

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

DENNIS HAKES and MARK L. ANDERSON, DVM,	)	Case No. CV 10-467-REB
)	
Plaintiffs,	)	MEMORANDUM DECISION AND
	)	ORDER RE:
)	
v.	)	Defendants' Motion for Leave to Amend
	)	Invalidity Contentions
RJB COMPANY, INC., a California Corporation, RONALD J. BOUDREAU and JUDY BOUDREAU, Husband and Wife, and JOHN DOES I-X,	)	(Docket No. 40)
	)	Plaintiffs' Motion to Strike Portions of
Defendants.	)	Defendants' Response to Plaintiffs'
	)	Opening Claim Construction Brief
	)	(Docket No. 48)
)	
	)	AND
)	
	)	NOTICE OF STATUS CONFERENCE
_____)	

Currently pending before the Court is (1) Defendants' Motion for Leave to Amend Invalidity Contentions (Docket No. 40); and (2) Plaintiffs' Motion to Strike Portions of Defendants' Response to Plaintiffs' Opening Claim Construction Brief (Docket No. 48). Having carefully reviewed the record, participated in oral argument, and otherwise being fully advised, the Court enters the following Memorandum Decision and Order:

I. DISCUSSION

A. Defendants' Motion for Leave to Amend Invalidity Contentions (Docket No. 40)

Infringement contentions and, where raised, invalidity contentions are the substructure of many a patent lawsuit. Once such patent claim fenceposts are put in the ground, the parties can

go about the task of litigating, and the Court can go about the task of deciding, the substantive disputes of the lawsuit. Hence, once such contentions are in place, amendments are frowned upon.

Hence, Local Rule 3.7 of the District of Idaho Local Patent Rules provides that such amendments are allowed “only by order of the Court upon a timely application and showing of good cause” Dist. Idaho Loc. Patent R. 3.7. Although “timely application” and “good cause” are not defined in the Rule, there is an “example” list of circumstances that may “support a finding of good cause,” provided there is no “undue prejudice to the nonmoving party.” *See id.* Hence, three factors must be considered: (1) the timing of the request; (2) the “good cause” to support the request; and (3) the prejudice to the nonmoving party, if the request is granted.

Because the prosecution and defense of any patent lawsuit “builds’ upon the infringement and invalidity contentions, any amendments have potentially cumbersome implications. In this case, for instance, the Court’s Amended Case Management Order called for “asserted claims and infringement contentions” to be disclosed first (along with production of related documents), followed by disclosure of invalidity contentions (along with production of related documents). *See Am. Case Mgmt. Order (Docket No. 32)*. Then, the parties were to exchange a list of proposed terms for construction, then to exchange the proposed constructions and extrinsic evidence, and then to file a joint claim construction and pre-hearing brief (for a *Markman* hearing), with remaining discovery and briefing to follow. *See id.* Hence, if an amendment is allowed, potentially the entire process or some large measure of the same would need to be repeated, and possibly some of the discovery process as well.

Here, Defendants seek to amend their invalidity contentions by adding reference to recently discovered “prior art” (the “PD+Flyer”), two new claim charts (J-1 and J-2), revising chart A-1, and correcting typographical errors in charts A-1, B-1, C-1, D-2, and I-1. *See* Mem. in Supp. of Defs.’ Mot. for Leave to Am., pp. 5-6 (Docket No. 40, Att. 1). Defendants contend that the previously undisclosed PD+Flyer was discovered almost by happenstance, in an otherwise nondescript file contained in boxes filled with miscellaneous company records. *See id.* at pp. 4-5. Once discovered, Defendants state that it was immediately brought to the attention of the opposing party, and a prompt motion was made to the Court to seek to amend the invalidity contentions to incorporate the PD+Flyer into the mix. *See id.* at p. 5. Additionally, Defendants contend that only a short period of time passed since the original invalidity contentions were disclosed, and Plaintiffs will suffer no prejudice from the requested amendment. *See id.* at pp. 10-11.

Plaintiffs’ opposition – while, in the Court’s mind, focusing primarily on Defendants’ underlying argument against the alleged infringement – assails the PD+Flyer’s *bona fides* with questions (at least during oral argument) about its authenticity and provenance. While Plaintiffs may argue that the PD+Flyer’s existence is ultimately immaterial when it comes to their claims against Defendants, at this stage of the litigation, Plaintiffs’ argument focuses upon the integrity of the newly-discovered evidence. Plaintiffs are naturally suspicious, given (1) the timing of the discovery of the evidence, and (2) the time period that Defendants contend that the PD+Flyer was in existence. In contrast, Defendants obviously believe the evidence supports their invalidity contentions.

The Court is satisfied that when measured against the template of Local Rule 3.7, the proposed amendment is proper. The evidence is abundantly relevant, the explanation given under oath as to its discovery is acceptable, and the fact of its discovery was made known immediately. Further, the request for amendment was made in a timely manner following its discovery and the evidence is corroborative of a previously raised invalidity claim, not a newly made defense. In that context, although it is inescapably prejudicial to Plaintiffs if the evidence is ultimately determined to be reliable and probative, the fact of its disclosure and incorporation into amended invalidity contentions is not *unduly* prejudicial to Plaintiffs.

However, in making this ruling, the parties are advised that, to the extent that any discovery and disclosure deadline has passed for Plaintiffs that, in fairness, should be reopened and extended so that Plaintiffs can respond directly to the amended invalidity contentions, the Court will likely allow for such an extension if requested. Hence, the parties should consider discussing an acceptable stipulated revision of the prior deadlines.

B. Plaintiffs' Motion to Strike Portions of Defendant's Response to Plaintiffs' Opening Claim Construction Brief (Docket No. 48)

Plaintiffs seek to strike five portions of the Defendants' Response to Plaintiffs' Opening Claim Construction Brief, which they describe as efforts by Defendants to introduce new invalidity contentions. *See* Pls.' Mot. to Strike (Docket No. 48); *see also* Pls.' Reply to Defs.' Resp. to Pls.' Opening Claim Const. Brief (Docket No. 46). Generally, Plaintiffs contend that the Defendants' response is more of a substantive argument germane to a dispositive motion than to a back-and-forth place-marking of the parties' respective positions on claim construction. Plaintiffs further argue that the nature of Defendants' response skirts the District's Local Patent

Rules, such that Plaintiffs are prejudiced in their ability to respond to such contentions. *See id.*

Defendants contend in response that they have not brought forth new argument and are pressing the same defenses, particularly as to their position that claim construction is unnecessary because of their purported proof of prior sale and public use of the alleged infringing product before the earliest claimed date of the Plaintiffs' invention. *See Defs.' Opp. to Pls.' Mot. to Strike* (Docket No. 58).

At its essence, the disputed issue raised by Plaintiffs' Motion to Strike is about whether or not Defendants should be allowed to make their substantive invalidity argument premised upon the newly-discovered "PD+ Brush Flyer" prior art. Plaintiffs ask the Court to strike the argument and facts that relate to this new argument, contending that (1) such argument and facts are improperly introduced into the case in violation of the Local Patent Rules, and (2) the manner in which it has been brought into the fray does not give them a fair opportunity to rebut such proof.

The Court has decided to allow Defendants to amend their invalidity contentions, but in doing so also has indicated that any additional discovery or disclosure that, in fairness, should be allowed to Plaintiffs in order to respond to such amendments, will be allowed. *See supra* at pp. 1-4. Additionally, to the extent that Plaintiffs are simply challenging the persuasiveness of the evidence and argument put forward by Defendants, the Court is fully able to consider and weigh the competing positions of the parties.

Although Plaintiffs put forward some limited authority indicating that a handful of courts have favorably considered similar requests, the Court is not persuaded that striking the portions of Defendants' submissions as requested by Plaintiffs is appropriate. Plaintiffs' arguments upon

the same as to substance or, as Plaintiffs would argue – the lack of substance – are still available to them, and can be raised anew if and as appropriate.

II. ORDER

For the foregoing reasons, IT IS HEREBY ORDERED THAT:

1. Defendants' Motion for Leave to Amend Invalidity Contentions (Docket No. 40) is GRANTED; and
2. Plaintiffs' Motion to Strike Portions of Defendants' Response to Plaintiffs' Opening Claim Construction Brief (Docket No. 48) is DENIED.

III. NOTICE OF TELEPHONIC STATUS CONFERENCE

In light of the above-referenced rulings, the Court has set aside time on **Wednesday, December 14, 2011 at 3:00 p.m. (Mountain)** to conduct a telephonic status conference to discuss generally the procedural posture of the instant action and, more specifically, the status of Defendants' Motion for Summary Judgment, as well as the August 2, 2011 *Markman* hearing, given the allowed amendment and the Plaintiffs' concerns over a fair opportunity to rebut such amendments and the argument related to such amendments. The Court will issue call-in instructions following this Memorandum Decision and Order/Notice.



DATED: **December 9, 2011**

A handwritten signature in black ink, appearing to read "Ronald E. Bush".

Honorable Ronald E. Bush
U. S. Magistrate Judge