

# **EXHIBIT J**



LEXSEE 2006 U.S. DIST. LEXIS 26762



Positive

As of: Jul 27, 2009

**ALEX LUKOVSKY, MUHAMMED KHAN, LARRY MITCHELL, ANTONIO HUGGINS, SAMSON ASRAT, ANATOLIY ZOLOTAREV, YEVGENIY SKURATOVSKY, and VLADIMIR VASILEVSKI, Plaintiffs, v. CITY AND COUNTY OF SAN FRANCISCO, SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY, JOHN SADORRA, RENATO SOLOMON, VERNON CRAWLEY, MICHAEL ELLIS, PHILLIP GINSBURG, and DORIS LANIER, Defendants.**

**No. C 05-00389 WHA**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA**

*2006 U.S. Dist. LEXIS 26762*

**April 24, 2006, Decided**

**April 26, 2006, Filed**

**SUBSEQUENT HISTORY:** Motion granted by *Lukovsky v. City & County of San Francisco, 2006 U.S. Dist. LEXIS 53427 (N.D. Cal., July 17, 2006)*

**PRIOR HISTORY:** *Lukovsky v. City & County of San Francisco, 2006 U.S. Dist. LEXIS 9841 (N.D. Cal., Feb. 21, 2006)*

**COUNSEL:** [\*1] For Alex Lukovsky, Individually and on behalf of Class Members, Muhammed Khan, Individually and on behalf of Class Members, Larry Mitchell, Individually and on behalf of Class Members, Antonio Huggins, Individually and on behalf of Class Members, Samson Asrat, Individually and on behalf of Class Members, Anatoliy Zolotarev, Individually and on behalf of Class Members, Yevgeniy Skuratovsky, Individually and on behalf of Class Members, Vladimir Vasilevski, Individually and on behalf of Class Members, Plaintiffs: Edith J. Benay, Law Office of Edith J. Benay,

San Francisco, CA.

For City and County of San Francisco, San Francisco Municipal Transportation Agency, John Sadorra, Renato Solomon, Vernon Crawley, Michael Ellis, Philip Ginsburg, Doris Lanier, Defendants: Jonathan C. Rolnick, City Attorney's Office, City of San Francisco, San Francisco, CA; Adelmise Roseme Warner, San Francisco Office of the City Attorney, San Francisco, CA.

**JUDGES:** WILLIAM ALSUP, UNITED STATES DISTRICT JUDGE.

**OPINION BY:** William H. Alsup

**OPINION**

**ORDER DENYING PLAINTIFFS' MOTION FOR**

## LEAVE TO FILE THIRD AMENDED COMPLAINT AND VACATING HEARING

### INTRODUCTION

In this employment-discrimination action, plaintiffs seek [\*2] leave to file a third amended complaint in order to add two new defendants; an additional cause of action for a preexisting plaintiff; and, a new cause of action challenging recent hiring decisions. Good cause has not been shown to allow this eleventh-hour request. Plaintiffs' motion is **DENIED**.

### STATEMENT

Plaintiffs Alex Lukovsky, Muhammed Khan, Larry Mitchell, Antonio Huggins, and Samson Asrat alleged that they were employees for defendant City of San Francisco, working in the maintenance division of the City's Municipal Transportation Agency ("MUNI"). Plaintiffs Yevgeniy Skuratovsky and Vladimir Vasilevski claimed to be former job applicants of the City. Plaintiff Anatoliy Zolotarev alleged that he was a potential job applicant.

On May 20, 2005, plaintiffs filed their second amended complaint. In their third claim for relief, plaintiffs alleged a deprivation of their civil rights under *Section 1981* by defendants, the City and County of San Francisco and five city employees. Underlying this claim, plaintiffs alleged that defendants discriminated on the basis of race by giving preferential treatment to Asian and Filipino applicants for the position of electrical-transit-system [\*3] mechanic, or so-called "7371" positions, with MUNI. In 2001, defendants purportedly hired several Asian and Filipino applicants who did not meet the minimum qualifications for the job. Plaintiffs also contended that defendants failed to inform potential candidates who were not Asian or Filipino of available 7371 openings. According to plaintiffs, this failure included not only flawed information about permanent openings in 2001, but also about provisional positions in 2000 that ultimately could have led to permanent 7371 positions.

Plaintiffs filed the present motion for leave to amend on March 28, 2006. In their proposed third amended complaint, plaintiffs seek to add a new claim alleging discriminatory failure to hire plaintiff Skuratovsky for a job classification not previously at issue in this matter; add a new claim challenging recent 7371 hiring

decisions; and add two new individual defendants not previously named, Eslon Hao and James Wachob.

### ANALYSIS

Leave to amend a complaint shall be freely given when justice so requires under *Federal Rule of Civil Procedure 15(a)*. This standard is a liberal one. *Rule 15(a)*, however, does not [\*4] apply when a district court has established a deadline for amended pleadings under *Rule 16(b)*. See *Johnson v. Mammoth Recreations, Inc.*, 975 F.2d 604, 607-08 (9th Cir. 1992). Once a scheduling order has been entered, the liberal policy favoring amendments no longer applies. Subsequent amendments are not allowed without a request to first modify the scheduling order. *Id. at 608-09*. A party's failure to seek modification for the scheduling order is grounds to deny the untimely motion. *Ibid.* (citation omitted). Even if sought, any modification must be based on a showing of good cause.

*Rule 16(b)*'s good cause' standard primarily considers the diligence of the party seeking the amendment. . . . Although the existence or degree of prejudice to the party opposing the modification might supply additional reasons to deny a motion, the focus of the inquiry is upon the moving party's reasons for seeking modification. If that party was not diligent, the inquiry should end.

*Id. at 609* (citation omitted).

Under the case management order in effect in this case, "[l]eave to add any new parties or pleading amendments must be [\*5] sought by **July 22, 2005**" (Case Management Order) (emphasis in original). Plaintiffs have not asked leave for modification of the scheduling order. This is ground for denial. *Id. at 608-09*. Moreover, plaintiffs' entire motion is premised upon the notion that *Rule 15(a)* is controlling, and as such they fail to state good cause.

In any event, plaintiffs admit to not being diligent in their investigation as one of the reasons for seeking leave to amend. According to plaintiffs' counsel (Benay Decl. P 6):

I hold myself responsible for not knowing this important information. Mr.

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Skuratovsky speaks rather heavily accented English but I do not believe that I have any serious difficulty [sic] understanding him and it was my responsibility to ask the right questions.

A lack of diligence alone is grounds to deny leave to amend. *Zivkovic v. Southern California Edison Co.*, 302 F.3d 1080, 1087 (9th Cir. 2002).

Finally, the proposed amended complaint would seriously prejudice defendants. The new claims would require a great deal more discovery as they involve an entirely new and unmentioned job classification, as well as two new individual [\*6] defendants. It would be particularly difficult to complete discovery on all these

new issues as the non-expert discovery cut-off date is June 30, 2006, and the trial date is quickly approaching.

**CONCLUSION**

For these reasons, this motion is **DENIED**. Finding no further argument necessary, hearing on the motion is **VACATED**.

**IT IS SO ORDERED.**

Dated: April 24, 2006.

WILLIAM ALSUP

UNITED STATES DISTRICT JUDGE

# **EXHIBIT K**



LEXSEE 2006 U.S. DIST. LEXIS 27673



Analysis  
As of: Jul 27, 2009

**RE: LAUNCH, LLC, Plaintiff, v. PC TREASURES, INC. and KAREN SWEET,  
Defendants.**

**No. C-05-0697 PJH**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF  
CALIFORNIA**

*2006 U.S. Dist. LEXIS 27673*

**April 28, 2006, Decided**

**SUBSEQUENT HISTORY:** Summary judgment granted, in part, summary judgment denied, in part by *Relaunch, LLC v. PC Treasures, Inc.*, 2006 U.S. Dist. LEXIS 34763 (N.D. Cal., May 18, 2006)

**COUNSEL:** [\*1] For Relaunch LLC, Plaintiff: Todd Christopher Hedin, MacDonald, Praetzel, Mitchell, Hedin & Breiner, LLP, San Rafael, CA; Andrew R. Margrabe, Greensfelder Hemker & Gale PC, St. Louis, MO; Jason L. Ross, Zachary L. Hammerman, Greensfelder Hemker & Gale PC, St. Louis, MO.

For PC Treasures Inc., Karen Sweet, Defendant: Anna Gorodetsky, Bryan Joseph Wilson, Morrison & Foerster, LLP, Palo Alto, CA; Dennis B. Schultz, Bloomfield Hills, MI; Timothy M. Labadie, Detroit, MI.

For PC Treasures Inc., Karen Sweet, Counter-claimants: Bryan Joseph Wilson, Morrison & Foerster, LLP, Palo Alto, CA.

For Re: Launch LLC, Counter-defendant:

**JUDGES:** PHYLLIS J. HAMILTON, United States District Judge.

**OPINION BY:** PHYLLIS J. HAMILTON

**OPINION**

**ORDER GRANTING IN PART AND DENYING IN PART PLAINTIFF'S MOTION FOR LEAVE TO AMEND COMPLAINT**

The motion of plaintiff RE: LAUNCH, LLC ("RE: LAUNCH") for leave to amend the complaint came on for hearing on April 26, 2006. RE: LAUNCH appeared by its counsel Todd Hedin, and defendant PC Treasures, Inc. ("PC Treasures") appeared by its counsel Bryan Wilson. Having carefully reviewed the parties' papers and considered the arguments of counsel and the relevant legal authority, [\*2] and good cause appearing, the court hereby grants the motion in part and denies it in part for the reasons stated at the hearing and summarized as follows.

*Federal Rule of Civil Procedure 16* requires the court to issue a scheduling order that, among other things, limits the time to join other parties and amend the pleadings. See *Coleman v. Quaker Oats Co.*, 232 F.3d 1271, 1294, (9th Cir. 2000). Although *Rule 15* typically

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governs the amendment of complaints, *Rule 16* governs the amendment of a complaint after the deadline provided for amendment of the pleadings in a pretrial order. *Id.* at 1294; *Johnson v. Mammoth Recreations, Inc.*, 975 F.2d 604, 608 (9th Cir.1992). The court treats a motion for leave to amend pleadings after the scheduling order deadline as a motion to modify the scheduling order. *See Coleman*, 232 F.3d at 1294. Pursuant to *Rule 16*, a party may not obtain modification of a pretrial scheduling order "except upon a showing of good cause and by leave of the district judge." *Fed. R. Civ. P. 16(b)*. To establish good cause, [\*3] the party seeking modification must show that, despite acting diligently, it cannot reasonably meet the order's schedule. *See Fed. R. Civ. P. 16* advisory committee notes (1983 amendment).

The court's pretrial scheduling order required that any motions for leave to amend pleadings be filed by January 30, 2006. RE: LAUNCH filed its motion on March 16, 2006, and sought leave to amend the complaint to correct its name in the case caption and to add an additional cause of action. RE: LAUNCH has,

however, failed to establish that it acted diligently in discovering the availability of the new cause of action and thus has failed to show good cause for modification of the pretrial scheduling order. Moreover, PC Treasures has established the existence of some prejudice to its interests because it has already filed its motion for summary judgment which does not address the purported new cause of action and insufficient time remains before the dispositive motions deadline to challenge the new claim. Accordingly, RE: LAUNCH's motion as it relates to the additional cause of action is DENIED. However, because PC Treasures does not object to a correction [\*4] of plaintiff's name, RE: LAUNCH's motion as it relates to plaintiff's name change is GRANTED.

**IT IS SO ORDERED.**

Dated: April 28, 2006

PHYLLIS J. HAMILTON

United States District Judge

# **EXHIBIT L**



LEXSEE 2009 U.S. DIST. LEXIS 3790



Analysis  
As of: Jul 27, 2009

**WADE ROBERTSON, Plaintiff, v. SHIRAZ QADRI, AVENIR RESTAURANT  
GROUP, INC. and GREG ST. CLAIRE, Defendants.**

**Case Number C 06-4624 JF (HRL)**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF  
CALIFORNIA, SAN JOSE DIVISION**

***2009 U.S. Dist. LEXIS 3790***

**January 15, 2009, Decided**

**January 21, 2009, Filed**

**PRIOR HISTORY:** *Robertson v. Shiraz Qadri, 2008  
U.S. Dist. LEXIS 6525 (N.D. Cal., Jan. 17, 2008)*

**COUNSEL:** [\*1] For Wade Robertson, Plaintiff: Wade  
Robertson, Stanford, CA.

For Shiraz Qadri, Avenir Restaurant Group, Inc., Greg  
ST. Clare, Defendants: Peter Dixon, LEAD  
ATTORNEY, Shannon Kathryn White, Lewis Brisbois  
Bisgaard & Smith LLP, San Francisco, CA.

For Timothy Gray, Witness: Charles Hyunchul Jung,  
LEAD ATTORNEY, Nassiri & Jung LLP, San Francisco,  
CA.

For City of Palo Alto, California, Officer Daniel Ryan,  
Witnesses: Donald Alan Larkin, LEAD ATTORNEY,  
City of Palo Alto, Palo Alto, CA.

**JUDGES:** JEREMY FOGEL, United States District  
Judge.

**OPINION BY:** JEREMY FOGEL

**OPINION**

ORDER <sup>1</sup> DENYING MOTION FOR  
RECONSIDERATION AND DENYING MOTION TO  
VACATE AWARD OF COSTS

<sup>1</sup> This disposition is not designated for  
publication in the official reports.

[Re: docket nos. 310, 315, 317]

## **I. BACKGROUND**

On July 28, 2008, following his arrest on April 28,  
2006 for driving under the influence of alcohol, Plaintiff  
Wade Robertson ("Robertson") commenced this action  
against Shiraz Qadri, ("Qadri"), Avenir Restaurant  
Group, Inc., and Greg St. Claire ("Defendants").  
Robertson alleges that Qadri, a waiter at Nola's  
Restaurant and Bar, unlawfully confined him at the  
restaurant and conspired with a police officer to have him  
unlawfully arrested.

Following substantial [\*2] motion practice,  
Robertson filed a third amended complaint on March 19,  
2007, asserting state law claims for false imprisonment  
and false arrest. On May 29, 2007, Defendants moved to

dismiss that complaint for lack of subject-matter jurisdiction, claiming that newly-discovered evidence revealed that contrary to Robertson's prior allegations, the parties' citizenship is not diverse. Robertson opposed that motion and moved separately to amend his complaint, expressing for the first time his intent to assert a federal claim for relief pursuant to 42 U.S.C. § 1983. Robertson did not attach a proposed fourth amended complaint to his motion. At a hearing on July 20, 2007, this Court deferred ruling on Defendants' motion to dismiss and Robertson's motion to amend until September 14, 2007, pending Robertson's submission of a proposed fourth amended complaint.

On August 10, 2007, Robertson filed a renewed motion for leave to file a fourth amended complaint, along with a proposed pleading. Robertson alleged generally that "Qadri, individually and in concert with Officer Dan Ryan, acted maliciously, wantonly, unlawfully, willfully, knowingly and with the specific intent to deprive [Robertson] [\*3] of his rights of freedom from illegal searches and seizures . . .". Proposed Fourth Amended Complaint, August 10, 2007 at P 46. During oral argument on September 14, 2008, the Court questioned the sufficiency of these conclusory allegations. In response, Robertson indicated that he could allege specific facts sufficient to establish that Qadri and Ryan agreed to pursue an unlawful objective, i.e., the false imprisonment of Robertson. The Court also requested that Robertson submit additional briefing with respect to his domicile. On September 28, 2007, Robertson filed a "Letter Brief," along with a revised proposed fourth amended complaint, in which he provided additional facts to support claims under 42 U.S.C. § 1983 and to establish that diversity of citizenship exists between the parties.

On March 25, 2008, after considering the facts and allegations contained in the proposed pleading submitted on August 10, 2007, the Court denied Robertson's motion for leave to amend. Judgment was entered on March 27, 2008. On April 8, 2008, Robertson filed a motion to alter or amend the judgment pursuant to *Fed. R. Civ. P. 59(e)*, arguing that the Court's decision failed to take into consideration [\*4] his revised proposed fourth amended complaint submitted on September 28, 2007. Robertson also filed a motion to vacate the Clerk's order awarding costs. Defendants did not file opposition to these motions or appear at a hearing duly noticed for July 11, 2008. The Court postponed the hearing and directed the Clerk to

seek a response from Defendants' counsel. On July 18, 2008, Defendants filed opposition to Robertson's motion seeking to alter or amend the judgment, arguing that the motion should be denied as futile. On August 8, 2008, both parties appeared before the Court, at which time the Court requested further briefing on whether *Heck v. Humphrey*, 512 U.S. 477, 114 S. Ct. 2364, 129 L. Ed. 2d 383 (1994), acted as a bar to Robertson's motion in light of Robertson's intervening criminal conviction in the California Superior Court for driving under the influence on the night in question. Robertson submitted further briefing on the issue, and Defendants submitted a request for judicial notice of the California Superior Court's statement of decision and denial of Robertson's motion for a new trial.

### III. DISCUSSION

#### A. Motion to Alter or Amend the Judgment

Under *Federal Rule of Civil Procedure 59(e)*, courts have discretion to [\*5] alter or amend their judgments. *Fed. R. Civ. P. 59(e)*. A request pursuant to *Rule 59(e)* may be granted if the court is presented with newly discovered evidence, if the court committed a clear error in its original decision, or to account for an intervening change in controlling law. *Circuit City Stores v. Mantor*, 417 F.3d 1060, 1063 n.1 (9th Cir. 2005). "*Rule 59(e)* provides an efficient mechanism by which a trial court judge can correct an otherwise erroneous judgment without implicating the appellate process." *Clipper Express v. Rocky Mountain Motor Tariff Bureau, Inc.* 690 F.2d 1240, 1249 (9th Cir. 1982).

In determining whether its decision dated March 25, 2008 was the result of clear error, the Court must assess whether denial of leave to amend was proper. "[A] district court has broad discretion to grant or deny leave to amend, particularly where the court has already given plaintiff one or more opportunities to amend his complaint to allege federal claims." *Mir v. Fosburg*, 646 F.2d 342, 347 (9th Cir. 1980). "Five factors are frequently used to assess the propriety of a motion for leave to amend: (1) bad faith, (2) undue delay, (3) prejudice to the opposing party, (4) futility of [\*6] amendment, and (5) whether plaintiff has previously amended his complaint." *Allen v. City of Beverly Hills*, 911 F.2d 367, 373 (9th Cir. 1990). The Court's denial of Robertson's request for leave to file a fourth amended complaint was based on the determination that the proposed amendment was futile. Specifically, the Court

concluded that Robertson had not alleged facts sufficient to support a conclusion that Qadri and Ryan had agreed to pursue an unlawful objective within the meaning of 42 U.S.C. § 1983. Having reached that conclusion, the Court did not analyze the remaining factors --bad faith, delay, prejudice, and prior amendment. Because it considered only the first of Robertson's two proposed fourth amended complaints in reaching that conclusion, the Court now addresses those factors in the context of the instant motion pursuant to *Rule 59(e)*.

As an initial matter, the Court notes that "[l]ate amendments to assert new theories are not reviewed favorably when the facts and the theory have been known to the party seeking amendment since the inception of the cause of action." *Kaplan v. Rose*, 49 F.3d 1363, 1370 (9th Cir. 1994); see also *Adams v. Cal. Dep't of Health Servs.*, 220 Fed. Appx. 590 (9th Cir. 2007) [\*7] (holding that courts do not look favorably on requests to amend filed after several amendments already have been made). At a certain point, "a party may not respond to an adverse ruling by claiming that another theory not previously advanced provides a possible ground[] for relief and should be considered." *Mir*, 646 F.2d at 347.

At the motion hearing on August 8, 2008, the Court questioned Robertson specifically as to why he had failed previously to assert a claim for conspiracy between Qadri and the police officer. Robertson asserted that after he filed his initial complaint, many new facts surfaced during discovery. Robertson claimed that because such facts "were not available to [him] beforehand," he would not have been able to "amend[] the complaint with . . . particularity" at an earlier time. Transcript of Proceedings, August 8, 2008, p. 6, lines 13-14, 23- 35, p. 7, line 1. However, because the basic facts giving rise to the § 1983 claim (i.e., the alleged collusion between Qadri and Officer Ryan) clearly were within Robertson's knowledge at the time of the incident, the Court concludes that Robertson's explanation is insufficient to justify his belated assertion of such claims. [\*8] Further, the fact that Robertson attempted to assert a § 1983 claim only after facing dismissal for lack of diversity jurisdiction suggests that the amendment may have been offered in bad faith.

However, even if the Court were to determine that Robertson's delay were excusable, the proposed amendment nonetheless would be futile in light of Robertson's recent DUI conviction and the state court's

denial of Robertson's motion for a new trial.<sup>2</sup> In *Heck v. Humphrey*, the Supreme Court held that:

when a state prisoner seeks damages in a § 1983 suit, the district court must consider whether a judgment in favor of the plaintiff would necessarily imply the invalidity of his conviction or sentence; if it would, the complaint must be dismissed unless the plaintiff can demonstrate that the conviction or sentence has already been invalidated.

512 U.S. at 487. Robertson's theory is that he was not in fact intoxicated on the night in question and that he was arrested for driving under the influence as a result of an unlawful conspiracy between Qadri and the arresting officer. Success on the proposed § 1983 claim necessarily would implicate the validity of Robertson's criminal conviction. Indeed, the Court [\*9] noted at the August 8 hearing that unless Robertson could "persuade the superior court that [he was] illegally stopped" and then demonstrate that the state court conviction was erroneous, *Heck* would bar Robertson's proposed § 1983 claims. Transcript of Proceedings, August 8, 2008, p. 14, lines 9-12.

2 The Court takes judicial notice of Robertson's conviction of driving while under the influence and the denial of Robertson's motion for a new trial in the Santa Clara Superior Court.

Robertson argues that under Ninth Circuit law, *Heck* would preclude his § 1983 claims only if he were in custody while asserting the claim. However, the case upon which Robertson relies, *Nonnette v. Small*, 316 F.3d 872 (9th Cir. 2002), is distinguishable. In that case, the plaintiff's § 1983 claim was based upon the deprivation of good time credits during his incarceration. The only remedy for such deprivation is a petition for writ of habeas corpus, but the plaintiff could not file a habeas petition because he already had been released from custody. Under those limited circumstances, the Ninth Circuit held that *Heck* did not bar the plaintiff from maintaining a § 1983 claim. Robertson's circumstances are entirely [\*10] different. The remedy for his allegedly unlawful arrest and conviction is an appropriate motion or appeal with respect to his criminal conviction. Robertson in fact filed a motion for new trial in the state court, and his motion was denied. Thus, the *Heck*

doctrine remains as a bar to his proposed § 1983 claim.

Robertson asserts that under California and federal case law, a conviction on misdemeanor charges under the California Vehicle Code cannot be used as *res judicata* or constitute collateral estoppel of any issue in a civil action. *See California Vehicle Code 40834* ("A judgment of conviction for any violation of this code or of any legal ordinance relating to the operation of a motor vehicle . . . shall not be *res judicata* or constitute a collateral estoppel of any issue determined therein in any subsequent civil action."). He contends that "[i]n a federal § 1983 suit, the same preclusive effect is given to a previous state court proceeding as would be given to that proceeding in the courts of the State in which the judgment was rendered," *Leather v. Ten Eyck*, 180 F.3d 420, 424 (2d Cir. 1999), and thus that his misdemeanor conviction for driving under the influence cannot preclude [\*11] his claims in the instant action.

Another court in this district was confronted with a similar issue in *Cole v. Doe 1 through 2 Officers of Emeryville Police Dep't.*, 387 F. Supp. 2d 1084, 1093 (N.D.Cal. 2005). The court questioned whether the plaintiff, who had been convicted in state court for failing to stop at an intersection, was precluded by the *Heck* doctrine from bringing a § 1983 action. Relying on *California Vehicle Code § 40834*, the court held that the plaintiff's state conviction did not bar the § 1983 claim, stating that "under California preclusion law, a misdemeanor conviction is not *necessarily* binding in a subsequent civil action; *its effect depends on the circumstances.*" *Cole*, 387 F.Supp. 2d at 1093 (emphasis added). The court specifically noted that preclusion would not be appropriate in that case because the plaintiff was subject "to a traffic violation only," was not represented by counsel in the state court proceeding, and had no extensive opportunity to cross-examine the officers during the proceedings before the state court. *See id.* at 1093. Here, Robertson was convicted not of a simple traffic infraction but of the more serious offense of driving under the influence [\*12] of alcohol. Robertson was represented by counsel and was given a full opportunity to argue his claims before the state court. More importantly for purposes of the *Heck* doctrine, the DUI conviction goes to the heart of Robertson's proposed § 1983 claim, which hinges upon his assertion that he was *not* in fact intoxicated but rather was the victim of a conspiracy. Under these circumstances, this Court concludes that *Heck* applies.

## B. Motion to Vacate Award of Costs

Following the entry of judgment on March 27, 2008, Defendants requested that the Clerk tax itemized costs in the amount of \$ 2,943.21. Defendants' request was supported by the declaration of Shannon K. White, which stated that "[t]he foregoing costs are correct and were necessarily incurred in this action." On May 1, 2008, the Clerk issued a bill of costs in the amount of \$ 1,605.25.

*Civil Local Rule 54-1* provides that Defendants who have been awarded costs must file an affidavit pursuant to 28 U.S.C. § 1924 stating that "the costs are correctly stated, were necessarily incurred, and are allowable by law." Robertson argues that Defendants' application to tax costs "must be denied in its entirety," because Defendants did not file [\*13] an affidavit stating that the costs presented "are allowable by law," as required by Civil Local Rule 54-1(a). Robertson does not cite any authority for his contention that Defendants should be denied *all* costs on this ground. "The district court has broad discretion in taxing costs." *Brazos Valley Coal. For Life, Inc. v City of Bryan, Tex.*, 421 F.3d 314, 327 (5th Cir. 2005) (holding that the district court did not abuse its discretion by awarding costs to Defendants who filed an affidavit which did not state that the costs were legally permissible); *see also generally Little Oil Co. v. Atl. Richfield Co.*, 852 F.2d 441 (9th Cir. 1988) (explaining that the local rules and federal statute permit district courts to exercise discretion in taxing costs). The Clerk already has determined that Defendants are entitled to costs, and Defendants' technical error has had no practical effect on the Clerk's calculation of legally permissible costs. Accordingly, to the extent that it seeks to deprive Defendants of any costs, Robertson's motion will be denied.

Robertson also objects to specific certain costs itemized by Defendants. Of those costs, only the following were awarded by the clerk: (1) a [\*14] rough ASCII Disk of John Paiz's deposition (costing \$ 219.80); (2) a condensed transcript and CD with final ASCII e-transferred exhibit images of Daniel Francis Ryan's deposition; and (3) costs of the deposition transcript from Tiffany Colon's deposition.<sup>3</sup> Robertson incorrectly states that the first two items were incurred in connection with John Paiz's deposition, and he argues that Defendants are not entitled to these "extra" costs.

<sup>3</sup> The Clerk did not allow the following costs: costs of the video depositions of Shiraz Qadri and

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John Paiz; costs of fifth-day delivery and processing the transcript of Shiraz Qadri; costs of fifth-day delivery and processing of the transcript of John Paiz; and costs of delivery and processing (UPS) of the deposition of Tiffany Colon.

Under *Civil Local Rule 54-3* "[t]he costs of an original and one copy of any deposition . . . taken for any purpose in connection with the case is allowable." Civil Local Rule 54-3(b)(1). Robertson correctly points out that at least one court in this jurisdiction has denied recovery of costs relating to ASCII and electronic communication of transcripts *in addition to* the costs awarded for the original transcript. *Ishida Co v. Taylor*, 2004 U.S. Dist. LEXIS 24480, 2004 WL 2713067 at \*1 (N.D. Cal. Nov. 29, 2004). [\*15] However, it appears from the receipts submitted by Defendants that the transcripts at issue were the only copies for which costs were requested. Accordingly, Robertson's request to deduct these costs will be denied.

Finally, Robertson argues that Defendants' costs for the deposition of witness Tiffany Colon should be disallowed because Robertson did not receive proper notice of the deposition and was not informed afterwards that it had taken place. Robertson does not cite any authority in support of this argument. Accordingly, this request also will be denied.

#### **IV. ORDER**

The motions to alter or amend the judgment and to vacate the award of costs are DENIED.

DATED: January 15, 2009

JEREMY FOGEL

United States District Judge

# **EXHIBIT M**

Not Reported in F.Supp.2d  
Not Reported in F.Supp.2d, 2007 WL 2727164 (N.D.Cal.)  
(Cite as: 2007 WL 2727164 (N.D.Cal.))

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## H

Only the Westlaw citation is currently available.

United States District Court,  
N.D. California.  
TRIMBLE NAVIGATION LTD., Plaintiff,  
v.  
RHS, INC., et al., Defendants.  
**No. C 03-1604 PJH.**

Sept. 17, 2007.

Robert T. Maldonado, Wendy E. Miller, William E. Pelton, Eric David Kirsch, Paul Teng, Cooper & Dunham LLP, New York, NY, John L. Cooper, Lucas William Huizar, Nan E. Joesten, Farella Braun & Martel LLP, San Francisco, CA, for Plaintiff.

Erica Dilworth Wilson, Gerald P. Dodson, Steven D. Tang, Morrison & Foerster LLP, Palo Alto, CA, Mark E. Brown, Law Office of Mark Brown, L.L.C., Kansas City, MO, for Defendants.

### ORDER GRANTING AND DENYING SUMMARY JUDGMENT AND CLARIFYING CLAIM CONSTRUCTION

PHYLLIS J. HAMILTON, United States District Judge.

\*1 The parties' cross-motions for summary judgment and defendants' motion for leave to amend their amended answer and counterclaims came on for hearing on August 15, 2007 before this court. Plaintiff, Trimble Navigation, Ltd. ("plaintiff"), appeared through its counsel, John Cooper, Lucas Huizar, Nan Joesten, and William Pelton. Defendants RHS, Inc. ("RHS"), CSI Wireless, Inc. ("CSI"), and Satloc Inc. ("Satloc") (collectively "defendants") appeared through their counsel Gerald Dodson, Mark Brown, Erica Wilson, and Steven

Tang. The court hereby GRANTS defendants' motion for summary judgment, DENIES plaintiff's motion for summary judgment in part and GRANTS it in part, and GRANTS defendants' motion for leave to amend, for the reasons stated in the court's order dated August 16, 2007, and detailed further as follows:

### BACKGROUND

Plaintiff Trimble Navigation, Ltd. is the assignee and owner of U.S. Patent No. 5,987,383 (the "383 patent"). The '383 patent is directed at the use of GPS-based guidance systems in the farming and agriculture industries. It covers a GPS-based guidance system for agricultural farming capable of recognizing operator-induced deviations made by the operator of a vehicle while driving a spraying device (or similar implement) down a field. The '383 patent's claimed system accounts for such manual deviations by altering its subsequent GPS-based guidance to the operator based on those deviations. Generally speaking, the '383 patent describes the system patented therein as a "form line following method." See Declaration of Erica Wilson ISO Defendants' Motion for Summary Judgment re Non-Infringement ("Wilson Decl."), Exs. 4-5.

Defendants are makers and sellers of GPS-based machine guided systems in the agricultural market. Plaintiff alleges that several of defendants' products-specifically, the Outback, Outback S2, LiteStar, LiteStar II, and FreeTrac products ("accused products")-infringe the '383 patent.

#### A. The '383 Patent Claims

The '383 patent is comprised of twelve claims. See Wilson Decl., Exs. 4-5. Claims 1, 3, 6, and 11 are independent claims that cover: a form line following method (claim 1); a form line following appar-

atus (claim 3); a method for controlling a vehicle through the form line following method (claim 6); and a method for operating a form line following spraying apparatus (claim 11). *See id.* The remaining claims are dependent upon these four independent claims. *Id.* (claims 2, 4, 5, 7-10, and 12 as dependent claims).

Plaintiff alleges that defendants' accused products literally infringe all elements of claims 1-7, 9 and 11. Since these claims collectively all depend upon independent claims 1, 3, 6, and 11, however, it is these latter four claims that prove most significant for the court's purposes. To that end, the ' 383 patent provides as follows:

**Claim 1.** "A method of form line following, comprising the steps of: defining a first form line using two or more terrestrial locations; defining a second form line using positioning data derived from GPS data and a swathing offset; and defining an updated second form line according to one or more deviations from said second form line while following said second form line defined by said positioning data and said swathing offset, deviating from said second form line to accommodate one or more terrain features, collecting new GPS data during said steps of following and deviating, computing one or more positions therefrom, and using the computed positions to define the updated second form line."

\*2 **Claim 3.** "A form line following apparatus on a vehicle, comprising a GPS receiver configured to receive GPS data and GPS correction information and to compute position information therefrom; and a processor configured to define an updated form line according to said position information while the vehicle is (a) following a previously computed form line having been defined using positioning data derived from earlier received GPS data and a swathing offset, and (b) deviating from the previously computed form line to accommodate one or more terrain features."

**Claim 6.** "A method of form line following, comprising controlling a vehicle so as to follow a form line computed using positioning information provided by one or more sources of GPS information while the vehicle is (a) following a previously computed form line having been defined using earlier positioning information and a swathing offset; and (b) deviating from the previously computed form line to accommodate one or more terrain features encountered while following the previously computed form line."

**Claim 11.** "A method comprising operating a spraying apparatus along a form line so as to apply chemicals to a portion of a field, the form line having been defined according to positions computed while (a) following a previously computed form line having been defined using previously derived positioning information and a swathing offset, and (b) making deviations from the previously computed form line to account for one or more terrain features encountered while operating said spraying apparatus along the previously computed form line."

## B. Procedural History

On April 16, 2003, plaintiff filed a first amended complaint against defendants in this court, following transfer of this case from the Southern District of California. Trimble's first amended complaint asserted a claim for patent infringement under 35 U.S.C. §§ 271 *et seq.* and sought damages accordingly. On August 25, 2003, plaintiff filed a second amended complaint that continued to allege a single claim for patent infringement. *See generally* Second Amended Complaint ("SAC").

Defendants subsequently filed an answer and counterclaim, the latest iteration of which was filed on December 8, 2006. *See* Defendants' First Amended Answer and Counterclaims to Plaintiff's Second Amended Complaint ("Amended Answer and

Counterclaims”). In it, defendants seek a declaration that the '383 patent is invalid, unenforceable, that plaintiff is guilty of inequitable conduct, and that no infringement of the '383 patent has occurred. *See id.* Defendants also assert the affirmative defenses of laches and prosecution history estoppel, among others.

Both parties have now filed cross-motions for summary judgment. Plaintiff moves for summary judgment on the issues of (1) infringement; and (2) patent validity. Defendants, by contrast, seek summary judgment only as to non-infringement. They have, however, also filed a motion for leave to amend their Amended Answer and Counterclaims. <sup>FN1</sup>

<sup>FN1</sup>. Both parties also filed requests to seal numerous exhibits and evidence. All parties' motions to seal were originally DENIED, as stated at the hearing. Defendants' revised motion to seal a limited number of documents was subsequently GRANTED, however, as set forth in docket no. 355.

## DISCUSSION

### A. Summary Judgment Standard

\*3 Summary judgment is generally appropriate when the evidence shows there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Fed.R.Civ.P. 56(c); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986).

### B. Infringement

Both parties move for summary judgment on the infringement issue. Both parties also agree that the only relevant claims that need be considered here are claims 1, 3, 6, and 11, since the remaining

claims are all dependent on these four. Accordingly, the only issue before the court is whether summary judgment should be granted as to infringement or non-infringement of claims 1, 3, 6, and 11.

#### 1. infringement standards

The court engages in a two-step process in evaluating infringement. First, the court determines the scope and meaning of the claims via claim construction; then, the court compares that construction of the patent against the accused products. *See, e.g., Business Objects, S.A. v. Microstrategy, Inc.*, 398 F.3d 1366, 1371 (Fed.Cir.2004) (citations omitted). <sup>FN2</sup> While claim construction is a matter of law, infringement itself is a question of fact. *See, e.g., Frank's Casing Crew and Rental Tools, Inc. v. Weatherford International, Inc.*, 389 F.3d 1370, 1376 (Fed.Cir.2004) (citations omitted).

<sup>FN2</sup>. Here, the court has already issued its claim construction order construing the parties' disputed terms and phrases. *See* Claim Construction Order. Accordingly, it is the second step of the infringement process that is particularly significant for purposes of the court's summary judgment analysis.

Infringement may be proven by literal infringement, as plaintiff alleges here. A claim is “literally infringed” if each properly construed claim element directly reads on the accused product or process. *See Jeneric/Pentron Inc. v. Dillon Co.*, 205 F.3d 1377, 1382 (Fed.Cir.2000).

#### 2. clarification of claim construction order

The undisputed evidence before the court demonstrates: defendants' accused products generally contain GPS guidance systems that log a vehicle's position as it makes an initial pass across the field; on

subsequent passes, defendants' GPS guidance systems compute individual aim points-i.e., a single position ahead of the vehicle-that contemporaneously guide vehicles down a pass, based on the vehicle's real time position and speed; the aim point is never intercepted; and defendants' GPS guidance systems only compute one aim point ahead of the vehicle they are guiding, using the aim points to continually compute and update cross track values that are used to determine the forward positions to which the vehicle is directed.<sup>FN3</sup> See Wilson Decl., Exs. 12 at 83-86, 89, 219-209; 14 at 110; Exs. 15-20, 22-23.

**FN3.** Plaintiff describes the accused products as employing one of three guidance methods or algorithms: the circle method, the AB method, or the LiteStar method. See Pl. Op. Br. re MSJ at 2:19-21. Defendants, by contrast describe the three guidance methods in accordance with their product name (e.g., FreeTrac, LiteStar, etc.). The three methods do contain variations in the way they provide contour guidance. The court's general description noted herein, however, applies to all three methods.

According to plaintiff, these guidance systems are identical to the form line following method claimed by the independent claims of the '383 patent. That form line following method generally refers to the process of defining a first form line, defining a second form line, and then updating the second form line to account for deviations made while following the second form line. See Wilson Decl., Exs. 4-5. Plaintiff asserts that defendants' products infringe on this form line following method because: as described above, defendants' products use two or more GPS position data points that are recorded while the vehicle makes the first pass on a field, thereby defining the first form line; on subsequent passes, the accused products guide the vehicle along a path across the area to be treated

that is one treatment swath width away from the geographic GPS positions that were recorded on the previous pass; and the accused products locate the GPS position from prior passes that is nearest the actual position of the vehicle and adjusts the swath width as necessary in order to guide the vehicle along a path that is one swath width away from the prior pass, in order to avoid skips and overlaps from the prior path. See Declaration of John L. Cooper ISO Plaintiff's MSJ ("Cooper Decl."), Exs. B; C at ¶¶ 18-33.

\*4 Ultimately, plaintiff's infringement argument is unpersuasive. Preliminarily, the court finds that plaintiff's argument attempts to rehash arguments already raised and resolved by the court in its claim construction order-primarily, the construction to be given the term "form line." As the court noted in its claim construction order, this term proves to be the single most important construction at issue, as it underlies every claim before the court.

The claim construction order specifically construed the phrase "form line" to mean "path across the area to be treated," the term "define" to mean "compute," and the term "defining a second form line ..." to mean "computing a second path across the area to be treated ...". See Claim Construction Order at 13-16, 26. In so construing the term, the court took into account the patent's claim language, the specification and drawings, and noted that the term form line may only be construed as broadly as provided for by the patent itself. See also *Irdeto Access, Inc. v. EchoStar Satellite Corp.*, 383 F.3d 1295, 1300 (Fed.Cir.2004). The court then noted that a form line must be computed to extend across the path to be treated *before* the operator begins to travel down the path (this does not apply to the first form line, which is defined, or computed, as the vehicle travels down the first pass). See *id.* at 10. The court also held that the phrase form line does, in fact, refer to a type of line, pursuant to which GPS positions are linked together by straight or curved line approximations, to define the line.

*See id.* at 11.

In other words, a second form line is computed, based on the GPS positions logged on the first form line, *before* the operator begins to travel down that second form line, and it is computed to extend across the *entire* path that the operator chooses to treat. If the operator deviates while following that second form line, then when he is done traveling that second form line, an updated second form line is computed based on the GPS positions recorded during the deviation. That updated second form line is then used to compute a subsequent form line for the operator to follow, which computation is completed *before* the operator begins traveling down the updated form line.

Despite the court's intention to definitively construe the term form line as stated above, plaintiff now contends that the court's construction of form line—i.e., path across the area to be treated—requires neither that the entire path across the area to be treated must be pre-computed ahead of the vehicle's commencement of a pass, nor that the path across the area to be treated may only result from a series of positions linked together to create a line approximation. Rather, plaintiff once again urges the court to construe the path across the area to be treated as a path that is created while the vehicle simultaneously follows the path before it—i.e., that a form line is created as long as there is any GPS computation that is simultaneously occurring. Indeed, it is this premise from which plaintiff's entire infringement argument stems.

\*5 The court here once again declines plaintiff's invitation to construe the term “form line” as a path across the area to be treated that may be contemporaneously computed, or defined, as the vehicle travels down a given pass on a field. In so rejecting plaintiff's argument, the court also takes the opportunity to clarify its prior claim construction order as stated above—i.e., to make clear that a form line is a path across the area to be treated that, apart from

the definition of the first form line, entails the computation of a path to extend across the entirety of the area to be treated by the operator, which shall be computed before the operator begins to traverse along that same form line (and whether such form line is a second path to be treated, or an updated path to be treated that accounts for prior recorded deviations). This clarification supplements, and does not supercede, the court's original claim construction order.

### 3. infringement of claims 1, 3, 6, and 11

Having clarified the court's claim construction order, the court must still compare defendants' accused products with claims 1, 3, 6 and 11 as construed, to determine whether literal infringement has occurred. For the reasons below, the court is persuaded that defendants are correct in arguing that their products do not infringe.

First, and as explained in detail above, defendants' products do not utilize GPS guidance systems that actually define, or compute, form lines. Rather, defendants' products involve the instantaneous computation of forward direction based on GPS data positions and aim points, and refrain from computing an entire path across the area to be treated, which path can be linked by any line approximation. The Outback and LiteStar II products, for example, use individual aim points that are used to contemporaneously guide vehicles down a path based on the vehicle's real time position and speed. *See Wilson Decl.*, Exs. 12 at 83-86, 89; 14 at 110; Exs. 15-20. The FreeTrac and LiteStar products, for their part, provide guidance based on the forward predicted positions for the vehicle, based on real time position, speed and heading. *See Wilson Decl.*, Ex. 12 at 219-20; Exs. 22-23. None of the aim points or forward predicted positions to which a vehicle is guided, however, are ever linked in a line approximation to create a path across the area to be treated, let alone are they so linked prior to the

point at which an operator begins to traverse down subsequent paths. Moreover, and as defense counsel noted at the hearing on the instant motions, the aim points utilized by defendants' products to provide guidance to a vehicle, *need not even be located on the same path across the area to be treated that the operator is currently navigating*. See, e.g., Cooper Decl., Ex. I. Plaintiff's own evidence does not dispute, but rather confirms, this description of the way in which defendants' products operate. See *id.* at Ex. B generally; Ex. C at ¶¶ 18-33.

\*6 Second, without ever actually computing form lines to begin with, defendants' products do not actually ever deviate from form lines, for as a matter of logic, a thing cannot deviate from that which does not exist. Nor, by extension, can the products thereby recompute form lines to account for deviations from prior form lines. Without covering these elements, the accused products fail to define updated form lines, as contemplated by the court's claim construction order.

Finally, and for the same reasons, defendants' products do not precompute form lines, as contemplated by the terms "defining a second form line" and "updating a second form line"-i.e., they do not allow for an entire form line to be computed to extend across the area to be treated by the operator, *prior to the point at which the operator begins to traverse the form line*.

As such, none of the four independent claims are literally infringed. Claim 1 for example, covers a "method of form line following" that comprises the steps of "defining a first form line," "defining a second form line," and "defining an updated second form line according to one or more deviations from said second form line while following said second form line ...". Following this claim, claims 3, 6, and 11 cover: a "form line following apparatus," a "method of form line following, comprising controlling a vehicle so as to follow [form lines]," and "a method comprising operating a spraying apparatus

along a form line ...". See Wilson Decl., Exs. 4-5. As described above, however, the undisputed evidence demonstrates that defendants' products never actually define *any* form lines, be it first, second, or updated form lines, since the products never compute and link GPS positions together to approximate a straight or curved line-as required by the court's construction of form line. Nor do the products ever precompute, or recompute any form lines, as is also covered by the '383 patent claims in accordance with the court's claim construction order.

This being the case, there is no dispute present as to whether defendants' products actually infringe any claim of the '383 patent. In short, since defendants' products never actually define a form line in the fashion construed by the court in its claim construction order, the products cannot embody the limitations of any claim.

The conclusion that no infringement has occurred also extends to plaintiff's assertions that defendants have indirectly infringed the '383 patent's claims, by way of active inducement of infringement, and contributory infringement. Both theories of indirect infringement require a finding of direct infringement as a prerequisite. See, e.g., *Epcon Gas Syst., Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1033 (Fed.Cir.2002) (active inducement of infringement standards); *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1303 (Fed.Cir.2006) (contributory infringement standards). Since plaintiff cannot prevail on the issue of direct infringement, plaintiff cannot prevail as to indirect infringement.

\*7 Accordingly, the court hereby GRANTS summary judgment in favor of defendants as to non-infringement, and DENIES plaintiff's summary judgment motion as to infringement.

C. Invalidity

Plaintiff seeks a judgment that the '383 patent is not invalid-on either anticipation or obviousness grounds-as a result of (1) the Korver Patent; (2) the Petersen Article; (3) the TrimFlight references; and (4) the prior art of foam markers and marker arms. Additionally, plaintiff seeks a judgment that claim 3 of the '383 patent was not impermissibly broadened during reexamination.

Preliminarily, the legal standards for invalidity based on anticipation and/or obviousness are well-established. Generally, a patent is entitled to a presumption of validity, and an accused infringer must prove invalidity by clear and convincing evidence. See *Metabolite Labs., Inc. v. Lab. Corp.*, 370 F.3d 1354, 1365 (Fed.Cir.2004). For prior art to anticipate a claim, a single prior art reference must disclose every limitation of the claimed invention and must be sufficient to permit a person having ordinary skill in the art to practice the invention. See *Schering Corp.*, 339 F.3d at 1377; *SmithKline Beecham Corp. v. Apotex Corp.*, 403 F.3d 1331, 1342 (Fed.Cir.2005). A patent is considered obvious, by contrast, if “the differences between it and the prior art “are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.”<sup>35</sup> U.S.C. § 103(a). To determine obviousness, the court must “examine 1) the scope and the content of the prior art; 2) the level of ordinary skill in the art; 3) the differences between the claimed invention and the prior art; and 4) the objective evidence of nonobviousness.” *Iron Grip Barbell Co., Inc. v. USA Sports, Inc.*, 392 F.3d 1317, 1320 (Fed.Cir.2004), citing *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, 86 S.Ct. 684, 15 L.Ed.2d 545 (1966).

#### 1. prior art references

Plaintiff contends that none of the four prior art references noted above anticipate or render obvious the '383 patent's claims. First, plaintiff argues that

the Korver patent-which teaches a navigation system that uses GPS data and inertial sensors to avoid skips and overlaps between agricultural swaths-has already been determined *not* to anticipate or render obvious any claims, during reexamination of the '383 patent. Second, plaintiff contends that the Petersen Article-which describes the development of software that integrates GPS position information to create a guidance system capable of signaling the operator to take over when approaching a known obstruction-cannot anticipate any claims because the article never discloses deviation based on anything other than a previously known and mapped obstruction in the field. Third, plaintiff contends that references to TrimFlight, plaintiff's GPS-based guidance system sold for use in agricultural spraying, fail to render any of the '383 patent's claims obvious. Finally, plaintiff asserts that the prior art of foam markers and marker arms was sufficiently deficient that, even if combined with GPS technology, it could not render the '383 patent claims obvious.

\*8 With respect to each of these references, defendants rely on their expert, Dr. Bevly, to establish grounds for findings of either anticipation or obviousness. See, e.g., Bevly Declaration ISO Defendants' Opposition to Trimble's MSJ (“Bevly Opp. Decl.”), Ex. E at ¶¶ 67-70 (opining that a person of ordinary skill in the art would have been capable of modifying system described in Korver Patent in order to compute updated form lines); *id.* at ¶ 36 (opining that “steps [described in the '383 patent claims] are inherent in the system described in the Petersen Article”); *id.* at ¶ 89 (opining that the ordinary skilled artisan would have been fully capable of writing software code to implement changes to the TrimFlight system, resulting in the method claimed by the '383 patent); *id.* at ¶¶ 101-04 (opining that foam markers and marker arms provided “adaptive guidance” that would have been combined with known GPS technology by a skilled artisan to arrive at the guidance system claimed by

the '383 patent).

The court finds that the expert testimony proffered by defendants is sufficient to create a genuine and material issue of fact regarding invalidity based on anticipation or obviousness, in view of the prior art references discussed herein. Dr. Bevly's testimony does not, as plaintiff suggests, actually opine as to the ultimate fact of anticipation or obviousness. Rather, his testimony properly sets forth opinions as to the underlying facts that could support an ultimate finding of anticipation or obviousness. As such, Dr. Bevly's testimony is relevant, and sufficiently satisfies defendants' burden to come forward with evidence on summary judgment that creates a disputed issue of fact on the questions of anticipation or obviousness.

For these reasons, the court therefore DENIES plaintiff's motion for summary judgment as to whether the '383 patent is invalid for anticipation or obviousness, based on the four prior art references in question.

## 2. claim broadening during reexamination

Plaintiff also challenges defendants' contention that claim 3 of the '383 patent-and all its dependent claims-is invalid by reason of impermissibly broad amendments upon reexamination.

A claim is enlarged "if it includes within its scope any subject matter that would not have infringed the original patent." See *Hockerson-Halberstadt, Inc. v. Converse Inc.*, 183 F.3d 1369, 1374 (Fed.Cir.1999). Whether amendments made during reexamination enlarge the scope of a claim is a matter of claim construction. See *In re Freeman*, 30 F.3d 1459, 1464 (Fed.Cir.1994). Claim construction is the process of giving proper meaning to the claim language. See *York Prods., Inc. v. Central Tractor Farm & Family Ctr.*, 99 F.3d 1568, 1572, (Fed.Cir.1996); *Bell Communications Research, Inc. v. Vitalink Communications Corp.*, 55 F.3d

615, 619 (Fed.Cir.1995) (stating that claim language defines the scope of protection). In determining the meaning of disputed claim terms, a construing court considers the written description, the prosecution history, and extrinsic evidence. See *Thermalloy, Inc. v. Aavid Engineering, Inc.*, 121 F.3d 691, 692-93 (Fed.Cir.1997).

\*9 Here, the original language of claim 3-an apparatus claim-required "a form line following apparatus, comprising *a vehicle fitted with* a GPS receiver ...". See Cooper MSJ Decl., Ex. S (emphasis added). The language of claim 3, as amended during reexamination, requires "a form line following apparatus *on a vehicle*, comprising a GPS receiver ...". *Id.* (emphasis added). Defendants assert that claim 3 has been impermissibly broadened because, while the original claim made clear that the GPS receiver had to be *mounted on* the vehicle, the amended claim covers GPS receivers that are not necessarily mounted on the vehicle, but simply "on" the vehicle in any conceivable way. For example, defendants contend that an individual who carries a GPS receiver in his pocket and who is sitting in the vehicle, now would be covered by the language of claim 3.

Ultimately, defendants' argument is unpersuasive. The court must construe the amended claim in order to determine whether it has been broadened, and it is appropriate to look to the surrounding and original claim language, as well as the prosecution history in doing so. Here, the reexamination history makes clear, as plaintiff points out, that plaintiff's amendment was simply to clarify the language "fitted with" in order to indicate that the claimed apparatus is actually *on* the vehicle. With the original language, the term "fitted with" in no way tied the GPS receiver to the vehicle, and plaintiff sought to make clear that the receiver was intended to be tied to the vehicle. Indeed, plaintiff specifically represented to the examiner that "no new matter" was being added by the amended language. Moreover, the court construes the phrase "on a

vehicle” to mean that the apparatus has to be “mounted” on the vehicle. This construction of “on” is supported by the patent specification. *See* Cooper MSJ Decl., Ex. O at 5:28-20 (**383 patent** specification stating that GPS receiver is “mounted” on the vehicle). Although defendants assert that the court should not look to the specification or other parts of the patent in looking at the amended claims, the court rejects this argument, in view of its duty to construe the amended claim language.

In sum, then, the court concludes that the language of claim 3-and its dependent claims-was not impermissibly broadened through reexamination. Accordingly, the court GRANTS plaintiff's motion for summary judgment as to this limited issue.

#### D. Leave to Amend Answer and Counterclaims

Defendants seek leave to amend their Amended Answer and Counterclaims, in order to assert new allegations of inequitable conduct related to plaintiff's purported failure to disclose relevant prior art to the PTO during prosecution of the **383 patent**. *See* Declaration of Dara Tabesh ISO Leave to Amend (“Tabesh Decl.”), Ex. A at ¶¶ 71-74. Specifically, defendants seek to add allegations that plaintiff failed to disclose prior art regarding its TrimFlight GPS-based guidance system, including copies of certain “TrimFlight GPS Technical Overviews” and a June 1995 TrimFlight User Guide. *See id.* Defendants point out that these references include information that explicitly discloses the contour guidance method that is relevant to the **383 patent**. *See* Mot. Leave to Amend at 2:3-6.

\***10** Generally, leave to amend pleadings “shall be freely given when justice so requires.” *Fed.R.Civ.P. 15(a)*. In determining whether leave to amend is appropriate, the district court considers “the presence of any of four factors: bad faith, undue delay, prejudice to the opposing party, and/or futility.” *See*

*Owens v. Kaiser Foundation Health Plan, Inc.*, 244 F.3d 708, 712 (9th Cir.2001); *see also Foman v. Davis*, 371 U.S. 178, 182, 83 S.Ct. 227, 9 L.Ed.2d 222 (1962) (In the absence of any “apparent or declared reason-such as undue delay, bad faith or dilatory motive, ... undue prejudice to the opposing party, ... futility of amendment, etc.,” leave should be freely given). Good cause for amendment must also be shown where, as here, amendment is sought past the deadlines established by the court's pretrial scheduling order. *See Fed. R. Civ. Proc. 16(b)* (pretrial scheduling order “shall not be modified except upon a showing of good cause and by leave of the district judge”); *see also* Pretrial Scheduling Order (setting forth December 26, 2006 as deadline for amendment of pleadings).

Here, the following facts are undisputed: that on February 12, 2007, plaintiff produced for the first time an email from one of the named inventors of the **383 patent**, suggesting that certain TrimFlight references might constitute valid prior art, and furthermore suggesting that plaintiff might want to avoid disclosure of those references to the PTO; that the 1996 TrimFlight GPS Technical Overview that plaintiff actually disclosed to the PTO did not contain any information regarding TrimFlight's parallel routes and contour guidance applications; that the 1994 and 1995 TrimFlight GPS Technical Overviews *do* contain discussion of TrimFlight's parallel routes and contour guidance applications; that defendants did not become aware of, or compare, the three different Technical Overview versions until May 2007, even though all versions had been exchanged throughout discovery in this action; that, on May 30, 2007, defendant requested that plaintiff produce a complete copy of the TrimFlight User Guide that plaintiff had partially produced on February 13, 2007; and that on June 14, 2007, plaintiff produced a complete version of the TrimFlight 1995 User Guide, which also contained discussion of TrimFlight's parallel routes and contour guidance applications.

These facts establish good cause for allowing defendants to amend their First Amended Answer and Counterclaims. From the time defendants first received the inventor's email suggesting that certain TrimFlight references constituted prior art that plaintiff might want to consider holding back from disclosure, to the time defendants filed the instant motion to amend on July 5, 2007, approximately five months passed. During this time, defendants were engaged in discovering and comparing the differences between the three versions of the TrimFlight GPS Technical Overviews, seeking out a complete copy of the TrimFlight 1995 User Guide, and working with their technical expert to develop and finalize their theory of inequitable conduct. Based on these facts, the court cannot say that defendants lacked diligence in pursuing amendment. This is particularly so since, as defendants themselves noted at the hearing on this matter, they were guided by the knowledge that inequitable conduct based on fraud must be alleged with particularity, and it was defendants' desire to be sure of all necessary facts in as reasonable a time as possible, before seeking leave to amend. In sum, then, defendants have stated sufficient facts to establish that they were reasonably diligent in pursuing a good faith basis for their proposed allegations. Good cause for amendment has therefore been shown.

\*11 The court also finds that the traditional [Rule 15](#) factors additionally counsel in favor of amendment. See, e.g., [Foman v. Davis](#), 371 U.S. at 182. Given the nature of defendants' proposed allegations, defendants are pursuing, in good faith, a valid claim for inequitable conduct. See [Li Second Family Ltd. Partnership v. Toshiba Corp.](#), 231 F.3d 1373, 1378 (Fed.Cir.2000) (breach of patent applicant's duty of candor, "which breach can include affirmative misrepresentations of material facts, failure to disclose material information, or submission of false material information, coupled with an intent to deceive, constitutes inequitable conduct"). As such, neither bad faith nor futility of amendment has been

demonstrated. The court also finds, as stated above, that defendants have acted reasonably diligently in bringing their motion to amend, thereby obviating any concerns over unreasonable delay.

This leaves only the question whether any undue prejudice would result from granting amendment. Given the upcoming trial date of October 29, 2007, allowing defendants to amend their answer and counterclaims at this juncture does, as plaintiff contends, pose a challenge for plaintiff. Nonetheless, considering that defendants' new allegations all relate to evidence and discovery that is in plaintiff's possession and control, the court does not find that this shortened preparation time would be unfairly prejudicial to plaintiff. This is particularly so since, while some additional and expedited discovery may be required, it is necessarily limited only to plaintiff's failure to disclose the relevant prior art alleged. It is not necessary, as plaintiff contends, to conduct discovery as to whether plaintiff intentionally omitted reference to the parallel routing or contour guidance applications in the version of the TrimFlight GPS Technical Overview disclosed to the PTO.

In sum therefore, given that good cause has been shown, and the lack of demonstrated bad faith, undue delay, undue prejudice, and/or futility, the court hereby GRANTS defendants' motion to amend their Amended Answer and Counterclaims.

#### E. Conclusion

For the foregoing reasons, plaintiff's motion for summary judgment is DENIED as to infringement, DENIED as to invalidity based on prior art references, and GRANTED as to invalidity based on claim broadening. Defendants' motion for summary judgment as to non-infringement is GRANTED. Defendants' motion for leave to amend their Amended Answer and Counterclaims is also GRANTED.

This order supplements the court's order dated August 16, 2007, docket no. 321.

**IT IS SO ORDERED.**

N.D.Cal., 2007.  
Trimble Navigation Ltd. v. RHS, Inc.  
Not Reported in F.Supp.2d, 2007 WL 2727164  
(N.D.Cal.)

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