, the non-
25 moving party, objects when ruling on Plaintiff’s Motion for Summary Judgment.
26 However, when ruling on Defendant’s Motion for Summary Judgment, the Court assumed
27 Plaintiff’s exhibits were admissible for purposes of summary judgment only, in an effort
28 to draw all plausible inferences in Plaintiff’s favor as the non-moving party. *Id.* The Court
finds Defendant suffered no prejudice by virtue of the Court’s consideration of those
exhibits given the Court’s ultimate ruling in Defendant’s favor.

1 Plaintiff relies on the November 10, 2020 Report of its Expert, Leslie Baxter, to
2 support its argument that the S3Y-HP-0001 is representative of the S Series of Products,
3 but Mr. Baxter contradicted that report during his subsequent deposition. Def. Oppo. at
4 18:5-26. In his report, Mr. Baxter stated “[t]he S3Y-HP-0001 UDE 2xN ICM is
5 Representative of UDE 2xN ICMs that begin with ‘S.’” See Baxter Report, ECF No. 143-
6 8 at 37. He elaborated that “[t]he exemplary S3Y-HP-0001 device (charted above) is a
7 multi-gig UDE 2xN ICM with a substantially similar structure to other UDE 2xN ICMs
8 that begin with ‘S,’” which included but was not limited to the following critical
9 characteristics for infringement: (1) “[a] molded housing with 2xN (here, 8) ports”; (2)
10 “internal light pipes, as well as an optical isolation element for each insert assembly”; and
11 (3) “[m]ultiple terminal insert assemblies comprised of: [a] an insert bodies with respective
12 sets of upper and lower terminals, [b] electronic components within the two cavities of
13 each insert body (for respective ports), [c] a noise shield between the two cavities, within
14 the body, [d] a top substrate that interfaces with the upper set of insert body terminals, and
15 [e] surface mount upper and lower terminal sets (for respective ports).” Baxter Report,
16 ECF No. 143-8 at 37.

17 At his December 22, 2020 Deposition, Mr. Baxter testified he was given samples for
18 the S Series by Plaintiff’s counsel¹⁸ and based his decision to treat the S3Y-HP-0001 model
19 as representative of the S Series on the fact that (1) it was the only sample he was given
20 and (2) counsel told him it was representative. Exhibit 5 to Def. Oppo., December 22,
21

22 ¹⁸ To the extent the samples creating the basis for infringement in the SAC were
23 secured by Plaintiff’s counsel, as Defendant alleges and Plaintiff admits, see Declaration
24 of Robert G Gazdzinski in Support of Plaintiff’s Opposition, ECF No. 149-1 at 3, ¶ 2
25 (declaring that he personally purchased the models on which Plaintiff relies), the Court
26 expresses concern over Plaintiff’s ability to lay foundation for and authenticate such
27 samples unless Plaintiff intends to call its own counsel as a witness. However, “[u]nder
28 the advocate-witness rule, a lawyer cannot serve as an advocate in a trial in which
the lawyer is likely to testify as a witness, unless an exception applies.” *Legacy Villas at
La Quinta Homeowners Ass’n v. Centex Homes*, 626 Fed. App’x 679, 682 (9th Cir. 2015)
(citing Model Rules of Prof’l Conduct R. 3.7; Cal. R. of Prof. Conduct 3.7).

1 2020 Deposition of Plaintiff's Expert, Leslie A. Baxter, ECF No. 151-7 ("Baxter Dep.
2 Trans. I") at 4, 51:15-21. He also admitted that while the S3D-AR-0001 is a member of
3 the S Series, he had never examined it. Baxter Dep. Trans. I at 6, 59:2-13. More
4 importantly, Mr. Baxter testified that although he never examined the S3D-AR-0001, from
5 the images he was shown at his deposition, it did not have the characteristics for
6 infringement such as: (1) internal light pipes as well as an optical isolation element for each
7 insert assembly, (2) a noise shield between the two cavities, (3) a top substrate that
8 interfaces with the upper set of insert body terminals, or (4) a surface mount upper and
9 lower terminal sets (for respective ports). *Id.* at 6, 58:21-61:1-20. In other words, Mr.
10 Baxter's Expert Report opined that all products in the S Series had eight characteristics,
11 and because the S3Y-HP-0001 had all eight characteristics, it was representative of that
12 series. At Mr. Baxter's deposition, however, he testified that (1) the S3D-AR-0001 product
13 is a member of the S Series, and (2) it does not have four of the eight features he indicated
14 are critical features of the S Series, based on his review of the S3Y-HP-0001. *See* Baxter
15 Dep. Trans. I at 6, 58:21-60:13, 61:1-20. In fact, Mr. Baxter further testified that the S3Y-
16 HP-0001 product "appears to be somewhat different" from the S3D-AR-0001 product, and
17 that he was unaware that the S3D-AR-0001 model accounted for ninety-four percent (94%)
18 of all S Series sales. *Id.* at 7, 64:2-64:11.

19 At a minimum, this testimony indicates the S3Y-HP-0001 is not, in fact,
20 representative of all products in the S Series given Mr. Baxter's testimony that it is not
21 representative of the S3D-AR-0001, another model in the S Series. *See* Baxter Dep. Trans.
22 I at 7, 63:19-64:1. If Defendant is correct that the S3D-AR-0001 model is representative
23 of the S Series of Products (rather than the S3Y-HP-0001), Mr. Baxter's testimony suggests
24 there is no genuine issue of fact as to the fact that the S Series of Products does not infringe
25 on Plaintiff's Patents-in-Suit. However, the Court does not conclude the S3D-AR-0001 is
26 not representative at this time as the issue of non-infringement of the S Series is addressed
27 by Defendant's motion.

28 Defendant also argues that even if a representative product is representative of

1 whether other products in the series meet the limitations, it is not representative of whether
2 those other products are also sold in the U.S. Def. Opp. at 19:25-20:4. Thus, even if
3 Plaintiff had shown Defendant sells the S3Y-HP-0001 in the U.S., which it has not, it does
4 not establish that Defendant sold other products in the S Series in the U.S. *Id.* at 20:4-10.
5 Defendant reiterates that “there is . . . an absence of evidence altogether with regard to
6 whether UDE Commits any domestic acts with regard to the ‘S’ Series products.” *Id.* at
7 20:8-10. Defendant also argues that Mr. Baxter’s deposition testimony that the S3D-AR-
8 0001 product does not infringe the asserted claims creates a genuine issue of fact as to
9 whether the S Series of products infringe on the asserted patents. Def. Opp. at 20:11-18.
10 Plaintiff responds that its expert (1) “was not required to analyze the representativeness of
11 the ‘S3Y-HP-0001’ ICM, because UDE explicitly represented to Pulse that the ‘S3Y-HP-
12 0001’ was representative,” and (2) “[t]o the extent UDE argues Mr. Baxter’s expert report
13 is not evidence, Pulse has provided its amended infringement contentions that show a
14 similar analysis as shown in Mr. Baxter’s expert report.” *Id.* at 9:3-13. In other words,
15 Plaintiff argues that its infringement contentions should be enough to prove the S3Y-HP-
16 0001 is representative. In a similar vein, Plaintiff argues that Defendant and its expert
17 failed to rebut Plaintiff’s infringement analysis regarding the S3Y-HP-0001, and instead,
18 analyzed the S3D-AR-0001. Reply at 10:12-13. Plaintiff argues that by virtue of
19 Defendant’s failure to provide evidence rebutting the direct infringement of the
20 representative S3Y-HP-0001, Defendant failed to show a genuine issue of fact as to
21 whether the “S” Series of ICMs infringes on the 318 and 840 Patents. Reply at 10:15-17.

22 As outlined in the following section, Plaintiff’s Expert Report and Infringement
23 Contentions do not show the absence of a genuine issue of fact as to whether the S3Y-HP-
24 0001 is representative.

25 **3. The Only Admissible Evidence Shows a Genuine Issue of Fact as to**
26 **Whether the S Series Products Infringe**

27 Defendant argues that its “technical expert presented a sworn report opining, with
28 detailed explanation, that the ‘S’ Series of products do not infringe the asserted patents,

1 and he maintained those positions at deposition.” Def. Oppo. at 5:25-27. As such,
2 Defendant contends that even if Plaintiff made a sufficient showing that the S3Y-HP-0001
3 was representative and infringed, “which it did not, the analysis of UDE’s technical expert
4 establishes, at minimum, genuine issues of material fact as to whether the “S” Series of
5 products even practice the asserted patents.” Def. Oppo. at 5:25-27.

6 First, even if Plaintiff had proven the S3Y-HP-0001 is representative of the “S”
7 Series of Products, the S3Y-HP-0001 could only be used to show that other products meet
8 the limitations of a patent claim, not “whether an accused product arrives in the United
9 States or whether UDE has conducted acts of direct infringement in the United States.”
10 Def. Oppo. at 19:28-20:4. Thus, “[e]ven if Pulse had shown that UDE sells S3Y-HP-0001
11 in the United States, that does nothing to show whether UDE sells any of the other ‘S’
12 Series products in the United States,” *Id.* at 20:4-6, which Plaintiff would need to establish
13 to show infringement of the other S Series products. Second, even if Mr. Baxter’s Expert
14 Report established an initial showing of infringement for the S Series of products, the
15 contrary opinions of Defendant’s own non-infringement expert, Dr. Michael Leby (“Dr.
16 Leby”), “show that there is a genuine issue of material fact as to infringement by the ‘S’
17 Series of products.” *Id.* at 20:11-14.

18 Dr. Leby’s opinions analyzed the S3D-AR-0001 product as representative of the S
19 Series of Accused Products and found that the S Series does not infringe any of the claims
20 of the Patents-in-Suit. *See* Exhibit 6 to Def. Oppo., December 8, 2020 Rebuttal Expert
21 Report of Michael Leby, ECF No. 151-8 at 45-74. Thus, the Court agrees that, especially
22 in light of the opinions of Dr. Leby, there is a genuine issue of fact as to whether (1) the
23 S3Y-HP-0001 is representative of the S Series of Products and (2) whether the S Series of
24 Products infringe on the asserted patents.

25 **4. The 318 Patent Claims**

26 Both parties spend a significant portion of their briefing addressing the fact that
27 Plaintiff amended its infringement contentions in violation of the Court’s instructions.
28 Plaintiff also uses its Reply Brief as an opportunity to argue the Motion to Amend Its

1 Infringement Contentions, which the Court explicitly told Plaintiff it could not file.
2 Defendant argues Plaintiff’s Motion should be rejected as to the 318 Patent because the
3 claims related to the 318 Patent asserted against the S Series Products “are not properly
4 presented in this case.” Def. Oppo. at 20:21-23. Defendant points out that since this case
5 was filed in February 2018, Plaintiff only asserted claims 14 and 17 of the 318 Patent, and
6 as a result, those were the only claims subject to claim construction. *Id.* at 20:23-25. Yet,
7 on November 4, 2020, in direct violation of the Court’s instructions, Plaintiff asserted
8 Claims 1, 3-7, and 11 of the 318 Patent for the first time in this lawsuit, even though the
9 time for amendments as of right had passed. *Id.* at 20:26-21:6. Defendant indicates that
10 the only reason it knew Plaintiff filed the Amended Infringement Contentions in violation
11 of the Court’s instructions was because Plaintiff told Defendant the Court had prohibited
12 Plaintiff from filing the Amended Infringement Contentions. Def. Oppo. at 21:7-24.

13 Indeed, when Plaintiff filed its SAC, on July 16, 2020, well over two years into this
14 case, the amended complaint included an entire count of infringement pertaining to the 318
15 Patent, which only identified Claims 14 and 17 as being infringed. SAC at 22, ¶ 71.
16 Accordingly, on July 30, 2020, when the Court undertook claim construction in this case,
17 the construction was limited to Claims 14 and 17. *See* Claim Construction Order, ECF No.
18 107 at 1:28. For the reasons outlined below, the Court agrees that Plaintiff’s Motion should
19 be rejected as to the 318 Patent because the claims asserted beyond Claims 14 and 17 are
20 not properly before the Court. The Court also disregards Plaintiff’s Amended Infringement
21 Contentions when considering both parties cross-motions for summary judgment.

22 a. *Infringement Contentions Are Not Evidence That Can Support*
23 *Summary Judgment.*

24 “[I]nfringement contentions, plainly, are not evidence standing on their own.”
25 *MediaTek Inc.*, 2014 WL 2859280 at *8. Rather, “[i]nfringement contentions provide
26 notice to the alleged infringer as to the patent owner’s theory of infringement; they are not
27 evidence for purposes of summary judgment.” *See, e.g., Infinity Headwear & Apparel,*
28 *LLC v. Jay Franco & Sons, Inc.*, No. 15-CV-1259 (JPO), 2017 WL 3309724, at *3-4
(S.D.N.Y. Aug. 2, 2017) (denying the plaintiff’s motion for summary judgment that the

1 plaintiff was liable for patent infringement). Thus, “a plaintiff cannot prove infringement
2 based on contentions alone, and must proffer sufficient evidence supporting the allegations
3 set forth in the infringement contentions.” *Google Inc. v. Beneficial Innovations, Inc.*, No.
4 11 Civ. 229, 2014 WL 4215402, at *4 (E.D. Tex. Aug. 22, 2014). This is because
5 infringement contentions are not “particular parts of materials in the record,” which a
6 patent owner must put forth in order to demonstrate that there is no genuine issue as to any
7 material fact. FED. R. CIV. P. 56(c)(1)(A).

8 In the Southern District of California, the local patent rules require parties to serve
9 their infringement contentions on each other (but not file them with the Court). Patent L.
10 R. 3.6. “The purpose of . . . the local patent rules in general . . . is to ‘require parties to
11 crystallize their theories of the case early in the litigation’ so as to ‘prevent the shifting
12 sands approach to claim construction.’” *Keranos, LLC v. Silicon Storage Tech., Inc.*, 797
13 F.3d 1025, 1035 (Fed. Cir. 2015). In a similar situation, the Southern District of New York
14 in *Infinity Headwear & Apparel, LLC v. Jay Franco & Sons, Inc.*, drawing all reasonable
15 factual inferences in favor of the non-moving party, denied the plaintiff’s motion for
16 summary judgment that the defendant was liable for infringement of the patent-in-suit,
17 where the plaintiff relied on infringement contentions accompanied by images of the
18 accused products to support its motion for summary judgment. 2017 WL 3309724, at *3-
19 4. It reasoned that “[n]either the infringement contentions nor the images of the accused
20 products demonstrate whether the accused products, . . . are blankets under the Court’s
21 construction.” *Id.* at *4 (internal quotations and citations omitted). As a result, the plaintiff
22 failed to meet “its burden to “supply sufficient evidence to prove that the accused product
23 or process meets every element or limitation of a claim,” resulting in the Court denying
24 summary judgment. *Id.*

25 As in *Infinity Headwear*, to the extent Plaintiff relies on its Amended Infringement
26 Contentions to support its Motion for Summary Judgment, not only are the Amended
27 Infringement Contentions improper for the Court to consider for the reasons outlined
28 below, but they also do not qualify as evidence that could support summary judgment.

1 2017 WL 3309724, at *4.

2 b. Plaintiff's Attempts to Amend Were Untimely

3 Local Patent Rule 3.1 also requires a party claiming patent infringement to serve
4 "Disclosure of Asserted Claims and Infringement Contentions," fourteen (14) days after
5 the *Initial* CMC. In this case, the CMC took place on August 27, 2020, meaning Plaintiff's
6 Original Infringement Contentions needed to be served by Thursday, September 10, 2020.
7 Neither party has provided the original, unamended contentions or indicated whether they
8 were timely filed. For purposes of this motion, the Court will assume the original
9 contentions were timely filed.

10 On January 14, 2020, Magistrate Judge Butcher issued the Amended CMO
11 Regulating Discovery and Other Pretrial Proceedings, providing that "[t]he deadline for
12 filing, as of right, Amended Infringement Contentions by a party claiming infringement is
13 February 13, 2020." *See* ECF No. 58 at 2:1-2 (citing (Patent L. R. 3.6(a)).¹⁹ Additionally,
14 pursuant to Rule 3.6, "[a]s a matter of right, a party asserting infringement may serve
15 Amended Infringement Contentions no later than the filing of the parties' Joint Claim
16 Construction Chart," which in this case was filed on February 14, 2020. ECF No. 70.

17 After claim construction, absent undue prejudice to the opposing party, a party
18 asserting infringement may only amend its infringement contentions, (1) within thirty (30)
19 days of the court's Claim Construction Ruling and upon a good faith belief that amendment
20 is necessitated by a claim construction that differs from that proposed by such party or (2)
21 upon a timely motion showing good cause. S.D. Cal. Pat. R. 3.6. In this case, the Claim
22 Construction order was issued on Thursday, July 30, 2020, meaning that any amended
23 infringement contentions needed to be served by Monday, August 29, 2020, well before

24
25 ¹⁹ Judge Butcher's CMO provided that all "[a]ll discovery, including expert discovery,
26 shall be completed by all parties on or before **December 8, 2020**," defining "completed"
27 as meaning "that interrogatories, requests for production, and other discovery requests must
28 be served at least thirty (30) days prior to the established cutoff date so that response thereto
will be due on or before the cutoff date." Order, ECF No. 113 at 1:23-28. This meant
discovery requests needed to be served, at the latest, by November 8, 2020.

1 Plaintiff attempted to amend in November.

2 On October 14, 2020, a Status Conference took place in this case, during which the
3 Court set trial for February 17, 2021. ECF No. 123. During this hearing, Plaintiff made
4 no mention of seeking to amend infringement contentions.

5 Approximately, two weeks later, on November 4, 2020, just short of three years after
6 filing this case, Plaintiff admits that it “attempted to seek leave from the Court to amend
7 the infringement contentions but was informed by Court . . . when Pulse sought a hearing
8 date for that motion, that such a motion would not be heard.” ECF No. 151-9 at 7, 27-28.
9 The Court explicitly denied Plaintiff leave to amend its infringement contentions (by
10 denying a hearing date) for the below reasons.

11 First, the deadline for rebuttal expert reports was November 17, 2020, ECF No. 113
12 at 1:23-28, meaning by the time Plaintiff’s requested motion would have been heard, the
13 deadline for rebuttal expert reports would have passed. This is because separate and aside
14 from the high risk of prejudice to Defendant presented by allowing Plaintiff to file
15 Amended Infringement Contentions three months before trial, even if Plaintiff filed a
16 motion on November 4, 2020, according to Local Rule 7.1(e)(1), the earliest such a motion
17 could be heard was December 2, 2020, well after the rebuttal expert report deadline. *C.f.*
18 *HID Glob. Corp. v. Farpointe Data, Inc.*, No. SACV1001954JVSJWX, 2012 WL
19 13018379, at *4 (C.D. Cal. Feb. 6, 2012) (denying amendment to infringement contentions
20 sought after claim construction as well as the deadline for rebuttal expert reports had
21 already passed); *Abbot Diabetes Care Inc. v. Roche Diagnostics Corp.*, 2007 WL 2221029
22 at *2 (N.D. Cal., July 30, 2007) (finding prejudice to the non-moving party where less than
23 two months remained before discovery cutoff, and “addition of new products would likely
24 derail the case management schedule, require additional claim construction, and delay
25 trial”). Even if the Court granted the motion on December 2, 2020, Defendant would be
26 unable to propound discovery on the amended infringement contentions as responses
27 would be due after the discovery and motion cut-off deadline. *Compare* Fed. R. Civ. P.
28 33(b)(2) (providing that answers to interrogatories must be served within 30 days of being

1 served with interrogatories) *with* Order on Joint Motion for Continuance, ECF No. 115 at
2 1:23-28 (extending, at the request of the parties, the discovery cut-off deadline from
3 December 8, 2020 to December 22, 2020); *see also West v. Jewelry Innovations, Inc.*, No.
4 C071812JFHRL, 2008 WL 4532558, at *3 (N.D. Cal. Oct. 8, 2008) (rejecting plaintiff’s
5 request to file amended infringement “fewer than forty days remain between the hearing
6 date on the instant motion and the discovery cut-off date”).

7 Second, Local Rule 7.1(b), governing “Motion Hearing Dates,” requires that “[a]ll
8 hearing dates for any matters on which a ruling is required must be obtained from the Clerk
9 of the judge to whom the case is assigned.” *See also* FED. R. CIV. P. 78 (providing that
10 courts “may establish regular times and places for oral hearings on motions” as well as
11 “provide for submitting and determining motions on briefs, without oral hearings”); Patent
12 L.R. 1.3 (vesting the Court with discretion to “accelerate, extend[,], **eliminate**, or modify
13 the obligations or deadlines in these Patent Local Rules based on the Court’s schedule or
14 the circumstances of any particular case, including, without limitation, the complexity of
15 the case or the number of patents, claims, products, or parties involved”) (emphasis added).
16 Here, Plaintiff requested a hearing date and was informed the Court would not grant one.
17 This is, in part, because Local Patent Rule 3.6(a)(2) only allows for Amended Infringement
18 Contentions to be served “[u]pon a **timely** motion showing good cause.” (Emphasis
19 added). Plaintiff’s Motion was not timely.

20 c. *Plaintiff Lacks Good Cause to Amend Its Infringement*
21 *Contentions*

22 Good cause requires acting with diligence in seeking to amend. *See, e.g., O2 Micro*
23 *Int’l Ltd. v. Monolithic Power Sys., Inc.*, 467 F.3d 1355, 1367-68 (Fed. Cir. 2006) (refusing
24 to consider the issue of prejudice having determined there was no good cause for amending
25 infringement contentions). “Decisions enforcing local rules in patent cases will be affirmed
26 unless clearly unreasonable, arbitrary, or fanciful; based on erroneous conclusions of law;
27 clearly erroneous; or unsupported by any evidence.” *Id.* at 1367. For instance, in *O2*
28 *Micro*, the Federal Circuit concluded the district court did not abuse its discretion in finding

1 a lack of diligence by the plaintiff in moving to amend infringement contentions, and
2 therefore, lack of good cause justifying amendment. 467 F.3d at 1367-68. Thus, it affirmed
3 the decision of the district court, which had “excluded the evidence because of the failure
4 to comply with the disclosure deadlines required by the local patent rules and the case
5 management order.” *Id.* at 1369. It stated that “[w]hile there may be circumstances in which
6 the exclusion of evidence as a sanction for the failure to comply with a case management
7 order would be an abuse of discretion, both the Ninth Circuit and this court have concluded
8 that the exclusion of evidence is often an appropriate sanction for the failure to comply
9 with such deadlines.” *Id.* Accordingly, it also affirmed the district court’s grant of
10 summary judgment of non-infringement in favor of the defendant and held the district court
11 did not err by denying leave to amend the infringement contentions. *Id.* at 1356-57.

12 Plaintiff uses the last page and a half of its Reply Brief as a backdoor effort to argue
13 the Motion for Leave to Amend Plaintiff’s Infringement Contentions that this Court
14 explicitly instructed Plaintiff not to file. To the extent Plaintiff attempts to “sneak” those
15 arguments in now, this attempt is not well-taken. However, even after reviewing Plaintiff’s
16 attempts to establish good cause, the Court finds none. The first prerequisite for showing
17 good cause is that it must be timely. Plaintiff simply cannot establish this initial hurdle.
18 Plaintiff was not diligent in seeking to amend its contentions.

19 First, Plaintiff conclusorily argues that “[g]ood cause existed for Pulse to amend its
20 infringement contentions because (1) Pulse had been diligent in pursuing its proposed
21 amendments and (2) UDE would not suffer any prejudice.” Pltff. Reply at 11:1-3. On the
22 contrary, the Court finds Plaintiff was not diligent in seeking the proposed amendments,
23 and Defendant would have suffered great prejudice if the Court allowed Plaintiff to amend
24 Plaintiff’s infringement contentions as discovery was closing.

25 Second, Plaintiff argues that it “was unable to amend its infringement contentions
26 until (1) UDE provided the nonpublic information for the representative ‘S’ Series ICMs
27 and (2) UDE agreed to representative products for each Series of UDE ICMs.” Pltff. Reply
28 at 11:10-12. However, parties to a patent case are not required to agree to a representative

1 product, and Plaintiff’s infringement contentions are not conditional on whether Defendant
2 agrees to a representative product.

3 Third, Plaintiff speculates that “[i]n hindsight, given the highly accelerated trial
4 schedule, UDE may have intentionally waited until the ‘eleventh hour’ to prevent Pulse
5 from amending its infringement contentions by not producing the relevant nonpublic
6 discovery and engaging in an unfruitful ‘month-long negotiation.’” Pltff. Reply at 11:16-
7 19 (internal citation omitted). The Court finds this argument grossly speculative and
8 improper such that it merits no further discussion.

9 d. Allowing Plaintiff to Rely on the Improperly Amended
10 Infringement Contentions Would Prejudice Defendant

11 Defendant enumerates the various ways in which Plaintiff’s behavior prejudices
12 Defendant, but the Court finds it need not analyze them because the prejudice in filing
13 amended infringement contentions, three months before trial, six days before expert reports
14 are due, and within a month of the discovery cut-off is obvious. More importantly, like the
15 *O2 Micro* court, this Court finds analysis of prejudice is unnecessary given the complete
16 absence of good cause. 467 F.3d at 1369. For the reasons below, the Court orders that
17 Plaintiff shall not seek to rely on its Amended Infringement Contentions during this case.

18 “The purpose of preliminary infringement contentions as required by Patent Local
19 Rule 3.1 is to assist the court and guide the parties in focusing on potentially dispositive
20 issues, providing a framework for discovery and generally facilitating the proceedings.”
21 *AntiCancer, Inc. v. Pfizer, Inc.*, 769 F.3d 1323, 1329 (Fed. Cir. 2014). They are merely
22 meant to help streamline the discovery process rather than provide a forum for litigating
23 substantive issues. *Id.* As part of the discovery process, local patent rules must be
24 consistent with the Federal Rules of Civil Procedure governing discovery. *O2 Micro*, 467
25 F.3d at 1365; *see also* Patent L.R. 1.3. 2.5 (explaining the relationship of the local patent
26 rules to the Federal Rules of Civil Procedure, including Rule 26(a)(1)); *Shared Memory*
27 *Graphics LLC v. Apple, Inc.*, 812 F. Supp. 2d 1022, 1024 (N.D. Cal. 2010) (“Rule 3-1
28 performs the traditional role of contention interrogatories.”). Rule 37(c)(1) of the Federal

1 Rules of Civil Procedure allows courts to prohibit a party from providing information or
2 “evidence on a motion, at a hearing, or at a trial,” where the party failed to provide that
3 information in discovery and the failure is not substantially justified or harmless. This rule
4 provides the Court with the authority and discretion to refuse to consider or admit
5 Plaintiff’s Amended Infringement Contentions both with respect to considering this motion
6 as well as at trial. That being said, this should not prejudice Plaintiff given infringement
7 contentions are not evidence. *See, e.g.*, Patent L.R. 2.4 (“Statements, disclosures, or charts
8 governed by these Patent Local Rules are admissible to the extent permitted by the Federal
9 Rules of Evidence or Federal Rules of Civil Procedure.”).

10 Plaintiff’s Amended Infringement Contentions were improper and filed in bad faith.
11 The Court disregards these contentions when considering this motion and orders that they
12 are inadmissible. Because Plaintiff largely relied on expert opinions for conclusions of
13 law, which the Court is not required to adopt, and Amended Infringement Contentions,
14 which even if they had been proper, are not evidence that can support a motion for summary
15 judgment, the Court denies Plaintiff’s Motion for Summary Judgment as to direct
16 infringement of the 318 and 840 Patents.

17 **B. Defendant’s Motion for Summary Judgment as to Direct Infringement of**
18 **the GX-X Series, N Series, and S Series as well as Induced Infringement**

19 Defendant argues that the Court should grant summary judgment in its favor for the
20 following four reasons: First, Plaintiff has no evidence from non-party EMSs or branded
21 companies that the accused ICMs, which Defendant manufactures and sells overseas, were
22 imported into the U.S. Def. Mot. at 5:23-26. Second, Plaintiff cannot prove Defendant
23 “intended direct infringement by its sales to EMS outside the U.S.” because Defendant
24 “never cared where its ICMs ultimately wound up—it just wanted to sell the ICMs.” *Id.* at
25 6:8-10. Third, separate and aside from Defendant’s inability to prove inducement,
26 Defendant should be granted summary judgment of non-infringement²⁰ as to “the GX-X

27 ²⁰ Defendant notes explicitly in the section of its brief addressing induced infringement
28 that it “is only moving on Pulse’s indirect infringement allegations, not its direct

1 series as Defendant never sold those ICMS anywhere, worldwide.” Def. Mot. at 6:13-15.
2 Fourth, the Court should grant Defendant summary judgment as to the S and N Series ICMS
3 because Plaintiff’s infringement expert failed to present testimony indicating infringement
4 as to those series. *Id.* at 6:16-20.

5 Plaintiff opposes by arguing first, that the invoices produced by Defendant “show
6 sales within the U.S, offers for sale within the U.S., or importation into the U.S, [which]
7 constitute more than 12% of UDE’s reported sales.” Pltff. Oppo. at 4:4-6. Second, Plaintiff
8 disputes Defendant’s argument that Plaintiff failed to obtain evidence from non-party EMS
9 or branded companies, contending that it secured evidence of U.S. sales from both EMS
10 companies, including [REDACTED] and [REDACTED], as well as branded companies, such as [REDACTED],
11 [REDACTED], [REDACTED], and [REDACTED]. *Id.* at 4:7-11. Third, Plaintiff argues Defendant’s
12 contention that it should receive summary judgment for the GX-X series because it was
13 never sold in the U.S. should fail because Plaintiff’s counsel “has been in possession of” a
14 product containing that series ICM, so Defendant must have imported that device into the
15 U.S. *Id.* at 5:14-24. Fourth, as to the S and N Series Accused Products, Plaintiff argues its
16 expert only examined one product from each series because the parties were working
17 towards a representative product stipulation, and Defendant provided only two products
18 for inspection. *Id.* at 6:1-25.

19 Defendant responds that first, the evidence on which Plaintiff’s relies to show
20 infringing conduct within the U.S. fails under relevant case law holding that the overseas
21 manufacture and sale of components later incorporated into products sold by downstream
22 sellers in the U.S. fails to establish induced infringement, including because it fails to
23 account for multi-sourcing. Def. Reply at 6:7-28. Second, Defendant points out that none
24 of the evidence on which Plaintiff relies shows Defendant knew, much less intended, its
25

infringement allegations that purport to rely on the invoices.” Def. Mot. at 12:24-28.
26 However, it is unclear whether Defendant intended to limit its first grounds for summary
27 judgment to the issue of inducement but not the remaining grounds, as appears it be the
28 case. Regardless, this issue should be addressed by Defendant in its additional briefing
requested by the Court.

1 products would end up in the U.S. *Id.* at 9:7-17. Third, as to the GX-X Series, Defendant
2 argues that Plaintiff repeatedly mentions its counsel obtained a sample of this product
3 without elaborating when, where, and how it obtained the sample, leaving the Court bereft
4 of proof of infringing acts. *Id.* at 13:10-16. Defendant also notes that the data sheet relied
5 on by Plaintiff provides information about a product but in no way constitutes an offer to
6 sell or sale that would be probative of infringing acts. *Id.* at 13:17-14:9. Fourth, as to the
7 S and N Series of Accused Products, Defendant responds that it “provided Pulse with
8 multiple members of the series for analysis,” but “[i]n both cases, Pulse’s expert could not
9 even perform the analysis required to show representativeness, because Pulse chose *not to*
10 *provide more than one samples to its infringement expert.*” *Id.* at 14:11-22.

11 As set forth below, the Court grants summary judgment in Defendant’s favor
12 because Plaintiff has failed to show evidence creating a genuine issue of fact as to induced
13 infringement as well as direct infringement as to the GX-X, S, and N Series of Products.

14 **1. Defendant Has Shown the Absence of a Genuine Issue of Fact as to**
15 **Induced Infringement for Products Sold Outside the U.S.**

16 Under section 271(b), “[w]hoever actively induces infringement of a patent shall be
17 liable as an infringer.” 35 U.S.C. § 271(b). “Section 271(b) provides a potential
18 mechanism to assert liability against a foreign party who induces an infringing sale into the
19 United States.” Nanda, Ved P., et al., *2 Litigation of International Disputes in U.S. Courts*,
20 § 8:53. Foreign inducement of U.S. infringement (Dec. 2020 Update). Thus, “where a
21 foreign party, with the requisite knowledge and intent, employs extraterritorial means to
22 actively induce acts of direct infringement that occur within the United States, such conduct
23 is not categorically exempt from redress under § 271(b).” *Merial Ltd. v. Cipla Ltd.*, 681
24 F.3d 1283, 1302-03 (Fed. Cir. 2012).

25 In order to defeat a motion for summary judgment as to induced infringement, a
26 patent holder must come forward with evidence of (1) acts of direct infringement (by the
27 defendant or third-party) of a patent, (2) the defendant knowingly inducing infringement
28 by taking “affirmative steps to bring about the desired result,” and (3) the defendant’s

1 knowledge that the induced acts it induced would result in patent infringement. *Global-*
2 *Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 760-61, 766 (2011) (“Accordingly, we
3 now hold that induced infringement under § 271(b) requires knowledge that the induced
4 acts constitute patent infringement.”); *see also MEMC*, 420 F.3d at 1378. “While proof of
5 intent is necessary, direct evidence is not required; rather, circumstantial evidence may
6 suffice.” *Id.* (quoting *Water Techs. Corp v. Calco, Ltd.*, 850 F.2d 660, 668 (Fed. Cir.
7 1988)). However, in *Global-Tech*, the Supreme Court elaborated that Section 271(b)
8 requires that for acts to qualify as “induced acts,” the inducer must know the induced acts
9 “constitute infringement,” which requires “knowledge of the relevant patent.” 562 U.S. at
10 765. Instead of proving actual knowledge that the induced acts infringe, the Supreme Court
11 also held that “willful blindness” could satisfy the knowledge requirement, where the
12 defendant (1) subjectively believed there was a high probability that a fact exists and (2)
13 takes deliberate actions to avoid learning of that fact. *Id.* at 769.

14 Defendant argues that with respect to the Accused Products that it indisputably sold
15 outside the U.S., Plaintiff cannot produce evidence creating a genuine issue of fact as to
16 the elements required for induced infringement. Def. Mot. at 12:21-13:8. Plaintiff
17 responds that the Court must deny Defendant’s Motion for Summary Judgment because
18 “there is ample evidence of (1) direct infringement for ICMs sold outside the U.S. and (2)
19 that UDE takes affirmative steps to encourage others to imports its ICMs into the U.S.”
20 Pltff. Oppo. at 10:18-22. In Reply, Defendant argues that not only does the evidence
21 Plaintiff seeks to rely on prove “Defendant’s active steps to encourage direct infringement”
22 fail under the law—including because it’s inadmissible, but it also fails to prove Defendant
23 “*knew* its products were destined for the U.S., or took any affirmative steps encouraging
24 that to happen.” Def. Reply at 5:1-7:21.

25 As outlined below, the Court finds it appropriate to grant Defendant’s Motion for
26 Summary Judgment on the issue of induced infringement because Defendant has shown
27 the absence of evidence creating a genuine issue of fact as to (1) products sold in the U.S.
28 and (2) Defendant’s knowledge that its products would end up in the U.S.

1 a. Plaintiff has failed to show evidence of a genuine issue of fact as
2 to induced infringement for ICMs sold by outside the U.S.

3 Defendant argues the Court should grant summary judgment in its favor on induced
4 infringement because a party cannot prove induced infringement without proving direct
5 acts of infringement by some party, and Plaintiff cannot prove the accused ICMs sold by
6 Defendant ever entered the U.S. (e.g., an act of direct infringement). Def. Mot. at 13:10-
7 15. Defendant further contends that despite Plaintiff’s “emphatic speculation that 35-40%
8 of the accused ICMs” entered the U.S. within a branded device, and even after serving
9 subpoenas on numerous alleged importers (either EMS or branded companies), Plaintiff
10 remains unable to point to any evidence that “a single accused ICM has ended up in a
11 branded device in the U.S.” *Id.* at 13:15-23. As detailed below, the Court agrees that
12 Plaintiff’s evidence fails to establish the first element of induced infringement: direct
13 infringement by Defendant or a third-party within the U.S.

14 The *Largan* case, which Defendant argues “is directly on point,” Def. Mot. at 16:27-
15 18:18, applied the *Global-Tech* standard to a case almost factually indistinguishable from
16 the present case. In *Largan*, the district court held that even though the defendant’s
17 products met the elements of the plaintiff’s patents as alleged, “all but a sliver of the
18 accused conduct took place outside the territorial reach of the United States patent laws.”
19 86 F. Supp. 3d 1105, 1107 (N.D. Cal. 2015). Thus, the court granted in part the defendant’s
20 motion for summary judgment of (1) no direct or contributory infringement for the accused
21 products (a) sold into the Apple or Motorola supply chains and (b) sent directly into the
22 U.S. and (2) no induced infringement for products sold into the Apple and Motorola supply
23 chains. *Id.* at 1120-21. Consequently, the court also denied the plaintiff’s motion for
24 partial summary judgment of direct infringement with respect to the defendant’s lenses
25 sold abroad into Apple and Motorola’s supply chains. *Id.* at 1113.

26 Just as both Plaintiff and Defendant supply ICMs to EMS and branded companies
27 for incorporation into electronics, the *Largan* plaintiff and defendant were both Taiwanese
28 companies that represented the first link in Apple’s four-part supply chain by supplying
camera lenses for eventual incorporation into various Apple phones and tablets. 86. F.

1 Supp. 3d at 1107; *see also* 646 Fed. App'x at 947. Like UDE, the *Largan* defendant argued
2 that even though it practiced the plaintiff's patents, "its conduct [was] beyond the
3 geographic coverage of the United States patent laws and consequently cannot amount to
4 infringement under section 271(a)." 86 F. Supp. 3d at 1110. However, unlike this case,
5 where there are no supply agreements between UDE and its EMS or branded companies,
6 the *Largan* defendant had a supply agreement governing the sale of its products to Apple.
7 *Id.* at 1108. The defendant's employees also negotiated prices with Apple's Global Supply
8 Managers in Apple's office located in Cupertino, California, which, at times, involved the
9 defendant's employees traveling to the U.S. *Id.* However, the defendant manufactured the
10 lenses in Asia, sold them to Asian module integrators, who then, built the cameras and sold
11 them to system integrators, also located in Asia. 646 F. App'x at 947. Then, the system
12 integrators incorporated the cameras into phones and tablets, which were then sent to Apple
13 for sale to end users worldwide. *Id.* Apple did not track where either supplier's lenses
14 were sold. *Id.* The defendant's employees also stated that they did not know "and have
15 never discussed where Genius lenses incorporated into Apple or Motorola products
16 ultimately end up." 86 F. Supp. 3d at 1109.

17 On these facts, the court held that "the undisputed facts establish that the majority of
18 Genius's accused lenses are not sold or offered for sale in the United States, and that it
19 cannot be liable for direct infringement with respect to those lenses." *Id.* at 1110. In
20 determining the defendant's "relationship with U.S.-based downstream consumers like
21 Apple and Motorola, in combination with its sales into a supply chain that terminates in
22 (among other places) the U.S., [was not] sufficient to deem those sales 'within the United
23 States,'" the *Largan* court relied heavily on *Halo I*, where Pulse advanced the same
24 arguments Defendant now advances. *Id.* at 1111 (citing *Halo I*, 769 F.3d at 1379). The
25 *Largan* court noted that even though in *Halo I*, Pulse met with Cisco engineers and sent
26 product samples for pre-approval in the U.S., three facts precluded direct infringement
27 liability, which also precluded liability in *Largan*: (1) the products were manufactured,
28 shipped, and delivered to buyers abroad; (2) the defendants received the actual purchase

1 orders for those products abroad; and (3) the defendants were paid abroad. *Id.* at 1111-12
2 (citing *Halo I*, 760 F.3d at 1379).

3 The court also noted that not only did the defendant’s sales into the supply chains
4 fail to qualify as sales within the U.S., but they also failed to qualify as “offers to sell”
5 within the U.S. *Id.* at 1113. The court reasoned that “[a]n offer to sell, in order to be an
6 infringement, must be an offer contemplating sale in the United States.” *Id.* “If a sale
7 outside the United States is not an infringement of a U.S. patent, an offer to sell, even if
8 made in the United States, when the sale would occur outside the United States, similarly
9 would not be an infringement of a U.S. patent.” *Id.* Because nothing in the supply
10 agreement between the defendant and Apple governed “where sales are to take place, and
11 . . . they in fact do take place outside the U.S.,” the defendant’s “foreign sales into the
12 Apple and Motorola supply chains [were] not sales in the United States, any associated
13 offer to sell would not be infringing.” *Id.*

14 Finally, on the issue of induced infringement, the defendant conceded that it knew
15 of the plaintiff’s patents-in-suit, and that Apple and Motorola’s end products incorporating
16 the defendant’s lenses met every element of the asserted claims. *Id.* at 1117-18. However,
17 the defendant argued that it had no “insight into Apple and Motorola’s supply chain after
18 it sells its lenses to the module integrators” and “no idea whether its lenses go into products
19 sold in the United States.” *Id.* at 1118. The Court concluded that “[f]or all Genius knows,
20 . . . all of the Apple and Motorola end products that are sold in the United States incorporate
21 only lenses sold by Largan or other suppliers, rather than Genius.” *Id.* It reasoned that
22 even if the defendant induced Apple and Motorola to use its lenses, “it lacked the requisite
23 ‘knowledge that the induced acts constitute patent infringement,’ because the patented
24 Apple and Motorola end products using its lenses could all be sold outside the United
25 States, where they would not infringe Largan’s United States patents.” *Id.* The court noted
26 that “[c]ases denying summary judgment of no induced infringement for foreign sales have
27 pointed to evidence, either direct or circumstantial, that showed that the accused infringer
28 likely knew and intended for its products to be used in the United States.” *Id.* (citing

1 *Semiconductor Energy Lab. Co. v. Chi Mei Optoelectronics Corp.*, 531 F. Supp. 2d 1084,
2 1113 (N.D. Cal. 2007) (citing testimony from defendant’s customers along with the fact
3 that defendant had “designated return and repair centers in the United States” as evidence
4 that it knew its products would be sold in the U.S.); *Halo Elecs., Inc. v. Pulse Eng’g, Inc.*,
5 810 F.Supp.2d 1173, 1208-09 (D.Nev.2011), *aff’d* 769 F.3d 1371 (Fed. Cir. 2014) (citing
6 testimony from defendant’s corporate representative that “he believed at least some of the
7 accused products end up in the United States” and evidence that defendant provided
8 customer service support to U.S. entities to deny summary judgment of no inducement)).
9 However, the *Largan* plaintiff offered no such evidence. *Id.*

10 The plaintiff appealed the judgment of no induced infringement to the Federal
11 Circuit, which affirmed the district court in an unpublished Memorandum Opinion. *See*
12 *Largan Precision Co. v. Genius Elec. Optical Co.*, 646 Fed. App’x 946, 947-50 (Fed. Cir.
13 2016). It held “that the district court properly granted summary judgment of no induced
14 infringement because Largan failed to offer evidence of direct infringement by Apple.” *Id.*
15 at 948. Rather, the plaintiff had only presented evidence that (1) some of the defendant’s
16 lenses were incorporated in some Apple products manufactured in Asia and (2) some of
17 Apple’s products were sold in the U.S. *Id.* As a result, given the record—including the
18 volume of the plaintiff’s and defendant’s lenses supplied for Apple’s *worldwide*
19 distribution of products, which showed the plaintiff supplied a large volume of lenses in
20 the relevant Apple products, it could be possible “that all of those products sold in the
21 United States could contain Largan lenses.” *Id.* at 948. It reasoned that “Largan only
22 presented evidence that Genius lenses are incorporated in some Apple products
23 manufactured in Asia and that some Apple products are sold in the United States.” *Id.*
24 Conversely, “there [was] no evidence in th[e] record that a single Apple product sold in the
25 United States contained an accused Genius lens.” *Id.* The plaintiff also “did not present
26 any evidence from the supply chain to establish what process the module integrators and
27 system integrators used to select lenses in the products destined for the United States.” *Id.*
28 at 949.

1 Finally, the plaintiff argued that “the supply chain randomly selects lenses,” so a
2 reasonably jury could not find the proportion of Apple phones and tables sold in the U.S.
3 with the defendant’s lenses would equal the proportion of Apple phones and tables sold
4 worldwide with the defendant’s lenses, meaning a reasonable jury could find infringement.
5 646 Fed. App’x at 949. However, even though circumstantial evidence may prove
6 infringement, the plaintiff’s “theory require[d] Apple’s supply chain selection to be
7 random, and Largan failed to produce evidence that it is random.” *Id.* Where “Apple’s
8 corporate representative testified that Apple does not track where a given supplier’s lenses
9 are sold,” such “testimony alone does not prove randomness in the supply chain.” *Id.*

10 Defendant argues that first, like the *Largan* defendant, it does not know where its
11 ICMs will end up once it ships them to EMS companies, and Pulse, like the *Largan*
12 plaintiff, has not obtained discovery from third-party EMS or branded companies about the
13 supply chain for Defendant’s products. Def. Mot. at 18:8-10. Second, Defendant argues
14 that the present case is even weaker than in *Largan*, because the *Largan* defendant had a
15 direct supply agreement with a branded company (Apple) and went to Cupertino,
16 California to negotiate with Apple. *Largan*, 86 F. Supp. 3d at 1108. Here, however, neither
17 Plaintiff nor Defendant know what branded end devices incorporate the accused ICMs, and
18 no supply agreement exists. Def. Mot. at 18:10-16. Third, unlike the *Largan* defendant,
19 Defendant does not concede its devices infringe. *Id.* at 18:15-16. Plaintiff responds that
20 (1) it has obtained discovery from third-party EMS and brand companies (including
21 ██████, ██████, ██████, ██████, ██████, ██████, and ██████); (2) Plaintiff and Defendant know
22 the branded devices that incorporate the accused ICMs (citing Exhibits 7 and 15 to
23 Plaintiff’s Opposition); and (3) Plaintiff *has* established direct infringement. Pltff. Oppo.
24 at 16:14-20. Defendant replies that in *Largan*, the Federal Circuit still affirmed the district
25 court’s dismissal of induced infringement on summary judgment even though the
26 defendant communicated with Apple regularly about the inclusion of its lenses, including
27 through personnel in the U.S., and knew (1) its lenses were incorporated into Apple
28 iPhones, (2) iPhones are sold in the U.S., and (3) which iPhone models incorporated its

1 lenses. Def. Reply at 5-18. Defendant notes that Plaintiff “merely argues that this case is
2 different from *Largan* because ‘UDE directly communicates with its US-based customers
3 for, *inter alia*, the design and sale of its infringing ICMs.’” Def. Reply at 5:19-6:2 (citing
4 Pltff. Oppo. at 14). However, in *Largan*, not only did the defendant also communicate
5 with U.S.-based customers, but it even had a supply agreement and worked closely with
6 Apple, including by negotiating the work involved and price point. *Id.* at 6:2-6 (citing
7 *Largan*, 86 F. Supp. 3d at 1105, 1108).

8 The Court agrees that *Largan* is on point for this case. To the extent Defendant
9 worked with its customers to design products according to their needs, visited the U.S.
10 offices of customers, and knew that some of its customers sold products in the U.S., the
11 defendant in *Largan* had undertaken all of the same actions, but the Federal Circuit still
12 held it could not be held liable for induced infringement. 646 Fed. App’x 948-49. It would
13 simply be too speculative to infer induced infringement in this case absent evidence that
14 the branded or EMS companies with whom Defendant works (1) randomly distribute their
15 products throughout the world (as opposed to intentionally making sure certain product
16 models or devices containing Defendant’s products are only sold in non-U.S. countries) or
17 (2) only ship or sell their products in the U.S. *See id.* at 949-50; *see also M2M*, 2016 WL
18 70814 at *21 (dismissing on summary judgment induced infringement allegations for
19 “component parts manufactured and shipped abroad” because the plaintiff had failed to
20 carry its burden of proving that the accused products made it into the U.S., for purposes of
21 proving that anyone directly infringed).

22 Plaintiff argues that *Cyntec Co., Ltd. v. Chilisin Elecs. Corp.* shows that courts have
23 denied summary judgment in cases with less evidence than what Plaintiff presents in this
24 case. Pltff. Oppo. at 15:4-5 (citing No. 18-CV-00939-PJH, 2020 WL 5366319, at *1 (N.D.
25 Cal. Sept. 8, 2020)). In *Cyntec*, the patents-in-suit described the manufacture and design
26 of chokes, which are small electronic devices used in electronic devices such as cellphones
27 and computers. 2020 WL 5366319, at *1. The plaintiff accused the defendant of indirectly
28 infringing on their patents because the defendants sold the accused products to third parties

1 who, then, imported the infringing products for sale into the U.S. *Id.* at *2.

2 On summary judgment, the *Cyntec* court found that the plaintiff had not produced
3 direct evidence of any activities qualifying as direct infringement occurring within the U.S.
4 because the plaintiff “did not, for example, purchase an end product, take it apart, and find
5 an accused choke.” 2020 WL 5366319, at *2; *see also Power Integrations, Inc. v. Fairchild*
6 *Semiconductor Int'l, Inc.*, 843 F.3d 1315, 1332-32 (Fed. Cir. 2016) (“*Power Integrations*
7 *II*”) (noting that the plaintiff had “presented evidence that it purchased at least three
8 products containing infringing . . . chips in the United States”). The plaintiff also had not
9 submitted evidence from third parties that they had imported or sold products in the U.S.
10 2020 WL 5366319, at *2. However, the court held that “[d]espite the lack of direct
11 evidence, plaintiff has produced circumstantial evidence of direct infringement in the
12 United States by third parties to create a genuine dispute of material fact.” *Id.* As an
13 example, the court noted how the plaintiff had cited evidence that the defendant used
14 “‘design codes’ to track samples and sales to end customers located in the United States.”
15 *Id.* Even though the defendants argued that they had no way of knowing where their
16 products were ultimately sold or which end products ultimately included their products, the
17 plaintiff had still “introduced sufficient factual matter to preclude a finding of summary
18 judgment with respect to direct infringement by a third party in the United States.” *Id.* The
19 court reasoned that “[a] jury could find that knowing the identity of U.S.-based recipients
20 demonstrates direct infringement in the United States.” *Id.*

21 Plaintiff argues that as in *Cyntec*, Defendant “not only knows the identity of the U.S.-
22 based recipients (i.e., [REDACTED], [REDACTED], [REDACTED], [REDACTED], etc.),” but it also “knows the
23 corresponding end customer part numbers for its ICMs.” Pltff. Oppo. at 15:19-21. Plaintiff
24 contends that “Flex (a second EMS company subpoenaed by Pulse) produced a detailed
25 spreadsheet of UDE’s ICMs with the end customer products with various ‘Facility’ and
26 ‘Sub Region Description’ identifiers for ‘Americas’ and CALIFORNIA.” *Id.* at 15:23-26
27 (citing Exhibit 11 to Plaintiff’s Opposition). Defendant responds that unlike the *Cyntec*
28 defendant, which used design codes to track samples and sales to end customers located in

1 the U.S., Defendant “has done no such thing.” Def. Reply at 6:24-26. The Court finds that
2 like the *Cyntec* defendant, in some (but not all) cases, Defendant knows which EMS or
3 brand company products contain its products. However, unlike *Cyntec*, Defendant does
4 not know which of those products end up in the U.S. as evidenced by the fact that neither
5 party in this case can prove which products, if any, containing Defendant’s ICMs are sold
6 in the U.S. Further, while Plaintiff’s evidence suggests Defendant may know how much
7 of its worldwide sales stem from the sale of U.S. products, it does not show that those sales
8 pertain to Accused Products. As such, the Court finds that separate and aside from the fact
9 that *Cyntec* is not binding on this Court, *Cyntec* does not warrant this Court finding a
10 genuine issue of fact exists as to induced infringement.

11 Finally, Plaintiff responds that “EMS companies produced evidence of the accused
12 products imported into the United States.” Pltff. Oppo. at 3:25-26 (citing Exhibits 5, 7, 9,
13 10, and 11²¹ to Plaintiff’s Opposition). Plaintiff asserts that Exhibits 2, 5, 6, 7, 8, and 10-
14 13 evidence UDE ICMs making it into the U.S. Pltff. Oppo. at 10:27-11:4. Plaintiff also
15 argues that Exhibit 9 shows “sales of ICMs within the U.S., offers for sale within the U.S.,
16 or importing into the U.S. . . . constitute more than 12% of [Defendant’s] sales.” *Id.* at
17 11:5-8. However, Exhibit 9, which contains the invoices showing Defendant’s sales with
18 a “Bill to” address in the U.S. have already been addressed by the Court and do not establish
19 direct or induced infringement. The Court addresses the remaining evidence, in turn, but

20
21 ²¹ Exhibit 11, ECF No. 149-10, says it was filed under seal but appears to have been
22 omitted, and as such, the Court was unable to consider this document. However, Plaintiff’s
23 counsel describes it as screenshots from the Flex0001 Excel file produced by Flex. ECF
24 No. 149-1 at 7, ¶ 30. That being said, Defendant indicates that Exhibit 11 shows “the only
25 products listed with Region Description ‘Americas’ (touted by Pulse’s opposition, Opp. at
26 12) are for the GMG-PA-0001, which is a product that was exclusively shipped to
27 ██████████ in the U.S. according to invoices (Ex. 14), and thus is not a subject of this
28 motion, as all sales of the GMG-PA-0001 are included in Pulse’s direct infringement
claim.” Def. Reply at 8:14-18. However, “[t]he other products are all for ██████████ matching
the part numbers from evidence produced by ██████████ discussed above, and indicate they were
destined for Singapore, not the U.S., with a Region Description of ‘South Asia.’” *Id.* at
8:19-21 (citing Exhibit 11).

1 finds it does not establish a genuine issue of fact.

2 i. Products Purchased by Plaintiff's Counsel

3 Defendant argues that there is no evidence Plaintiff identified an accused ICM in the
4 U.S. through purchasing and inspecting branded devices to confirm its speculation. Def.
5 Mot. at 16:1-3 (citing Exhibit 23 to Def. Mot., Baxter Deposition Transcript, ECF No. 144-
6 26 (“Baxter Dep. Trans. II”) at 4, 14:17-19 (responding, “No,” when asked, “Did you,
7 during your analysis, ever remove a UDE ICM from an end-consumer product?”). Plaintiff
8 responds that “Pulse, through counsel, has purchased network switches from ‘branded
9 companies’ in the United States that include the accused products and other UDE
10 products.” Pltff. Oppo. at 3:27-28 (citing Exhibits 2, 6, 12, and 13 to Plaintiff’s
11 Opposition). Exhibits 2, 6, 12, and 13 show photographs of a [REDACTED], [REDACTED], [REDACTED]
12 [REDACTED], and [REDACTED] switches, respectively, purchased by Plaintiff’s counsel in the U.S.
13 Gazdzinski Decl., ECF No. 149-1 at 2, ¶ 2, 7, ¶ 25, 8, ¶¶ 31-32; *see also* ECF No. 150-9;
14 ECF No. 150-15; ECF No. 150-16. However, separate and aside from the Court’s concerns
15 about relying on a declaration by Plaintiff’s counsel seeking to authenticate evidence
16 Plaintiff intends to rely on at trial, the Court finds these photographs prove nothing
17 dispositive to the instant motion. They do not prove that Plaintiff’s counsel purchased or
18 imported the product *from Defendant* in the U.S. They also do not prove Defendant knew
19 its product would end up in the U.S. That a device containing an infringing product may
20 end up in the U.S. does not *per se* establish direct or induced infringement. *See Largan*,
21 646 Fed. App’x at 948-50.

22 Further, while Plaintiff’s SAC refers to having “purchased the exemplary Juniper
23 EX4300-48MP Ethernet Switch in San Diego, CA (i.e., the United States) to confirm the
24 infringement of UDE manufactured ICMs within Juniper’s product,” SAC at 33:12-15,
25 Defendant asserts that “this allegation has been shown to be false because the ICM in the
26 Juniper switch shown has LED indicator lights on each port, whereas UDE’s GMG-ZZ-
27
28

1 0004²² does not have any.” Def. Mot. at 16:3-9 (citing SAC at 33:16-25 (showing a green
2 LED indicator light in the Juniper EX4300-48MP)). Moreover, the SAC also described
3 “port markings A through K that Pulse trumped . . . as indicative of an accused ICM,” but
4 Defendant states such markings “are in fact an industry standard that are used by many
5 manufacturers of ICMs, such as Molex, who uses the same port markings for a 2x6 gigabit
6 ICM *with* LED indicator lights.” *Id.* at 16:9-13; *see also* Exhibit 12 to Def. Mot., ECF No.
7 144-15 at 13 (showing port markings A through K in the Molex Product Specification);
8 Baxter Dep. Trans. II at 6, at 23:18-27:17 (testifying that “the ICM shown in the Juniper
9 switch has the same markings as shown in the Molex ICM” and port markings alone “are
10 not a reliable indicator that that’s actually a UDE ICM”). Defendant also states that its
11 products are marked on the top with its internal product number, “and no such product
12 number is described in the complaint, which Pulse would have surely noted if it was there.”
13 Def. Mot. at 16:17-20. Thus, Defendant argues Plaintiff cannot authenticate the ICM found
14 in the Juniper switch described in the SAC. *Id.* at 16:20-26. During his deposition, Mr.
15 Baxter also testified that the product described in the SAC does not have the same markings
16 as the sample provided by Defendant and described by Defendant. *See* Baxter Dep. Trans.
17 II at 5, 19:1-24. At a minimum, the issues described by Defendant cast serious doubt on
18 the infringement allegations in the SAC, which were primarily based on a Juniper switch
19 Defendant contends did not contain its product.

20 Defendant also argues that the “two switches allegedly purchased by Pulse’s
21 counsel” leaves “Pulse no way to admit these products as evidence at trial.” Def. Reply at
22 9:18-21. Defendant points out that “[w]hile Pulse’s counsel has submitted a declaration
23 stating he personally ‘purchased the Juniper EX4300-48MP switch and Cisco MS355
24 switch in the U.S.’ (Gadzinski Decl. ¶ 20), no further information is provided as to the

25 ²² Mr. Gazdzinski’s declaration states that he purchased Juniper EX4300-48MP, which
26 shows an Aquantia AQX-N3S64-MTN-U31 device present within it, and Aquantia sells
27 the AQX-N3S64-MTN-U31, which includes UDE’s MPN GM6-AQ-0005. Gazdzinski
28 Decl., ECF No. 149-1 at 3, ¶ 2. Thus, Plaintiff argues that the Juniper Switch, contains an
Aquantia device, which, in turn, incorporates UDE ICM MPN GMG-ZZ-0004. *See id.*

1 circumstances of those purchases, including where, when, and for how much.” *Id.* at 9:21-
2 25. “No documentary evidence such as receipts were produced, so Pulse’s entire basis for
3 those switches being purchased in the U.S. is the *inadmissible* statement of its own
4 counsel.” Def. Reply at 9:25-10:3 (citing FED. R. CIV. P. 56(c)(4)). However, this means
5 that because Plaintiff is relying on devices purchased by its own counsel, “Pulse’s counsel
6 would need to testify as a fact witness at trial to explain this, especially if he purchased the
7 ‘special-order devices’ from a foreign vendor.” *Id.* at 9:26, 10:24-26.

8 In sum, the devices purchased by Plaintiff’s counsel fail to establish a genuine issue
9 of fact as to whether Defendant induced infringement.

10 ii. Third-Party Discovery Showing Sales of EMS or Brand
11 Company Products

12 Exhibits 5, 7, 8, 10, and 11 pertain to third-party discovery relied on by Plaintiff to
13 show induced infringement.

14 Exhibit 5, on which Plaintiff also relies, shows sales of Juniper products throughout
15 the U.S. but does not indicate which, if any, of those Juniper products had Defendant’s
16 ICMs in them. ECF No. 149-5. Absent proof the products shown all contained
17 Defendant’s products and were sold in the U.S., this exhibit proves nothing more than that
18 Juniper used Defendant’s ICMs but not necessarily that all Juniper products were sold in
19 the U.S. or that Defendant knew Juniper Ethernet switches containing its ICMs would be
20 sold in the U.S. *See, e.g., Largan*, 646 Fed. App’x at 948 (holding that evidence that some
21 of the defendant’s products were incorporated into Apple products, and some of Apple’s
22 products were sold in the U.S. did not establish induced infringement).

23 Plaintiff also relies on Exhibit 7 to prove infringement, which contains documents
24 produced by Cisco responsive to requests from Plaintiff for the volume and amount of sales
25 in the U.S. Pltff. Mot. at 14:17-20. However, even though Exhibits 7 indicates it was
26 responsive to a subpoena asking for information addressing U.S. sales, the letter from Cisco
27 does not indicate the sales shown are, in fact, U.S. sales or worldwide sales, and some EMS
28 companies were unable to separate worldwide sales from U.S. sales in this case. *See* ECF

1 No. 149-6 at 3. Similarly, Plaintiff argues that Sanmina (an EMS company) produced the
2 documents in Exhibit 8 that reflect quantities of end customer products “shipped to the
3 U.S. with UDE’s corresponding ICMs.” Pltff. Mot. at 14:28-15:3; *see also* ECF No. 149-
4 7 at 2. However, even though an HPE product number is listed, Defendant argues that the
5 product numbers in Exhibit 8 do not match any of the HPE product numbers or project
6 names disclosed in HPE’s production. Def. Reply at 8:8-13. As a result, Defendant
7 contends “it is unclear what this product is or where it has been shipped, not to mention the
8 fact that Pulse chose not to depose Sanmina, or even obtain a declaration explaining the
9 document, which appears to be litigation created.” *Id.* In sum, this exhibit also fails to
10 establish that Defendant knew its products would be incorporated into a device that would
11 be sold in the U.S. Rather, the November 10, 2020 Damages Report of Plaintiff’s damages
12 expert, Arthur Cobb, also states “there are no reasonably accurate records establishing
13 actual United States sales or the actual percent of United States to worldwide sales of the
14 accused ICMs.” Exhibit 6 to Def. Mot., ECF No. 142-5 at 29. Mr. Cobb testified to the
15 same effect during his deposition. *See* Exhibit 22 to Def. Mot., Arthur Cobb Deposition
16 Transcript, ECF No. 142-15 (“Cobb. Dep. Trans.”) at 4, 20:4-6 (testifying Defendant’s
17 invoices “don’t identify that sales are going to the U.S.”).

18 Exhibit 10 shows a document production by ██████ in response to a subpoena from
19 Plaintiff for “records indicating the percentage of U.S. sales of Force10 network switches
20 greater than \$3,000 in value containing Aquantia parts from January 1, 2019, through the
21 present.” ECF No. 149-9 at 2-4. This production does not implicate Defendant or mention
22 its products at all. In fact, Defendant points out that “Pulse has never identified the branded
23 devices sold in the U.S. allegedly incorporating the 185 accused ICMs, because Pulse does
24 *not know*, and was apparently unable to learn this information from its belated subpoenas.”
25 Def. Mot. at 15:7-10 (citing Cobb Dep. Trans. at 6, 44:7-25 (testifying that he had not
26 identified any end products containing accused ICMs)).

27 Defendant also notes that Plaintiff only deposed one EMS, which had no knowledge
28 of where branded customers, like Juniper and Dell, sold downstream products. Def. Mot.

1 at 15:10-12 (citing Exhibit 24 to Def. Mot., December 18, 2020 Deposition of John Bergen,
2 non-party Marvell Semiconductor’s corporate designee, ECF No. 142-16 (“Bergen
3 Trans.”) at 5, 48:20-49:1 (testifying that he did not know where Dell was selling products
4 when he worked at Aquantia); *see also id.* at 7, 59:16-20 (testifying that Aquantia’s design
5 win “was for a single port access point,” which are not at issue in this case). Defendant
6 further points out “[f]or [REDACTED] (Opp. Ex. 5), [REDACTED] (Opp. Ex. 7), and [REDACTED] (Opp. Ex. 10),”
7 Plaintiff (1) “only attaches sales spreadsheets at least some of which were created in
8 response to Pulse’s subpoenas,” (2) “chose *not* to depose these customers to explain or
9 authenticate this information,” and (3) “has no context for the sales data, which either does
10 not mention UDE products at all ([REDACTED], [REDACTED]), or is not specific to the U.S. and is instead
11 worldwide ([REDACTED]).” Def. Reply at 7:26-8:6. Thus, Defendant argues these spreadsheets
12 fail to “establish an accused UDE ICM exists in a branded end-product that wound up in
13 the U.S.” *Id.* at 8:6-7. As a result, absent proof that all network switches from a particular
14 brand contained Defendant’s ICMs, and thus, Defendant knew if those switches were sold
15 in the U.S., the sale would be an infringing sale, this third-party discovery pertaining to
16 sales by EMS and brand companies does not prove induced infringement.

17 iii. Discovery Showing U.S. Offices

18 Exhibit 17 contains documents produced by Defendant during discovery. *See*
19 Gazdzinski Decl., ECF No. 149-1 at 8, ¶ 36. Plaintiff relies on UDE 0092346, ECF No.
20 149-13 at 5, which shows Defendant’s sales breakdown by territory for the year 2015,
21 stating that sales in the U.S. were 40%. ECF No. 1491-13 at 5. However, this exhibit does
22 not indicate whether the sales made were sales by (1) others with Defendant’s products in
23 it or (2) Defendant but of non-infringing or non-accused products. *See id.* Plaintiff also
24 points out that UDE 0092347 shows a branch office and 4 representatives or agents in the
25 U.S. *See* ECF No.149-13 at 6. Likewise, Exhibit 16 shows that Defendant has a U.S.
26 office, located at 2430 Camino Ramon, Suite 355, San Ramon, California 94563. ECF No.
27 149-12 at 2. Plaintiff also notes that UDE’s corporate representative, Chris Chen, testified
28 at his January 5, 2021 deposition, that Defendant has a U.S. office because it is a small

1 Asian company, and the U.S. office lets its U.S. customers know there is someone available
2 to answer their calls or questions during business hours in the U.S. Exhibit 18 to Pltff.
3 Oppo., January 5, 2021 Deposition Transcript of Chris Chen, UDEs' Corporate Designee,
4 ECF No. 149-14 at 6, 14:17-16:6.

5 While Exhibits 16, 17, and 18 establish Defendant had a U.S. office, which does not
6 appear to be a disputed issue, merely having a U.S. office or visiting the U.S. does not
7 prove infringing acts or induced infringement. *See, e.g., Power Integrations II*, 843 F.3d
8 at 1334 (holding that while evidence the defendant maintained a technical support center
9 in the U.S. “that provided support *for the infringing controller chips to*” U.S. customers
10 “may not individually be sufficient to establish liability” it might when “as a whole” along
11 with other evidence). Rather, intent to infringe will not be inferred from the mere
12 maintenance of a U.S. office as the intent to sell in the U.S. must pertain only to accused
13 products. Here, Defendant points out that it sells other products, which are not at issue in
14 this case, so the U.S. office could support non-accused products.

15 iv. Communication with EMS or Brand Companies

16 Plaintiff also argues that Defendant “communicates directly with end customers to
17 sell its products in the U.S.” Pltff. Oppo. at 11:19-20 (citing Exhibit 15 to Plaintiff’s
18 Opposition); *but see Largan*, 86 F. Supp. 3d 1111-12 (communicating and working with
19 Apple on end-consumer products did not establish induced infringement). As an example,
20 Plaintiff argues that Defendant works with ██████████ to sell many of its allegedly infringing
21 ICMs, including the same ICM found in the Juniper EX4300-48MP, by creating new
22 product numbers, data sheets, and 3D design drawings. *Id.* at 12:9-11 (citing Exhibit 27 to
23 Plaintiff’s Opposition). Plaintiff states, “as ██████████ testified, UDE sells many of its ICMs
24 to ██████████ in the U.S.” Pltff. Oppo. at 12:16-28 (citing Baxter Dep. Trans. II); *but see*
25 *Largan*, 646 Fed. App’x at 948 (holding that even though the defendant knew that Apple,
26 which used its lenses, sold Apple’s devices in the U.S., induced infringement had not been
27 establish because all Apple devices in the U.S. could have contained the plaintiff’s lenses
28 rather than the defendant’s). However, Exhibit 23 only shows testimony from Mr. Baxter,

1 in which he stated that when he says Defendant branded its ICMs for ██████████, he means
2 that “[t]he products that were sold by ██████████ [and] had ██████████ product numbers,
3 beginning with AQX.” *Id.* at 12:25-26 (citing Exhibit 23 13:13-24, 17:2-8). The other
4 testimony from Mr. Baxter likewise describes nothing more than how ██████████ operates
5 and in no way proves infringing acts by Defendant. *See Id.* at 13:4-29 (citing Exhibit 23
6 at pages 4:3-14, 16:4-14, 10:17-11:3, 58:1-8, 43:14-22). Plaintiff also argues that
7 Defendant and ██████████ “share a master spreadsheet that cross references the ██████████ and
8 UDE parts with corresponding descriptions.” *Id.* at 14:3-4 (citing Exhibit 13). Again, this
9 does not prove infringement because the evidence shows ██████████ did not know where its
10 products went, so Defendant likewise could not be held to know they would end up in the
11 U.S. *See Bergen Dep. Trans.* at 5-6, 48:10-49:1.

12 v. Multi-Sourcing

13 Defendant’s most persuasive argument is that “[e]ven if Pulse had been able to trace
14 the accused ICMs into an end device in the U.S., Pulse makes no effort to account for
15 multi-sourcing of ICM products, at either the EMS or brand company level.” *Def. Mot.* at
16 14:14-16.

17 On February 27, 2020, Defendant’s Marketing Manager, Greg Loudermilk,
18 submitted a declaration, under penalty of perjury, that “even if UDE knew what OEM
19 product contained one of its own products, UDE would not be able to determine which
20 instances of the OEM product contained UDE’s product.” Exhibit 13 to *Def. Mot.*, ECF
21 No. 144-16 at 9, ¶ 17. He elaborated that “because an OEM product can be distributed in
22 many different geographic markets, it is not feasible for UDE to determine which of its
23 products go where.” *Id.* While the Court takes this statement from a party-employee with
24 a grain of salt, Plaintiff’s own damages expert, Arthur Cobb, testified similarly:

25 **Q. Is it common in the electronics industry to single source
26 suppliers?**

27 **A. No.**

28 *Cobb. Dep. Trans.* at 6, 26:6-10.

Plaintiff admits that it “does not dispute that ICMs are multi-sourced in some

1 instances.” Pltff. Oppo. at 19:13. However, Plaintiff argues that it “obtained evidence that
2 ██████ uses a 100% allocation of UDE ‘G’ Series and ‘N’ Series ICMs for its—and—projects
3 as shown in . . . [a] screenshot from an Excel file produced by ██████.” *Id.* at 19:13-25 (citing
4 Exhibit 26 to Plaintiff’s Opposition (screenshot of HPE39529)). Plaintiff asserts that
5 Exhibit 26 proves that ██████ uses a 100% allocation for specific UDE ICMs, including but
6 not limited to the GM4-HP-0003, GM4-HP-0004, GM8-HP-0001, GM8-HP-0002, ND-
7 HP-0003, and ND-HP-0005. *Id.* at 19:26-20:2 (citing Exhibits 15 and 26 to Plaintiff’s
8 Opposition). Plaintiff also asserts that “multi-sourcing is irrelevant because Pulse’s
9 damages opinions only account for the ICMs sourced from UDE.” Pltff. Oppo. at 19:9-10.
10 However, while the opinion of Plaintiff’s damages expert becomes relevant if Plaintiff can
11 prove causation (e.g., that sales of Accused Products occurred in the U.S.), that opinion
12 cannot in and of itself establish causation.

13 Defendant responds that Plaintiff’s argument that ██████ had a 100% allocation of
14 Defendant’s products is false because ██████ told Defendant that it had a policy against 100%
15 allocation because it needed “to dual source everything and give supplier fair share.” Def.
16 Reply at 7:1-4 (citing Exhibit 25 at 00065) (internal citations omitted). However,
17 Defendant admits that Plaintiff’s evidence “does indicate a single project (listed as
18 ‘██████’) for which UDE was allegedly allocated 100% for four accused G-Series ICMs.”
19 *Id.* at 7:7-10 (citing Exhibit 15 to Plaintiff’s Opposition). That being said, Plaintiff’s
20 evidence “refers only to internal project names and part numbers, and not publicly
21 identifiable finished-product names or numbers, meaning Pulse has no evidence that any
22 of these part numbers or project names were ever sold in the U.S.” Def. Reply at 7:19-14.
23 In fact, Defendant states that other evidence produced by EMS companies “indicates these
24 products were exclusively for Singapore, and were *never destined for the U.S.*” *Id.* at
25 7:14-16 (original emphasis). Finally, Defendant notes that Plaintiff “did depose one EMS,
26 Aquantia, but that evidence fares little better, as there is no indication as to what percentage
27 of products incorporate UDE accused ICMs, as opposed to other suppliers.” *Id.* at 9:7-9.

28 At his deposition, the corporate designee of the only EMS company deposed, Mr.

1 Bergen, testified that when he worked for Aquantia, [REDACTED]
2 [REDACTED], Aquantia did not know where [REDACTED] high-speed products would end up
3 going. Bergen Trans. at 5-6, 48:20-49:1. Just as multi-sourcing prevented the *Largan*
4 court from finding induced infringement, it prevents this Court from finding induced
5 infringement as well. Plaintiff has not provided evidence showing Defendant had actual
6 knowledge its products would end up in the U.S., subjectively believed there was a high
7 probability they would end up in the U.S., or took deliberate actions to avoid learning such
8 facts. *Global-Tech*, 562 U.S. at 769. More importantly, “mere allegation and speculation
9 do not create a factual dispute for purposes of summary judgment.” *Nelson v. Pima Cmty.*
10 *Coll.*, 83 F.3d 1075, 1081-82 (9th Cir. 1996). Although Plaintiff sought discovery from
11 other companies in the ICM supply chain, such as EMS and brand companies, about
12 whether Defendant’s Accused ICMs were incorporated into devices sold by those
13 companies within the U.S., “none of those subpoenaed companies were able to provide any
14 evidence beyond a generic indication of their percentage of sales in the U.S. for all
15 products” as opposed to just Accused Products. Def. Mot. at 14:7-14 (citing Cobb Dep.
16 Trans. at 14, 116:7-24, 15, 117:5-119:10 (testifying that the information produced by Dell,
17 Juniper, and Cisco did not show that Dell, Juniper, or Cisco “products contain the accused
18 ICMs” entering the U.S.)); *see also Largan*, 86 F. Supp. 3d at 1118 (where the downstream
19 sellers relied on both the plaintiff and the defendant to supply lenses, even if the defendant
20 induced its suppliers to use its lenses, summary judgment of no induced infringement was
21 appropriate because the end-products using the lenses could all (1) be sold outside the U.S.
22 or (2) use the patent-holder’s lenses for the products sold within the U.S.).

23 “Even indirect infringement, which can encompass conduct occurring elsewhere,
24 requires underlying direct infringement in the United States.” *Power Integrations I*, 711
25 F.3d at 1371 (internal citations omitted); *see also Brown v. Duchesne*, 60 U.S. 183, 195-96
26 (1856) (providing that the use of a patented invention “outside of the jurisdiction of the
27 United States is not an infringement of his rights, and he has no claim to any compensation
28 for the profit or advantage the party may derive from it”). Defendant has shown the

1 absence of evidence showing U.S. sales sufficient to warrant summary judgment.

2 b. There is no evidence Defendant took affirmative steps to
3 encourage importation of ICMs into the U.S.

4 Even *assuming arguendo*, Plaintiff had established third-party U.S. sales of Accused
5 ICMs, “intent to induce infringement cannot be inferred even when the defendant has
6 actual knowledge that some users of its product may be infringing the patent.” *Vita-Mix*
7 *Corp. v. Basic Holding, Inc.*, 581 F.3d 1317, 1329 (Fed. Cir. 2009). As a result, even if
8 Defendant knew the actions of EMS and brand companies would result in infringement,
9 that alone will not create liability for induced infringement. *See, e.g., Enplas Display*
10 *Device Corp. v. Seoul Semiconductor Co., Ltd.*, 909 F.3d 398, 407 (Fed. Cir. 2018) (“Mere
11 knowledge of infringement is insufficient.”); *Enplas Display Device Corp. v. Seoul*
12 *Semiconductor Co., Ltd.*, 909 F.3d 398, 408-09 (Fed. Cir. 2018) (noting that “mere
13 knowledge of possible [or even actual] infringement is not enough”). Rather, Plaintiff must
14 show Defendant knew both (1) of the Patents-in-Suit and (2) that the acts by the EMS or
15 brand companies that Defendant induced—either making, using, selling, offering for sale,
16 or importing devices containing Accused Products—constituted infringement. *Id.* This
17 requires Plaintiff to provide evidence of affirmative steps to bring about infringement. *See,*
18 *e.g., Global-Tech*, 563 U.S. at 771 (affirming the judgment of the Federal Circuit because
19 “[t]aken together, this evidence was more than sufficient for a jury to find that Pentalpha
20 subjectively believed there was a high probability that SEB’s fryer was patented, [and] that
21 Pentalpha took deliberate steps to avoid knowing that fact”).

22 “Intent is a factual determination particularly within the province of the trier of fact.”
23 *Water Techs. Corp. v. Calco, Ltd.*, 850 F.2d 660, 669 (Fed. Cir. 1988). “The requisite
24 intent to induce infringement may be inferred from all of the circumstances.” *See id.*
25 (holding that the defendant’s “activities provide sufficient circumstantial evidence for this
26 court to affirm the district court’s finding that he intentionally induced Calco’s and the
27 public’s direct infringement”). However, courts have held that the following activities may
28 (but not necessarily must) induce another’s direct infringement sufficient to create liability

1 for induced infringement: (1) instructing purchasers to use the product sold in an infringing
2 manner, *see, e.g., Microsoft Corp. v. DataTern, Inc.*, 755 F.3d 899, 905 (Fed. Cir. 2014)
3 (holding that “[p]roviding instructions to use a product in an infringing manner is evidence
4 of the required mental state for inducing infringement”); (2) “advertising an infringing
5 use,” *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1322 (Fed. Cir. 2009); (3)
6 exerting control over the accused product’s manufacturing, *Water Techs. Corp. v. Calco,*
7 *Ltd.*, 850 F.2d 660, 669 (Fed. Cir. 1988); or (4) designing of an infringing product, *see id.*

8 Defendant argues that Plaintiff’s interrogatory responses assert that Defendant “took
9 and continues to undertake affirmative acts to induce third parties to import its products
10 into the United States.” Def. Mot. at 19:27-20:2; *see also* SAC at 20:11-14. However,
11 Defendant argues this claim is unsubstantiated by the evidence for the below reasons:

12 First, UDE is far removed from branded companies like Cisco
13 and HPE that sell in the U.S. The supply chain proceeds as
14 follows: (1) UDE receives purchase orders from EMS companies
15 at UDE’s headquarters in Taiwan; (2) UDE fulfills those
16 purchase orders by shipping ICMs to the EMS companies which
17 almost always occurs outside the U.S., and typically in Asia; (3)
18 after shipment to the EMS, UDE has no knowledge or
19 involvement with the ultimate destination of its ICMs; (4) the
20 EMS incorporate the ICMs into a device, like a network switch,
21 that the EMS manufacture outside the U.S. for a branded
22 company like Cisco or HPE; (5) the EMS ship the manufactured
network device to a branded company overseas, typically in
Asia; (6) the branded company or even a further downstream
company working on its behalf ships the network device to
countries all over the world which may or may not include the
U.S.

23 Def. Mot. at 20:2-14 (citing Exhibit 3 to Def. Mot., Defendant’s Responses and Objections
24 to Plaintiff’s Second Set of Interrogatories, ECF No. 144-6 at 11-13; Exhibit 13 to Def.
25 Mot., Declaration of Greg Loudermilk in Support of Joint Motion for Determination of
26 Discovery Dispute, ECF No. 144-6 at 16 at 6-8, ¶¶ 11-16).

27 Defendant argues that its lack of concern for where its ICMs end up makes this case
28 resemble the case of *Hewlett-Packard Co. v. Bausch & Lomb Inc.*, 909 F.2d 1464, 1466

1 (Fed. Cir. 1990), where the Federal Circuit affirmed the district court’s judgment that the
2 defendant had not actively induced infringement of a patent. In *Hewlett-Packard*, the
3 plaintiff patent-holder filed suit against the defendant after the defendant sold one of its
4 corporate divisions to a third-party, accusing the defendant of inducing infringement for
5 all periods subsequent to the sale. *Id.* at 1467. However, the court affirmed the summary
6 judgment of no induced infringement because it found the totality of events surrounding
7 the sale showed that the defendant “was merely interested in divesting itself of Houston
8 Instruments at the highest possible price.” *Id.* at 1469. The defendant had no interest in
9 what the buyer did with the division “and certainly did not care one way or the other”
10 whether the division continued to make the potentially infringing products. *Id.* Even
11 though the sale agreement for the division had an indemnification provision requiring the
12 defendant to indemnify the buyer for any infringement of the patent-in-suit, the court
13 founds this insignificant. *Id.* at 1470. It showed nothing more than proving what the
14 defendant “really wanted out of this agreement was the sale of Houston Instruments at the
15 greatest possible price” even if it required the defendant to bear the risk of products
16 ultimately being found to infringe. *Id.*

17 Defendant argues that Plaintiff’s “inducement argument has more flaws than HP’s
18 argument.” Def. Mot. at 21:12. Defendant points out that like the *Hewlett-Packard*
19 defendant, Defendant “is interested only in selling its ICMs to EMS companies.” *Id.* at
20 21:12-13. “What the EMS companies do with the ICMs after receiving them from UDE
21 ‘is in some sense extraneous information to UDE, because [UDE’s] sales transaction begins
22 and ends with the EMS company.’” *Id.* at 21:13-16. Indeed, even if Defendant knew third-
23 parties could infringe Plaintiff’s Patents-in-Suit, which Defendant denies, that is still not
24 enough to establish induced infringement. *Hewlett-Packard*, 909 F.3d at 1470. In fact,
25 Defendant argues the facts of this case are even more favorable to Defendant than those in
26 *Hewlett-Packard* for three reasons: First, the sale in *Hewlett-Packard* involved a direct sale
27 to the infringing party (e.g., from the defendant to the entity to whom it sold the division
28 that made the infringing products), 909 F.3d at 1467, whereas in this case, Defendant “is

1 the beginning of a multi-step supply chain, in which the alleged direct infringers, branded
2 companies like Cisco and HPE, or perhaps companies importing devices on their behalf,
3 are at the end.” Def. Mot. at 21:19-22. Second, the *Hewlett-Packard* defendant admitted
4 infringement, 909 F.2d at 1467, whereas Defendant contests infringement. *Id.* at 21:23-
5 26. Third, the *Hewlett-Packard* defendant agreed to indemnify the direct infringer,
6 reflecting it understood the end result of the sale would potentially result in continued
7 infringement, 909 F.2d at 1467, whereas Defendant has no relationship—much less an
8 indemnification agreement—with branded companies. Def. Mot. at 21:26-22:2. The Court
9 agrees that like the defendant in *Hewlett-Packard*, the evidence suggests Defendant’s only
10 concern was selling its products, and where those sales took place did not matter to UDE.

11 Plaintiff responds by arguing that if Defendant “is ‘far removed from branded
12 companies like [REDACTED] and [REDACTED],’ then why did [REDACTED] produced [sic] over 43,280 documents
13 in response to Pulse’s subpoena?” Pltff. Oppo. at 17:12-15 (citing Exhibit 15 to Plaintiff’s
14 Opposition). However, sheer volume of documents produced in response to a subpoena
15 proves nothing, and as a result, this argument is insignificant. Plaintiff also argues that the
16 fact that Defendant works with its customers for the design in U.S. proves intent to induce
17 infringing acts. *Id.* at 18:4-8 (citing Exhibit 20 to Plaintiff’s Opposition, February 24, 2016
18 E-mail from Greg Loudermilk to KB Ong at Pulse, ECF No. 150-23 at 5 (stating that “UDE
19 works closely with Accton, however, for the design in U.S.” of products for Defendant’s
20 clients, Brocade). However, first, the e-mail on which Plaintiff relies where Defendant
21 discusses working closely with Accton/Brocade does not prove this work is directed to
22 towards making any of the Accused Products. Second, *Largan* demonstrates that working
23 with downstream sellers, even by visiting the U.S., does not establish induced
24 infringement, especially where those sellers sell products worldwide. 646 Fed. App’x 948.

25 Next, Plaintiff argues that in February 2016, Greg Loudermilk e-mailed Plaintiff’s
26 CEO to explain that Defendant “is taking more footprint from our competitors” including
27 “10% from Pulse” annually over the past three years in the North American Market.” Pltff.
28 Oppo. at 18:13-16 (citing Exhibit 28 to Plaintiff’s Opposition). However, North America

1 includes more than the U.S., and as such, this e-mail still does not prove intent to infringe
2 within the U.S., particularly because again, Defendant is allowed to sell products in the
3 U.S. so long as those products do not practice Plaintiff’s Patents-in-Suit or are not accused
4 in this case.

5 In sum, Plaintiff argues the above actions show Defendant encouraging, marketing,
6 and promoting its ICMs to Defendant’s customers, including numerous companies based
7 in the U.S. and selling multi-gigabit ICMs in the U.S., which reflects “an affirmative intent
8 on behalf of UDE which actively aids the infringement by UDE’s customers.” Pltff. Oppo.
9 at 18:21-24. While Plaintiff has, in fact, provided evidence that Defendant encourages,
10 markets, or promotes the sale of *some* products targeted towards the U.S., Plaintiff has
11 failed to “connect the dots” by showing the products discussed in the evidence on which
12 Plaintiff relies are also products not just accused in this case but also sold or imported into
13 the U.S. As a result, Plaintiff has failed to come forward with evidence in the record
14 showing Defendant took affirmative steps to cause the accused ICMs to be imported or
15 sold within the U.S. sufficient to create a genuine issue of fact as to induced infringement.
16 Thus, the Court grants summary judgment in Defendant’s favor on the issue of induced
17 infringement as to all Accused Products sold by Defendant outside the U.S.

18 **2. Summary Judgment is Appropriate for the GX-X Series which**
19 **Defendant Has Never Sold Anywhere**

20 Defendant argues that Plaintiff “continues to accuse a series of products (GX-X) that
21 UDE *has never sold anywhere*.” Def. Mot. at 22:5-8. Plaintiff responds that it need not
22 prove sales to prove infringement; rather, infringement for the GX-X series can be proven
23 by other acts. Pltff. Oppo. at 5-15-20, 21:2-5. Thus, Plaintiff argues it “is entitled to an
24 infringement judgment based on UDE’s importation of the ‘GX-X’ series product into the
25 U.S., at least based upon the physical UDE ICM ‘GM-41000VJ84-1’ that Pulse and/or its
26 counsel has been in possession of in the U.S. since before the suit was filed.” *Id.* Plaintiff
27 also argues that “the English language data sheets for highly similar ‘GX-X’ series devices
28 such as the GM-80000VR14-1 . . . are currently present on UDE’s website,” and as such,

1 infer those products are sold. *Id.* at 5:20-24; 21:6-28. Defendant responds that while
2 Plaintiff argues it examined a product from the GX-X series, Plaintiff conveniently fails to
3 inform the Court how it secured that product. Def. Reply at 13:10-16. Defendant points
4 out that Plaintiff “has not presented any evidence indicating that anyone other than Pulse
5 ever used, imported, etc. that GX-X sample in the U.S.,” and Defendant believes Plaintiff
6 obtained the sample outside the U.S.” *Id.* at 13:12-16. Defendant also argues that the data
7 sheet on which Plaintiff relies does not represent an offer to sell, import, or use the GX-X
8 series in the U.S. *Id.* at 13:22-14:9.

9 Exhibit 14 to Defendant’s Opposition shows Defendant UDE’s related sales
10 transactions worldwide for the period of 2015 through September 30, 2020 and shows no
11 sales of the GX-X Series. *See* ECF No. 142-10. When Plaintiff’s damages expert, Mr.
12 Cobb, was asked directly, “Are you aware of any evidence that GX-X has ever been offered
13 for sale in the United States?,” he responded with a succinct, “No.” Cobb. Dep. Trans. at
14 13, 110:11-13. Thus, separate and aside from whether the GX-X Series infringes, Plaintiff
15 has failed to point to any evidence in the record showing Defendant ever used, sold, offered
16 for sale, or made the GX-X Series products within the U.S. *See also id.* at 109:13-20
17 (testifying that he has not seen any evidence refuting the fact that GX-X has never been
18 sold). Other courts have granted summary judgment in the absence of evidence of evidence
19 of sales during the time period covered by the relevant patent. *See, e.g., Largan*, 86 F.
20 Supp. 3d at 1120 (granting the defendant’s motion for summary judgment of no
21 infringement as to a product the defendant stopped selling before the patent pertaining to
22 that accused product issued; thus, there were no sales once the patent issued).

23 Because Plaintiff failed to produce evidence creating a genuine issue of fact as to
24 whether the GX-X Series of Accused Products were ever sold, used, made, or imported in
25 the U.S., and therefore, infringe on Plaintiff’s Patents-in-Suit, the Court finds it appropriate
26 to grant summary judgment in Defendant’s favor as to the GX-X Series. The Court
27 dismisses all of Plaintiff’s claims directed towards this series of products.

28 ///

1 3. *A Summary Judgment of Non-Infringement is Appropriate for the S-*
2 *Series and N-Series Products that Plaintiff Never Analyzed*

3 Defendant argues that despite being provided multiple samples from each series for
4 analysis, Mr. Baxter “analyzed only a single model number for both the S-series and N-
5 series, and then, simply declared the model he analyzed for each series is ‘substantially
6 similar’ to all other models in that series, without bothering to adequately prove that is
7 correct.” Def. Mot. at 22:17-20. Defendant contends Plaintiff cannot assume all of
8 Defendant’s products are like the one Mr. Baxter chose to test, and thereby, shift the burden
9 of proof to Defendant prove otherwise. *Id.* at 22:20-22. According to Defendant, because
10 Mr. Baxter only analyzed products which are not representative of the Accused Products,
11 Plaintiff’s claims should be dismissed as to the Accused Products Mr. Baxter did not
12 analyze. *Id.* at 23:4-5. Plaintiff opposes by relying on general authority that allows parties
13 to chart representative products to argue that because it charted representative products for
14 the S and N Series of Accused Products, Defendant “has failed to show that no genuine
15 issue of material fact exists as to the S-Series and N-Series representative products.” *Id.* at
16 11:5-16. However, Defendant responds that Plaintiff’s “Opposition makes no headway in
17 showing what Pulse is required to [show to] survive summary judgment: that the analyzed
18 products are in fact representative of each of the other products Pulse tries to cover.” Def.
19 Reply at 14:11-14.

20 “When a patentee with the burden of proof seeks summary judgment of
21 infringement, it must make a prima facie showing of infringement as to each accused
22 device before the burden shifts to the accused infringer to offer contrary evidence.” *L &*
23 *W, Inc. v. Shertech, Inc.*, 471 F.3d 1311, 1318 (Fed. Cir. 2006) (holding that the defendant
24 “failed to satisfy its burden of showing that there is no genuine issue of material fact on the
25 issue of infringement”). While representative products may be charted to show
26 infringement, a patent holder may only rely on charts of a representative product where the
27 representative products are “supported by adequate analysis showing that the accused
28 products share the same critical characteristics.” *See Cap Co. v. McAfee, Inc.*, No. 14-CV-

1 05068-JD, 2015 WL 4734951, at *2 (N.D. Cal. Aug. 10, 2015).

2 For the reasons outlined below, the Court finds Plaintiff's analyzed products were
3 not, in fact, representative of the series they sought to cover. Because Plaintiff did not
4 present evidence of infringement for any unanalyzed products, Defendant has shown the
5 absence of a genuine issue of fact as to whether the unanalyzed S-Series and N-Series
6 Accused Products infringe.

7 a. The analyzed S3Y-HP-0001 is not representative of the S Series

8 This Court has already held that Plaintiff failed to show the absence of a genuine
9 issue of fact as to whether the S3Y-HP-0001 MPN, which is the only product Mr. Baxter
10 examined, is representative of the "S" Series of Accused Products. Defendant argues
11 Plaintiff rejected Defendant's proposal of the S3D-AR-0001 as representative and chose,
12 instead, to analyze the non-representative S3Y-HP-0001 because "the S3D-AR-0001
13 product cannot infringe the '840 or '318 Patents, and Pulse knows that, but wanted to
14 accuse all the S-Series sales despite lacking the technical basis to do so." Def. Mot. at
15 23:11-17. Defendant elaborates that because Mr. Baxter did not analyze the other products
16 in the series, "[t]here simply is no *prima facie* showing of infringement by the other S-
17 series devices that Mr. Baxter did not analyze." *Id.* at 24:5-7. Plaintiff attempts to defeat
18 Defendant's Motion for Summary Judgment as to the "S" Series of Accused Products
19 solely by summarily arguing that the S3Y-HP-0001 is, in fact, representative. Pltff. Oppo.
20 at 22:17-23:8. This argument fails in light of the Court's ruling on that issue in response
21 to Plaintiff's Motion for Summary Judgment. The Court finds Defendant has shown the
22 absence of a genuine issue of fact as to whether the unanalyzed "S" Series of Accused
23 Products infringe. However, the Court finds a genuine issue of fact remains as to whether
24 the S3Y-HP-0001 infringes, but this issue may not be relevant if Plaintiff cannot come
25 forward with evidence of infringing acts within the U.S.

26 b. A genuine issue of fact exists as to whether the N42-ZT-0001 is
27 representative

28 Defendant argues that as to the N-Series of Accused Products, Mr. Baxter also only

1 analyzed a single ICM from the series, and the ICM he chose to analyze was not the ICM
2 Defendant had proposed as representative of the series. Def. Mot. at 24:25-25:3.
3 Defendant elaborates that Mr. Baxter “trie[d] to argue the N42-ZT-0001 is representative
4 of other unanalyzed N-series ICMs solely by reference to documents apparently for a
5 product number N40-MA-0004, **which is not even accused in this case.**” Def. Mot. at
6 25:3-8 (internal citations omitted) (original emphasis). Defendant also contends that other
7 than Mr. Baxter’s comparison of Plaintiff’s proposed representative product to a non-
8 Accused Product, Plaintiff has no other evidence that its proposed “N42-ZT-0001 ICM is
9 representative in any way of the other accused N-series ICMs, including the N60-AQ-0008
10 that Dr. Lebbly explains does not infringe.” *Id.* at 25:8-11. Thus, according to Defendant,
11 if the only product Mr. Baxter analyzed, which is the N42-ZT-0001, is not, in fact,
12 representative of other products in the N Series, then, the evidence pertaining to that
13 product cannot apply to the other products in the N Series, meaning Plaintiff is left with no
14 evidence of infringement as to the other Accused Products in the series. *Id.* at 25:8-15.

15 Plaintiff responds by arguing it should be allowed to prove infringement based on
16 the N42-ZT-0001 as representative because Defendant only provided two products from
17 the N Series for Plaintiff to examine, and the N42-ZT-0001 was the only UDE-branded
18 device, so the Court should allow Plaintiff to rely on it. Pltff. Oppo. at 23:9-23. Plaintiff
19 also relies on its improper Amended Infringement Contentions. *See id.*

20 Mr. Baxter testified the structure of the N60-AQ-0008, which is another product in
21 the N Series, “does appear to be somewhat different” from the structure of the N42-ZT-
22 0001. Baxter Dep. Trans. II at 15, 71:5-11. When asked, “So, N42-ZT-0001 is not
23 representative of N60-AQ-0008, right?,” Mr. Baxter responded, “Not from what I could
24 see here.” *Id.* at 71:12-16. The Court finds that Defendant has shown the absence of a
25 genuine issue of fact as to whether the N42-ZT-0001 is representative of the N Series of
26 Accused Products. If the N42-ZT-0001 is not representative of all other Accused Products
27 in the N Series, and Plaintiff only has evidence of infringement pertaining to the N42-ZT-
28 0001, then, Plaintiff lacks evidence that any other Accused Products within the N-Series

1 infringe on Plaintiff's Patents-in-Suit. Thus, the Court dismisses all N-Series Products
2 other than the N42-ZT-0001.

3 **C. Defendant's Daubert Motion**

4 Defendant asks the Court to exclude the opinion of Plaintiff's damages expert,
5 Arthur Cobb, estimating UDE's U.S. sales of accused ICMs as a percentage of its sales of
6 products outside the U.S. as improperly based on speculative data. Def. Mot. at 25:18-22.
7 Plaintiff responds that Defendant's disagreement with Mr. Cobb's testimony should be
8 settled on cross-examination at trial. Pltff. Oppo. at 25:13-17. Defendant replies that
9 Plaintiff's attempts to argue the Court should admit Mr. Cobb's opinion fail because the
10 case law on which it relies involve cases where the opinions were substantially more
11 reliable. Def. Reply at 11:7-13:4. As set forth below, the Court finds exclusion of Mr.
12 Cobb's opinion appropriate given it relies on speculative information, and as such, is
13 unreliable.

14 During Mr. Cobb's deposition, he testified that he estimated the royalty base by
15 estimating "total sales of accused products to 30 percent of the total [sales] to reflect [sic]
16 discount for the nonpatented features and United States sales." Cobb. Dep. Trans. at 10-
17 22, 96:13-19. He based his "reduction for US sales," which he stated "would likely be in
18 the range of 35 to 40 percent" on documents identifying "the United States and North
19 American sales for UDE's leading brand end clients in networking and servers, ranging
20 from 32 to 74 percent." *Id.* at 97:3-11. However, Mr. Cobb also admitted he had no
21 evidence that the products covered by the sales data he used to calculate his opinions
22 actually incorporated Defendant's accused ICMs. *Id.* 19, 144:22-25.

23 In *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, the Supreme Court held that a
24 trial judge's jobs under the Federal Rules of Evidence is to "ensure that any and all [expert]
25 evidence admitted is not only relevant, but reliable." 509 U.S. at 589. At the same time, a
26 court may not exclude expert testimony simply because it finds the testimony unpersuasive.
27 Rather, "[v]igorous cross-examination, presentation of contrary evidence, and careful
28 instruction on the burden of proof are the traditional and appropriate means of attacking

1 shaky but admissible evidence.” *Daubert*, 509 U.S. at 596. Cases applying *Dabuert* have
2 used it to exclude unreliably, but not unpersuasive expert opinions. For example, in *Power*
3 *Integrations I*, 711 F.3d at 1373-74, the Federal Circuit held that the district court’s
4 decision to admit the plaintiff’s expert’s opinion constituted an abuse of discretion
5 warranting a new trial because the expert’s damages testimony was unreliable for two
6 reasons. 711 F.3d at 1373-74. First, the source on which the expert relied for his estimate
7 of Samsung’s worldwide sales was unclear. *Id.* at 1373. Second, the document on which
8 he relied to estimate damages showed worldwide shipments of mobile phones; however,
9 the infringing products (*i.e.*, power circuits) were found in mobile phone chargers, not
10 mobile phones. *Id.* Thus, even though the court acknowledged it would be reasonable to
11 assume phones would be shipped with chargers, the document on which the expert relied
12 did not provide a reliable link indicating the shipped phones necessarily included chargers
13 in each shipment. *Id.* Without more, it was improper to assume all shipments included a
14 charger. *Id.* at 1373-74. Additionally, the expert’s opinion assumed not only that each
15 shipment included a phone charger but also that each phone charger contained an infringing
16 circuit. *Id.* at 1374. However, the document on which the expert relied did not have any
17 model numbers or other indicia which would allow an inference that the chargers all
18 included the defendant’s infringing power circuits, and several other companies sold
19 competing power circuits to Samsung. *Id.* Thus, the expert “had no way to distinguish
20 between infringing and noninfringing chargers, and his assumption that all chargers
21 incorporated an infringing power circuit was speculation.” *Id.* As a result, the Federal
22 Circuit held that because the opinion “derived from unreliable data and built on
23 speculation,” it lacked “the hallmarks of genuinely useful expert testimony.” *Id.*

24 Defendant argues that just like the opinion in *Power Integrations I*, Mr. Cobb’s
25 opinion fails to distinguish between accused products and non-accused products or even
26 limit itself to Defendant’s customers. Def. Mot. at 27:9-21. Defendant argues that Mr.
27 Cobb “has no evidence that these UDE customers [on the list he uses] are customers for
28 the **accused products** because he admits he simply identified certain customers from a UDE

1 presentation that was for *all* of UDE’s products, as opposed to UDE’s sales for the accused
2 ICMs.” *Id.* (original emphasis). Plaintiff responds by noting that “[t]he opinion in *Power*
3 *Integrations I* was based on the speculative assumption that each phone was sold with an
4 infringing charger, but the documents relied on by the expert did not support that
5 assumption.” Pltff. Oppo. at 25:3-8. In this case, however, Plaintiff argues that Mr. Cobb’s
6 opinion uses “actual data produced by UDE for the infringing ICMs and has documented
7 the support for the 30%.” *Id.* at 25:8-9. Plaintiff also argues that Defendant’s motion
8 “appears to intentionally ignore the decision in *Power Integrations II*, 843 F.3d at 1315,
9 1333-34, but that case did not involve a *Daubert* motion.”²³ *Id.* at 25:25-26:5.

10
11 ²³ To the extent Plaintiff appears to argue that *Power Integrations II* stands for the
12 proposition that Defendant’s “argument that it allegedly ‘does not know’ where its ICMs
13 end up is . . . not adequate for either Partial Summary Judgment or *Daubert*,” *id.*, the Court
14 finds this argument unavailing. In *Power Integrations II*, the Federal Circuit held that the
15 plaintiff had “introduced significant—though not necessarily overwhelming—evidence
16 that would allow a jury to find that Fairchild took affirmative acts to induce third parties to
17 import its products into the United States.” 843 F.3d at 1333. However, the *Power*
18 *Integrations II* plaintiff presented evidence that the defendant (1) designed its controller
19 chips to meet certain U.S. energy standards, (2) competed for business it knew was directed
20 to the U.S., (3) “provided demonstration boards containing the infringing controller chips
21 to customers and potential customers in the United States,” (4) maintained a website that
22 enabled customers to locate a U.S.-based distributor that sold the defendant’s infringing
23 controller chips, (5) “maintained a technical support center in the United States that
24 provided support for the *infringing controller chips* to customers based in the United
25 States,” and (6) had “standard terms and conditions [that] indemnified customers against
26 claims for infringement of United States patents.” *Id.* at 1333-34.

27 While Plaintiff attempts to argue the same evidence in this case supports a finding
28 of infringement and exclusion of Mr. Cobb’s opinion, this case differs from *Power*
Integrations II in the following ways: First, there is evidence that Defendant designed
products pursuant to customer requests, but there is no similar evidence that those requests
were targeted towards U.S. standards, or if they were, that Defendant knew that. Second,
while there is evidence Defendant competed for business with companies it knew sold
products within the U.S., there is no evidence Defendant competed for business with any
EMS or brand companies and knew they intended to sell Defendant’s their products,
containing Defendant’s ICMs, within the U.S. Third, even though there is evidence
Defendant had data sheets on its products on its website, there is no evidence Defendant’s
website allowed customers to locate distributors of its products in the U.S., as in *Power*

1 Next, Defendant argues the Court must exclude Mr. Cobb's opinion just as the court
2 in *Eidos Display, LLC v. Chi Mei Innolux Corp.*, 262 F. Supp. 3d 424, 426-28 (E.D. Tex.
3 2017) excluded the same type of opinion also offered by Mr. Cobb. In *Eidos*, which also
4 involved alleged patent infringement, Mr. Cobb started with a base of accused products
5 sold worldwide, just as he did in this case, and applied a percentage to estimate sales in the
6 U.S. *Id.* at 426. The court held that "the critical problem with Mr. Cobb's application of
7 his 25% [estimate] is that he has no opinions or testimony to support a conclusion that such
8 a percentage would be an appropriate representation of the number of each Defendants'
9 *accused infringing products* that were shipped into the United States." *Id.* at 426. The
10 court also reasoned that unlike *Power Integrations I*, where the expert at least had some
11 data specific to U.S. customers, Mr. Cobb had no such data. *Id.* Further, while the plaintiff
12 argued Mr. Cobb's opinions were admissible because he can provide a "hypothetical
13 negotiation analysis for a U.S. license to the patent-in-suit," the Court reasoned that "given
14 that Mr. Cobb's damages opinions as to indirect sales have been deemed inadmissible,
15 these third party licenses cannot stand alone to support damages for indirect infringement
16 in the context of a hypothetical negotiation." *Id.* at 427. While such "licenses may be
17 informative and comparable, they do not reliably support an estimate of indirect sales of
18 each Defendants' accused infringing products in the United States." *Id.* at 427. As a result,
19 the court held that "Mr. Cobb has yet to provide opinions that would be permissible under
20 *Daubert*," found his "use of a 25% portion of U.S. sales speculative and inadmissible," and
21 prohibited from providing such opinions at trial. *Id.* The court also prevented him from
22 relying "on third party licenses to testify to indirect damages." *Id.*

23 Plaintiff argues that Defendant "ignores widely cited case law to argue that Mr. Cobb
24 needs to apply weight to each customer or otherwise complete a damages analysis for each
25 customer." Pltff. Oppo. at 26:6-15. Plaintiff is correct that "[p]laintiffs who identify an
26 entire category of infringers (e.g., the defendant's customers) may cast their theories of

27 *Integrations II*. Fourth, even though Defendant maintained a U.S. office, there is no
28 evidence it offered technical support for *Accused Products* within the U.S.

1 vicarious liability more broadly, and may consequently seek damages or injunctions across
2 the entire category.” *Id.* However, Plaintiff also argues that it “conducted third party
3 discovery on what Pulse believed were the largest customers of UDE,” and Mr. Cobb’s
4 opinion was appropriately based on that customer data even if it excluded some of
5 Defendant’s customers. Pltff. Oppo. at 25:17-21. While Plaintiff may rely on categories
6 of evidence, it must establish that those categories first show at least some Accused
7 Products entered the U.S. Here, Mr. Cobb admits the invoices in this case do not show any
8 Accused Products shipped directly to the U.S., Cobb. Dep. Trans. at 4, 19:23-20:6, and he
9 does not have evidence of sales by Defendant’s clients in the U.S. involving products
10 incorporating accused ICMs., *id.* at 19, 144:22-25. Next, Plaintiff argues that in *Eidos*, the
11 “court . . . reconsidered the reliability of Mr. Cobb’s testimony after *Power Integrations II*
12 was decided” and “was prepared to admit Mr. Cobb’s testimony, including the indirect
13 royalty base,” but the case settled before Mr. Cobb could testify. Pltff. Oppo. at 25:1-12.
14 However, Defendant responds that “[w]hile it is true that the *Eidos* court severed the
15 indirect infringement allegations, no order in that case overturned the exclusion of Mr.
16 Cobb’s speculative estimate.” Def. Reply at 12:17-19. Regardless of any subsequent
17 history in *Eidos*, the Court finds the *Eidos* court’s original order persuasive.

18 Finally, Plaintiff argues that in *Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 900 F. Supp.
19 2d 1160 (D. Nev. 2012) (“*Halo II*”), the court found a 30% royalty base admissible and
20 that any challenge should be made on cross-examination. Pltff. Oppo. at 24:11-20. *Halo*
21 *II* involved a patent infringement case brought against Pulse, where Pulse filed a motion to
22 exclude the opinions of the plaintiff’s expert. *Id.* at 1162. Pulse argued that (1) its sales of
23 the accused products outside the U.S., including total worldwide sales, were irrelevant, (2)
24 the plaintiff’s royalty base analysis was unsupported by proper evidence, and (3) the
25 plaintiff should not be allowed to rely on a patent licensing agreement to which Pulse was
26 not party when determining the royalty rate. *Id.* The *Halo II* court held that the expert
27 had “based his royalty base analysis on sufficient facts considering the evidence available.”
28 *Id.* at 1164. It reasoned that “[a]n estimation was necessary given the lack of specific data

1 showing how much of Pulse’s sales of accused products outside the U.S. were eventually
2 imported back into the U.S.” *Id.* at 1164. The expert had been able to approximate the
3 amount of Pulse’s accused products because Pulse and a company to which it sold its
4 products “admitted that, in addition to the accused products Pulse sold directly into the
5 U.S., some of the accused products sold outside of the U.S. are incorporated into end-
6 products and then imported back into the U.S.” *Id.* at 1163-64. In other words, some
7 evidence of infringing acts within the U.S. had been established providing a basis for the
8 expert’s opinion, and any shortcomings in that opinion could be addressed on cross-
9 examination. *Id.* at 1162.

10 Defendant responds that *Halo II* is distinguishable because the expert there
11 “narrowed his inquiry to the end-products that could contain the accused products, as well
12 as companies that bought from Pulse’s customers and sold those end-products in the U.S.”
13 Def. Reply at 11:24-12:3. Here, on the other hand, Defendant argues that Mr. Cobb not
14 only fails to identify any end products containing Accused Products but specifically
15 includes products like monitors, notebooks, and LCD televisions that cannot possibly
16 incorporate the Accused Products because they use single port ICMs that are no longer at
17 issue in this case. *Id.* at 12:3-8. The Court agrees. Mr. Cobb’s opinion estimating
18 Defendant’s U.S. sales of accused ICMs as a 30% of its sales of its worldwide sales for all
19 products, including non-Accused Products, is improperly based on speculative data,
20 particularly given neither party has established infringing acts within the U.S.

21 **V. CONCLUSION**

22 For the above reasons, the Court rules on the motions as follows:

23 1. Plaintiff’s Motion for Summary Judgment is **DENIED**. The evidence in this
24 case shows that at a minimum, a genuine issue of fact exists as to whether the S3Y-HP-
25 0001 is representative of the “S” Series of Products, which was the only series of products
26 on which Plaintiff moved for summary judgment. Plaintiff also failed to produce
27 admissible evidence showing the absence of a genuine issue of fact as to whether the “S”
28 Series of Accused Products directly infringe, much less whether any infringing acts took

1 place domestically.

2 2. Defendant’s Motion for Summary Judgment is **GRANTED** as follows:

3 a. Defendant has shown the absence of evidence creating a genuine issue
4 of fact from non-party EMSs or branded companies that Defendant’s accused ICMs, which
5 Defendant manufactures and sells overseas, were imported into the U.S., such that
6 summary judgment in Defendant’s favor on the issue of induced infringement is proper.
7 *See, e.g.*, FED. R. CIV. P. 56(c)(1)(B) (providing that “[a] party asserting that a fact cannot
8 be . . . genuinely disputed must support the assertion by . . . showing that the materials cited
9 do not establish the . . . presence of a genuine dispute”).

10 b. Defendant has shown the absence of evidence creating a genuine issue
11 of fact as to direct infringement of the GX-X series as well as all products in the S and N
12 Series except for the MPNs analyzed by Mr. Baxter, for which the Court finds existence of
13 a genuine issue of fact: MPNs S3Y-HP-0001 and N42-ZT-0001.

14 c. The Court dismisses *with prejudice* (1) all of Plaintiff’s claims for
15 induced infringement of all Accused Products and (2) Plaintiff’s claims for direct
16 infringement of the GX-X series as well as all Accused Products in the S and N Series
17 except for MPNs S3Y-HP-0001 and N42-ZT-0001.

18 3. While Plaintiff’s claims for contributory infringement as to all Accused
19 Products and direct infringement as to the G Series along with MPNs S3Y-HP-0001 and
20 N42-ZT-0001 remain in this case, the Court, *sua sponte*, issues an Order to Show Cause to
21 as to why the Court should not grant a summary judgment of non-infringement in
22 Defendant’s favor as to all remaining claims. *See* FED. R. CIV. P. 56(e)(1) (providing that
23 where “a party fails to properly support an assertion of fact . . . as required by Rule 56(c),
24 the court may . . . give an opportunity to properly support or address the fact). Plaintiff
25 must come forward with evidence of infringing acts occurring within the U.S. by the only
26 named defendant in this case, UDE, not evidence as to third parties. The briefing should
27 be limited to whether infringing acts took place domestically (as opposed to whether the
28 Accused Products infringe on the Patents-in-Suit) given infringement is irrelevant if the

1 allegedly infringing acts did not occur domestically. The briefing should comply with the
2 following requirements:

3 a. With respect to the invoices referenced by both parties showing a “Bill
4 to” address within the U.S. but a “Ship to” address outside the U.S., the briefing should
5 address what law (e.g., the Uniform Commercial Code, U.S. law, Taiwanese law, the
6 C.I.S.G., or some other international law) applies to determining the place of sale. Each
7 party should address where the offer to sell or sale took place.

8 b. Plaintiff is directed to provide the Court with briefing on the above
9 issues only within seven (7) calendar days of this order, or by Tuesday, March 23, 2021.
10 This briefing is limited to twenty (20) pages.

11 c. Defendant is directed to file its opposition brief within six (6) calendar
12 days after Plaintiff’s brief is due, or by Monday, March 29, 2021, which is also limited to
13 twenty (20) pages.

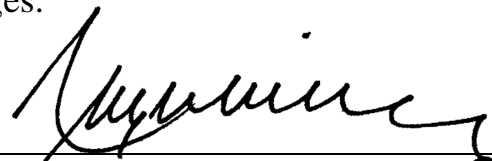
14 d. Because the issue of whether Defendant’s actions qualify as
15 infringement have been addressed in large part—other than addressing what law should
16 apply to the determination of where the sale took place—in the briefing already contained
17 within the record, no reply briefs will be permitted.

18 e. To the extent the Parties rely on evidence in their briefing that has
19 already been submitted in support of the cross-motions for summary judgment addressed
20 by this order, the Parties are asked to refer to the ECF No. and page number of the exhibit
21 on which they intend to rely rather than re-submitting the exhibit with the briefing.

22 f. The Court reminds both parties that pursuant to Section 2(e) of the
23 Electronic Case Filing Manual, all parties are required to submit courtesy copies to
24 chambers of any filings exceeding twenty (20) pages.

25 **IT IS SO ORDERED.**

26 DATED: March 15, 2021



27 **HON. ROGER T. BENITEZ**
28 United States District Judge