

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

OPINION

Warn Industries, Inc. v. Agency 6 Inc.

PER CURIAM.

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8 UNITED STATES DISTRICT COURT

9 EASTERN DISTRICT OF CALIFORNIA

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12 WARN INDUSTRIES, INC., No. 2:22-cv-01358 WBS JDP

13 Plaintiff, 14 v. MEMORANDUM AND ORDER RE:

DEFENDANT’S MOTION TO DISMISS

15 AGENCY 6 INC.,

16 Defendant. 17

18 ----oo0oo---- 19 Plaintiff Warn Industries, Inc. brought this patent 20 infringement action
against Agency 6 Inc. alleging induced 21 infringement, contributory infringement, and willful 22
infringement. (Compl. (Docket No. 1).) Defendant now moves to 23 dismiss plaintiff’s complaint
in its entirety.1 (Mot. (Docket

24 No. 12).)

25 I. BACKGROUND

26 1 Defendant has requested that the United States Patent 27 and Trade Office reconsider the
grant of the ‘963 Patent under 35 U.S.C § 102 and 35 U.S.C § 103. (See Mot. at 4, fn. 4.) A 28
review under § 102 and § 103 does not impact this motion. 1 Plaintiff is a Delaware corporation
with its principal 2 place of business in Clackamas, Oregon. (Compl. ¶ 2.) Defendant

3 Agency 6 is a California corporation with its principal place of

4 business in Roseville, California. (Id.) Plaintiff 5 manufactures, markets, and sells winches,
among other related 6 rigging accessories and shackles.2 (Id. ¶¶ 3, 32-36.) 7 On November 9,
2021, the United States Patent and 8 Trademark Office (“USPTO”) issued to plaintiff Patent No. 9
11,167,963 (the “‘963 Patent”) entitled “Fairlead Systems for 10 Winch Rope Interfaces and
Recovery Rigging Mountable to a Winch 11 and Fairlead and/or Vehicle Bumper.” (Id. ¶ 40.) The
‘963 12 Patent “generally describes a shackle mount that is connectable 13 to a standard recovery
winch cable. The shackle mount includes a 14 shackle attachment tab that prevents lateral
movement of the 15 shackle mount along the shackle pin.” (Id. ¶ 59.) The ‘963 16 Patent thus

“protects the fairlead³ of a winch system from damage¹⁷ due to impact from the cable terminal.” (Compl., Ex. A (the ¹⁸ “‘963 Patent”) at ¹⁹ (Docket No. 1-2).)⁴ ¹⁹ ²⁰ ² A “winch” refers to a type of mechanical device that is used to pull in or let out a rope or cable wound around a spool ²¹ or drum. A “shackle” refers to a U-shaped piece of metal secured ²² with a pin, bolt, or hinged loop. A “winch shackle” is a device wherein a “winch” and a “shackle” are manufactured as one unit. ²³ As plaintiff explains: “Winch shackles are attachment points for the end of winch cables, and provide a safer, stronger, and more ²⁴ secure attachment point than traditional hooks often found at the end of winch cables.” (Compl. ¶ 37.) ²⁵ ²⁶ ³ A “fairlead” is a device to guide a line, rope, or cable around an object, such as a spool or drum. ²⁷ ⁴ For simplicity, the court will cite to the ECF page ²⁸ numbers when referencing Exhibit A, a copy of the ‘963 Patent. nen ee enn enn ene nnn nn en on nn on nn I IO EO OE ty A 2s CO FE 1 pa" st So oe = x Ys AREER penrcaataanis se a goo = wong hag See Be GEE ioingog Poon — sant Sh TR, 2 PERE Ra (i en Ss oa SOD, Home| LT SM Oe items. ET Ri if : □□ ites os 4 SEE

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7 , 206 FIG. 2A

xX ⁸ (Id. at 5.) ⁹ Claim 1 of the ‘963 Patent provides: ¹⁰ A rigging interface, comprising: a first surface arranged on an inner side of the ¹¹ rigging interface, the inner side including two side portions spaced apart from one another in vertical ¹² direction, wherein the two side portions of the inner side are configured to nest against a front of a winch ¹³ fairlead; an extension configured to be coupled to a cable such ¹⁴ that the cable is couplable around the extension, the cable extending outward from the winch fairlead and ¹⁵ wound around a drum of the winch, wherein the cable is configured to extend between the two side portions of ¹⁶ the inner side to couple with the extension.⁵ ¹⁷ (Id. at 19.) ¹⁸ Plaintiff alleges that defendant’s Billet® Winch ¹⁹ Shackle (the “Accused Product”), satisfies every description of

²⁰ Claim 1. (See Compl., Ex. D (“Claim Chart”) (Docket No. 1-5).)

²¹ In the Claim Chart, plaintiff provides photographs of the Accused ²² Product with added labels showing how the Accused Product ²³ ²⁴ ⁵ ° Both parties direct their arguments to Claim 1 because ° it is the only independent claim of the ‘963 Patent. Therefore, ²⁶ this order will also focus on Claim 1. ²⁷ ⁶ A billet is a solid length of metal with a square or circle cross-section. ²⁸ nee enn een ene nnn nn en nnn on I IE EO 1 satisfies every description.’ ² Two Side Portions NNR ³ configured to nest i against a front of a == AS ⁴ winch fairlead ar ⁵ Ld ing 1 ss ⁶ Oo \ 4 : > > ⁷ Winch Fairlead ⁸ 9} (Id. at 2.) ¹⁰ On October 22, 2020, plaintiff sent defendant a cease ¹¹ and desist letter regarding the Accused Product, claiming ¹² infringement of United States Patent No. 9,388,025 (the “*025 ¹³ | Patent”) and United States Patent Publication No. 2019/0127190 ¹⁴ (the “‘190 Publication), which issued as the ‘963 Patent the ¹⁵ | following year.® (Compl. @ 51.) The letter states: “[T]he ‘190 ¹⁶ | Publication is directed toward similar rigging shackles ¹⁷ While the claims of the ‘190 Publication have yet to be granted, ¹⁸ the embodiments disclosed therein

nonetheless appear to be very 19 | similar to [the Accused Product].” (Id. 7 52.) 20 In January 2021, defendant informed plaintiff that it 21 |] was redesigning the Accused Product. (Mot. at 5.) The following 22 7 For example, to illustrate that the Accused Product 23 includes “a first surface arranged on an inner side of the rigger interface” and “the inner side including two side portions spaced 24 apart from one another in vertical direction,” plaintiff labels two images of the Accused Product with the labels “first surface 29 on inner side,” “two side portions,” and “vertical direction.” 26 (Claim Chart at 2.) 27 8 The ‘190 Publication was filed on November 1, 2017. The resulting ‘963 Patent issued on November 9, 2021, 28 approximately a year after plaintiff’s cease and desist letter. 1 month, defendant provided plaintiff with a drawing of the new 2 version of the product. (Id.) Plaintiff alleges that defendant 3 altered the functionality of its products to avoid infringement 4 of the ‘025 Patent but did not make any alterations to avoid 5 infringement of the ‘963 Patent. (Compl. ¶¶ 55-56.) Plaintiff 6 also alleges defendant sells the Accused Product on defendant’s 7 website as well as third-party platforms like Amazon. (Id. ¶¶ 8 49-50.)

9 II. LEGAL STANDARD

10 Federal Rule of Civil Procedure 12(b)(6) allows for 11 dismissal when the plaintiff’s complaint fails to state a claim 12 upon which relief can be granted. See Fed. R. Civ. P. 12(b)(6). 13 “A Rule 12(b)(6) motion tests the legal sufficiency of a claim.” 14 *Navarro v. Block*, 250 F.3d 729, 732 (9th Cir. 2001). The inquiry 15 before the court is whether, accepting the allegations in the 16 complaint as true and drawing all reasonable inferences in the 17 plaintiff’s favor, the complaint has alleged “sufficient facts 18 . . . to support a cognizable legal theory,” *id.*, and thereby 19 stated “a claim to relief that is plausible on its face,” *Bell 20 Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). In deciding 21 such a motion, all material allegations of the complaint are 22 accepted as true, as well as all reasonable inferences to be 23 drawn from them. *Id.* 24 “[P]atent eligibility can be determined at the Rule 25 12(b)(6) stage.” *Aatrix Software, Inc. v. Green Shades Software, 26 Inc.*, 882 F.3d 1121, 1125 (Fed. Cir. 2018) (citations omitted). 27 Pursuant to statute, “[a] patent shall be presumed valid.” 35 28 U.S.C. § 282. Accordingly, a defendant’s “burden in seeking to 1 dismiss plaintiff’s claims based on patent ineligibility is high 2 because of the [p]atent’s presumptive validity.” *Boar’s Head 3 Corp. v. DirectApps, Inc.*, No. 2:14-cv-01927 KJM KJN, 2015 WL 4 4530596, at *3 (E.D. Cal. July 28, 2015) (citation omitted). 5 “Additionally, in applying § 101 jurisprudence at the pleading 6 stage, the [c]ourt construes patent claims in a manner most 7 favorable to [p]laintiff.” *Vineyard Investigations v. E. & J. 8 Gallo Winery*, 510 F. Supp. 3d 926, 934 (E.D. Cal. 2021) (Drozd, 9 J.) (citation omitted).

10 III. DISCUSSION

11 A. Claim Construction 12 As a preliminary matter, the court must first address 13 whether claim construction is required at this stage in the 14 proceedings. Claim construction is not required to resolve a 15 motion based on § 101 eligibility. See e.g., *Content Extraction 16 & Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 17 1343, 1349 (Fed. Cir. 2014) (“Although the determination of 18 patent eligibility requires a full understanding of the basic 19

character of the claimed subject matter, claim construction is 20 not an inviolable prerequisite to a validity determination under 21 § 101.”) (citing *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 22 714-15 (Fed. Cir. 2014); *Bancorp Servs., LLC v. Sun Life 23 Assurance Co. of Canada (U.S.)*, 887 F.3d 1266, 1273-74 (Fed. Cir. 24 2012)). 25 If claim construction disputes exist at the 12(b)(6) 26 stage, as they do here, a court may either “proceed by adopting 27 the non-moving party’s constructions” or “resolve the disputes to 28 whatever extent is needed to conduct the § 101 analysis, which 1 may well be less than a full, formal claim construction.” *Aatrix 2 Software*, 882 F.3d at 1125. Accordingly, the court concludes 3 that a separate claim construction hearing is unnecessary to 4 decide present the motion. 5 B. Patent Eligibility

6 Section 101 of the Patent Act defines patent-eligible

7 subject matter as “any new and useful process, machine, 8 manufacture, or composition of matter, or any new and useful 9 improvement thereof.” 35 U.S.C. § 101. “[Section] 101 10 specifically excludes from patent eligibility laws of nature, 11 natural phenomena, and abstract ideas.” *Vineyard Investigations*, 12 510 F. Supp. 3d at 934 (citing *Ass’n for Molecular Pathology v. 13 Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013)). However, the 14 Supreme Court has recognized that “all inventions at some level 15 embody, use, reflect, rest upon, or apply . . . abstract ideas.” 16 *Mayo Collaborative Servs. v. Prometheus Lab’ys, Inc.*, 566 U.S. 17 66, 71 (2012). Thus, inventions which apply an abstract concept 18 “to a new and useful end” remain eligible for patent protection. 19 *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 217 (2014) 20 (citations and quotations omitted). 21 In *Alice*, 573 U.S. 208 (2014), the Supreme Court 22 established a two-part test to determine whether claims are 23 patent eligible under § 101. First, a court must determine 24 whether the claims at issue are “directed at an abstract idea” or 25 other patent-ineligible concepts. *Id.* at 217. Second, if a 26 claim is directed at a patent-ineligible concept, a court 27 considers whether the claim “contains an inventive concept 28 sufficient to transform the claimed abstract idea into a patent- 1 eligible application.” *Id.* at 221 (citations and quotations 2 omitted). “If the claims are not directed to an abstract idea, 3 the inquiry ends.” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 4 837 F.3d 1299, 1312 (Fed. Cir. 2016). 5 Plaintiff argues that the ‘963 Patent’s claims are 6 directed to statutorily eligible subject matter -- “machines: 7 rigging interfaces with various well-defined surfaces and other 8 components” -- and thus falls within an enumerated category of § 9 101. (Opp’n at 6-7); see *Ultramercial*, 772 F.3d at 713-14 (“A § 10 101 analysis begins by identifying whether an invention fits 11 within one of the four statutorily provided categories of patent- 12 eligible subject matter.”). 13 “The Supreme Court has defined ‘machine’ as ‘a concrete 14 thing, consisting of parts, or of certain devices and combination 15 of devices.’” *In re Nuijten*, 500 F.3d 1346, 1355 (Fed. Cir. 16 2007) (quoting *Burr v. Duryee*, 68 U.S. 531, 570 (1863)) (finding 17 a “signal” is not a “machine” under § 101 because it “does not 18 possess concrete structure . . .”). “[M]achines, which are 19 tangible . . . should not be considered to be abstract ideas.” 20 *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 809 F.3d 1282, 1285 21 (Fed. Cir. 2015) (Dyk, J., concurring); cf *Digitech Image Techs., 22 LLC v. Elecs. for*

Imaging, Inc., 758 F.3d 1344, 1349 (Fed. Cir. 23 2014) (finding patent with claims directed at a digital 24 processing system “[wa]s not a tangible or physical thing and 25 d[id] not fall within any of the categories of eligible subject 26 matter”). 27 Plaintiff relies on *Junk Food Custom Arcades, LLC v. 28 Hit Box, LLC*, 2022 WL 17920364, No. 2:21-cv-262 RWS (N.D. Ga.

1 Oct. 18, 2022), for the proposition that claims directed to

2 “surfaces” may constitute a machine under § 101. (See Opp’n at 3 8-11.) There, one patent “claim[ed] an allegedly novel hand 4 operated game controller which utilizes an all-push-button 5 surface with an allegedly novel button arrangement.” *Junk Food*, 6 2022 WL 17920364, at *1. The court found that patent was not 7 “directed at an abstract idea” under Alice’s step one for two 8 reasons. First, the patent specified “tangible boundary lines, 9 function buttons, and movement buttons located in specific 10 locations and orders relative to each other that are intended” to 11 improve the device. *Id.* at *5. Second, the patent “claim[ed] 12 tangible forms, including tangible and novel arrangement[s] and 13 placement of buttons.” *Id.* 14 In adopting plaintiff’s claim constructions, as the 15 court must at the 12(b)(6) stage, see *Aatrix*, 882 F.3d at 1125, 16 the ‘963 Patent is “a concrete thing” comprised of multiple 17 surfaces and extensions which “protect[] the fairlead of a winch 18 system from damage” (‘963 Patent at 19.) Specifically,

19 Claim 1 explains that the invention claimed comprises “a first

20 surface arranged on an inner side of the rigging interface . . . 21 wherein the two side portions of the inner side are configured to 22 nest against a front of a winch fairlead.” (*Id.*) Like in *Junk* 23 *Food*, Claim 1 specifies a tangible form and tangible boundary 24 lines. *Junk Food*, 2022 WL 17920364, at *5. 25 Defendant attempts to advance arguments that the ‘963 26 Patent is not patent-eligible because of plaintiff’s word choice 27 28 1 in the claims, such as “interface,” “extension,” and “surfaces.” 2 (Mot. at 12-13.) However, parsing the definitions of words in 3 isolation is not the appropriate task for the court at this stage 4 in the proceedings. At Alice step one, the court must “look[] at 5 the ‘focus’ of the claims, their ‘character as a whole.’” *Elec. 6 Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 7 2016). Moreover, at the 12(b) (6) stage, “the [c]ourt construes 8 patent claims in a manner most favorable to [p]laintiff.” 9 *Vineyard Investigations*, 510 F. Supp. 3d at 934. Thus, any 10 factual disputes must be resolved by assuming the construction 11 most favorable to plaintiff. See *Boar’s Head*, 2015 WL 4530596, 12 at *7 (citations omitted). 13 Accordingly, plaintiff has sufficiently plead that the 14 ‘963 Patent is directed at patent-eligible subject matter under 15 step one of Alice because it is tangible and possesses a concrete 16 structure. The court therefore need not progress to step two of 17 Alice. 18

B. Patent Infringement 19 Within the the Complaint’s claim for patent 20 infringement of the ‘963 Patent, plaintiff pleads that defendant 21 is liable for inducement, contributory infringement, and willful 22 infringement. (Compl. ¶¶ 62-72.) 23 1. Direct Infringement 24 To support a claim for inducement or contributory 25 infringement, there must be an underlying act of direct 26 9 For example, defendant posits that “a surface, like a 27 side, is a concept or mathematical relationship between locations in space, rather than a physical device” and therefore is patent- 28 ineligible

subject matter. (Mot. at 5.) 1 infringement.¹⁰ See *In re Bill of Lading Transmission and 2 Processing Sys. Patent Litig.*, 681 F.3d 1323, 1333 (Fed. Cir. 3 2012). “[T]o prove direct infringement, a patentee must either 4 point to specific instances of direct infringement or show that 5 the accused device necessarily infringes the patent in suit.” 6 *ACCO Brands, Inc. v. ABA Locks Mfrs. Co.*, 501 F.3d 1307, 1313 7 (Fed. Cir. 2007). Where “the accused device can be used at any 8 given time in a noninfringing manner, the accused device does not 9 necessarily infringe the [] patent.” *Id.* (finding no direct 10 infringement where the patentee “failed to point to specific 11 instances of direct infringement” and the device had 12 noninfringing uses). 13 As the court detailed above when describing plaintiff’s 14 Claim Chart, plaintiff alleges that the Accused Product conforms 15 with every specification of Claim 1. (See Ex. D.) Thus, the 16 Accused Product “necessarily infringes the patent in suit.” *ACCO 17 Brands*, 501 F.3d at 1313. Accordingly, plaintiff has 18 sufficiently plead direct infringement of the ‘963 Patent. 19 2. Inducement 20 Under section § 271(b) of the Patent Act, “[w]hoever 21 actively induces infringement of a patent shall be liable as an 22 infringer.” 35 U.S.C. § 271(b). A patent holder “must prove 23 that once the defendant[] knew of the patent, they actively and 24 knowingly aid[ed] and abett[ed] another’s direct infringement.” 25 *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1305 (Fed. Cir. 2006) 26

10 Section 271(a) provides: “[W]hoever without authority 27 makes, uses, offers to sell, or sells any patented invention . . . during the term of the patent therefor, infringes the patent.” 28 35 U.S.C. § 271(a). 1 (citation and quotations omitted); see also *id.* at 1306 (“While 2 proof of intent is necessary, direct evidence is not required; 3 rather, circumstantial evidence may suffice.”) (citation and 4 quotation omitted). 5 Plaintiff argues defendant induced infringement of at 6 least Claim 1 “by selling the Accused Products with instructions 7 as to how to use the Accused Products in a system such as that 8 recited in the ‘963 Patent.” (Compl. ¶ 63.) Moreover, plaintiff 9 contends that defendant knew of the specifications of the ‘190 10 Publication (which later issued as the ‘963 Patent) as early as

11 October 20, 2020, when it sent defendant the cease and desist 12 letter. (*Id.*) 13 At this stage, plaintiff’s allegations that defendant 14 knew of the patent, was put on notice by plaintiff of possible 15 infringement, and actively sold the Accused Product to be used in 16 an infringing manner are sufficient. See *Google LLC v. Princeps 17 Interface Techs. LLC*, No. 19-cv-06566 EMC, 2020 WL 1478352, at *4 18 (N.D. Cal. Mar. 26, 2020) (“[A] patentee need only cite examples 19 of where the accused infringer advertised benefits that can be 20 achieved only through use of the asserted patent to plausibly 21 plead specific intent under 12(b)(6).”) (citation and quotation 22 omitted). Accordingly, plaintiff has sufficiently plead induced 23 infringement of the ‘963 Patent. 24 2. Contributory Infringement 25 “Contributory infringement requires knowledge of the 26 patent in suit and knowledge of patent infringement.” *Commil 27 USA*, 575 U.S. at 639; see 35 U.S.C. § 271(c). To state a claim 28 for contributory infringement, a plaintiff must “plead facts that 1 allow an inference that the components sold or

offered for sale 2 have no substantial non-infringing uses.” In re Bill, 681 F.3d 3 at 1337-38 (“[T]he inquiry focuses on whether the accused 4 products can be used for purposes other than infringement.”) 5 (emphasis omitted). “In the context of a claim of contributory 6 infringement under § 271(c), a substantial non-infringing use is 7 any use that is ‘not unusual, far-fetched, illusory, impractical, 8 occasional, aberrant, or experimental.’” Id. at 1337 (quoting 9 Vita-Mix Corp. v. Basic Holdings, Inc., 581 F.3d 1317, 1327-29 10 (Fed. Cir. 2009)). “Where the product is equally capable of, and 11 interchangeably capable of both infringing and substantial non- 12 infringing uses, a claim for contributory infringement does not 13 lie.” Id. at 1338. 14 Defendant argues that plaintiff does not provide facts 15 sufficient to show the Accused Product has no substantial non- 16 infringing uses. (See Mot. at 21.) Defendant also contends that 17 that plaintiff’s Claim Chart in fact shows a substantial non- 18 infringing use by demonstrating the Accused Product being used 19 with a “rope” as opposed to a “cable.”¹¹ (Id. at 18-29, 21.) The 20 court is not persuaded. First, defendant’s arguments are merely 21 conclusory. Second, even if relevant to subsequent claim 22 construction of the ‘963 Patent, the court will not distinguish 23 between the use of word “cable” and “rope” at the 12(b)(6) stage. 24 As already discussed, the Claim Chart illustrates that 25 26 11 Defendant explains: “In light of the distinction made by [plaintiff] between cables and ropes in the ‘963 [P]atent, 27 [plaintiff’s] depiction of a rope in its claim chart does not plausibly satisfy the ‘cable’ limitation of [C]laim 1.” (Mot. at 28 19.) 1 the Accused Product satisfies every specification of Claim 1. 2 Plaintiff alleges that anyone who uses the Accused Product 3 “directly infringes Claim 1 of the ‘963 Patent.” (Compl. ¶ 64.) 4 The court therefore finds plaintiff has plausibly alleged that 5 the Accused Product has no substantial non-infringing uses. 6 Accordingly, plaintiff has sufficiently plead contributory 7 infringement of the ‘963 Patent. 8

3. Willful Infringement

9 Section 284 of the Patent Act states that in the case

10 of infringement, “the court may increase the damages up to three 11 times the amount found or assessed.” 35 U.S.C. § 284. “While 12 ‘there is no precise rule or formula’ for meeting out enhanced 13 damages, it is ‘generally reserved for egregious cases of 14 culpable behavior.’” Sonos, Inc. v. Google LLC, 591 F. Supp. 3d 15 638, 642 (N.D. Cal. 2022) (quoting Halo Elecs., Inc. v. Pulse 16 Elecs., Inc., 579 U.S. 93, 103-04 (2016)). The Supreme Court 17 describes such behavior as “willful, wanton, malicious, bad- 18 faith, deliberate, consciously wrongful, flagrant, or--indeed-- 19 characteristic of a pirate.” Halo, 579 U.S. at 104; see also SRI 20 Int’l, Inc. v. Cisco Sys., Inc., 930 F.3d 1295, 1308 (Fed. Cir. 21 2019) (“[It] is the circumstances that transform simple 22 ‘intentional or knowing’ infringement into egregious, 23 sanctionable behavior, and that makes all the difference.”) 24 (citation omitted). 25 To establish willful infringement the patentee must 26 first prove knowledge of the patent and “show the accused 27 infringer had a specific intent to infringe at the time of the 28 challenged conduct.” Sonos, 591 F. Supp. 3d at 644 (citing WBIP, 1 LLC v. Kohler Co., 829 F.3d 1317, 1341 (Fed. Cir. 2016); Bayer 2 Healthcare LLC v. Baxalta Inc., 989 F.3d 964, 987-88 (Fed. Cir. 3 2012)) (additional citations and quotations

omitted). “[O]nce 4 willfulness is adequately pled, the complaint need not go further 5 and specify the further aggravating circumstances warranting 6 enhanced damages.”¹² Id. at 644 (emphasis omitted). 7 Here, plaintiff alleges that defendant was aware of the 8 pre-publication grant of the ‘963 Patent by at least May 2, 2019. 9 (See Compl. ¶ 69.) Plaintiff further alleges that defendant was 10 put on notice of possible infringement of the ‘963 Patent (then 11 the ‘190 Publication) when plaintiff sent the cease and desist 12 letter on October 22, 2020. (Id. ¶¶ 51-54.) Moreover, plaintiff 13 alleges that defendant altered the Accused Product to avoid 14 infringement of the ‘025 Patent but did not make any alterations 15 to avoid infringement of the ‘963 Patent. (Id. ¶¶ 55-56.) 16 Finally, plaintiff alleges that defendant continues to market and 17 sell the Accused Product. (Id. ¶¶ 47-50.) 18 In drawing all reasonable inferences in plaintiff’s 19 favor as the court must at this stage, see *Twombly*, 550 U.S. at 20 570, on this record plaintiff has sufficiently alleged that 21 defendant had knowledge of the ‘963 Patent and specific intent to 22 infringe by selling the Accused Product. See *Sonos*, 591 F. Supp. 23 3d at 644-45 (“The full extent of egregious behavior is . . . 24 unknown at the pleading stage. It would be unreasonable to 25 12 In *Sonos*, the district court highlighted the difference between a party pleading willful infringement and the court 26 awarding damages after a party proved infringement. *Sonos*, 591 F. Supp. 3d at 645. As that court explained: “It would be a rare 27 case where the infringer disclosed the full extent of its egregious behavior in advance of litigation, such that the 28 conduct could be fully described in the complaint” Id. eee EN EE EN RN IRI EO EE 1 expect patent plaintiffs to be in a position to plead the full 2 extent of egregious misconduct .. .”) Accordingly, plaintiff 3 | has sufficiently plead willful infringement of the ‘963 Patent. 4 The court thus finds that the ‘963 Patent is directed 5 toward patent-eligible subject matter under § 101. Further, the 6 court finds that plaintiff has sufficiently alleged induced 7 infringement, contributory infringement, and willful infringement 8 of the ‘963 Patent. 9 IT IS THEREFORE ORDERED that defendant’s motion to 10 dismiss (Docket No. 12) be, and the same hereby is, DENIED. 11 Dated: March 8, 2023 tet, . ak 4 / /

12 WILLIAM B. SHUBB

13 UNITED STATES DISTRICT JUDGE

14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 16