

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Warn Industries, Inc. v. Agency 6 Inc.

Warn Industries · No. 2:22-cv-01358 WBS JDP · Decided March 8, 2023

SUMMARY

The United States District Court for the Eastern District of California denied Agency 6 Inc.'s motion to dismiss Warn Industries, Inc.'s patent infringement complaint. The court held that the asserted patent was directed to patent-eligible subject matter under 35 U.S.C. § 101 and that Warn Industries plausibly alleged direct, induced, contributory, and willful infringement.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	William B. Shubb
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	March 8, 2023
DOCKET	2:22-cv-01358 WBS JDP
DISPOSITION	denied
PROCEDURAL POSTURE	Plaintiff brought claims for induced, contributory, and willful patent infringement. Defendant moved to dismiss the complaint in its entirety under Federal Rule of Civil Procedure 12(b)(6).
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts material allegations as true, draws reasonable inferences in the plaintiff's favor, and determines whether the complaint states a plausible claim for relief. At the pleading stage, patent claims are construed in the manner most favorable to the plaintiff, and patent eligibility may be decided on a motion to dismiss.
PRECEDENTIAL VALUE	unpublished district court opinion; precedential status unknown

TOPICS

- patent eligibility
- patent infringement
- motions to dismiss
- pleadings
- civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the court could determine patent eligibility under 35 U.S.C. § 101 at the Rule 12(b)(6) stage without conducting a separate claim-construction hearing.
2. Whether the complaint plausibly alleged that claim 1 of the '963 Patent was directed to patent-eligible subject matter.
3. Whether the complaint plausibly alleged direct infringement sufficient to support induced and contributory infringement claims.
4. Whether the complaint plausibly alleged induced infringement.
5. Whether the complaint plausibly alleged contributory infringement, including that the accused product lacked substantial non-infringing uses.
6. Whether the complaint plausibly alleged willful infringement.

HOLDINGS

1. A separate, formal claim-construction hearing was unnecessary because the court could adopt the plaintiff's constructions or resolve only the claim-construction disputes needed to conduct the § 101 analysis.
2. The complaint plausibly alleged that claim 1 was directed to patent-eligible subject matter because, under the plaintiff-favorable construction required at the pleading stage, the claimed rigging interface was a tangible machine with concrete structure rather than an abstract idea.
3. The complaint plausibly alleged direct infringement because its claim chart asserted that the accused product satisfied every limitation of claim 1.
4. The complaint plausibly alleged induced infringement by asserting that Agency 6 knew of the patent, received notice of possible infringement, and actively sold the accused product with instructions for infringing use.
5. The complaint plausibly alleged contributory infringement because it alleged that the accused product had no substantial non-infringing uses.
6. The complaint plausibly alleged willful infringement by alleging that Agency 6 knew of the '963 Patent and specifically intended to infringe it by continuing to sell the accused product.

KEY QUOTATIONS

“A Rule 12(b)(6) motion tests the legal sufficiency of a claim.” (at 6)

“claim construction is not an inviolable prerequisite to a validity determination under § 101.” (at 7)

“Accordingly, plaintiff has sufficiently plead that the ‘963 Patent is directed at patent-eligible subject matter under step one of Alice because it is tangible and possesses a concrete structure.” (at 10)

“The court thus finds that the ‘963 Patent is directed toward patent-eligible subject matter under § 101. Further, the court finds that plaintiff has sufficiently alleged induced infringement, contributory infringement, and willful infringement of the ‘963 Patent.” (at 15)

FACTUAL BACKGROUND

Warn Industries owned U.S. Patent No. 11,167,963, which claimed a rigging interface for a winch fairlead involving surfaces, side portions, and an extension coupled to a cable. Warn alleged that Agency 6's Billet Winch Shackle satisfied every limitation of claim 1 and continued to be marketed and sold. Warn also alleged that Agency 6 had notice of the patent or its earlier publication, redesigned its product to avoid an earlier patent but not the '963 Patent, and continued selling the accused product.

PROCEDURAL HISTORY

Warn Industries filed a patent infringement complaint alleging that Agency 6's Billet Winch Shackle infringed claim 1 of U.S. Patent No. 11,167,963. Agency 6 moved to dismiss, arguing that the patent claimed ineligible subject matter and that the infringement allegations were insufficient. The court denied the motion to dismiss.

DISPOSITION

denied

CASES CITED

- Navarro v. Block, 250 F.3d 729, 732 (9th Cir. 2001)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 570 (2007)
- Aatrix Software, Inc. v. Green Shades Software, Inc., 882 F.3d 1121, 1125 (Fed. Cir. 2018)
- Boar's Head Corp. v. DirectApps, Inc., No. 2:14-cv-01927 KJM KJN, 2015 WL 4530596, at *3, *7 (E.D. Cal. July 28, 2015)
- Vineyard Investigations v. E. & J. Gallo Winery, 510 F. Supp. 3d 926, 934 (E.D. Cal. 2021)
- Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass'n, 776 F.3d 1343, 1349 (Fed. Cir. 2014)
- Ultramercial, Inc. v. Hulu, LLC, 772 F.3d 709, 713-15 (Fed. Cir. 2014)
- Bancorp Services, LLC v. Sun Life Assurance Co. of Canada (U.S.), 687 F.3d 1266, 1273-74 (Fed. Cir. 2012)
- Association for Molecular Pathology v. Myriad Genetics, Inc., Ass'n for Molecular Pathology v. Myriad Genetics, Inc., 569 U.S. 576, 589 (2013)
- Mayo Collaborative Services v. Prometheus Laboratories, Inc., 566 U.S. 66, 71 (2012)
- Alice Corp. Pty. Ltd. v. CLS Bank International, 573 U.S. 208, 217, 221 (2014)
- McRO, Inc. v. Bandai Namco Games America Inc., 837 F.3d 1299, 1312 (Fed. Cir. 2016)
- In re Nuijten, 500 F.3d 1346, 1355 (Fed. Cir. 2007)
- Ariosa Diagnostics, Inc. v. Sequenom, Inc., 809 F.3d 1282, 1285 (Fed. Cir. 2015)
- Digitech Image Technologies, LLC v. Electronics for Imaging, Inc., 758 F.3d 1344, 1349 (Fed. Cir. 2014)

- Junk Food Custom Arcades, LLC v. Hit Box, LLC, 2022 WL 17920364, at *1, *5 (N.D. Ga. Oct. 18, 2022)
- Elec. Power Grp., LLC v. Alstom S.A., 830 F.3d 1350, 1353 (Fed. Cir. 2016)
- In re Bill of Lading Transmission and Processing System Patent Litigation, 681 F.3d 1323, 1333, 1337-38 (Fed. Cir. 2012)
- ACCO Brands, Inc. v. ABA Locks Mfrs. Co., 501 F.3d 1307, 1313 (Fed. Cir. 2007)
- DSU Medical Corp. v. JMS Co., 471 F.3d 1293, 1305-06 (Fed. Cir. 2006)
- Google LLC v. Princeps Interface Technologies LLC, 2020 WL 1478352, at *4 (N.D. Cal. Mar. 26, 2020)
- Commil USA, LLC v. Cisco Systems, Inc., 575 U.S. 632, 639 (2015)
- Vita-Mix Corp. v. Basic Holdings, Inc., 581 F.3d 1317, 1327-29 (Fed. Cir. 2009)
- Sonos, Inc. v. Google LLC, 591 F. Supp. 3d 638, 642, 644-45 (N.D. Cal. 2022)
- Halo Electronics, Inc. v. Pulse Electronics, Inc., 579 U.S. 93, 103-04 (2016)
- SRI International, Inc. v. Cisco Systems, Inc., 930 F.3d 1295, 1308 (Fed. Cir. 2019)
- WBIP, LLC v. Kohler Co., 829 F.3d 1317, 1341 (Fed. Cir. 2016)
- Bayer Healthcare LLC v. Baxalta Inc., 989 F.3d 964, 987-88 (Fed. Cir. 2021)