

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

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|-----------------|---|----------------------------------|
| 360HEROS, INC., |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| v. |) | Civil Action No. 17-1302-MFK-CJB |
| |) | |
| GOPRO, INC., |) | |
| |) | |
| Defendant. |) | |

REPORT AND RECOMMENDATION

In this patent action filed by Plaintiff 360Heros, Inc. (“Plaintiff” or “360Heros”) against Defendant GoPro, Inc. (“Defendant” or “GoPro”), presently pending before the Court is Defendant’s “Motion for Summary Judgment of Non-infringement and *Daubert* Motions to Exclude” (“Motion”). (D.I. 217) For the reasons that follow, the Court recommends that the Motion be GRANTED-IN-PART and DENIED-IN-PART as to its requests for summary judgment, and the Court orders that the Motion be GRANTED-IN-PART and DENIED-IN-PART as to its *Daubert*-related requests for relief, in the manner further set out below.

I. BACKGROUND

A. Factual Background

Plaintiff is a Delaware corporation with its principal place of business in Olean, New York. (D.I. 23 at ¶ 2) Defendant is a Delaware corporation with its principal place of business in San Mateo, California. (*Id.* at ¶ 3) At the time of the filing of this case, both parties sold devices (sometimes referred to herein as “video rigs” or “rigs”) that hold cameras meant to capture full 360 degree spherical images. (*Id.* at ¶¶ 16-17, 21)

At issue in the case is Plaintiff's United States Patent No. 9,152,019 (the "'019 patent"). The '019 patent, entitled "360 Degree Camera Mount and Related Photographic and Video System," relates to systems and methods for releasably retaining a plurality of cameras in predetermined orientations, to allow for capturing of 360 degree composite images or 360 degree by 180 degree full spherical images. (*Id.* at ¶¶ 13-15; *see also* D.I. 1, ex. 1)¹ Michael Kintner, Plaintiff's founder and Chief Executive Officer, is the named inventor on the patent. (D.I. 23 at ¶ 16; '019 patent at 1)

In 2013, Plaintiff began marketing and selling its own video rigs that are alleged to read on the claims of the '019 patent. (D.I. 224, ex. 1) In 2016, Plaintiff re-branded its rigs as "360 RIZE." (D.I. 226, ex. 53 at ¶ 10)

In this case, Plaintiff alleges that Defendant's Omni device, Abyss device and Odyssey device (together, the "accused products," the "accused rigs" or the "accused video rigs")—devices that hold configurations of a number of cameras in particular orientations to capture full spherical/360 degree video images—infringe the '019 patent. (D.I. 23 at ¶¶ 22-32) The Omni rig is depicted below:

¹ The patent-in-suit was attached as Exhibit 1 to the original Complaint in the case. Further citations will simply be to the "'019 patent."



(*Id.* at ¶ 22) The Abyss rig is depicted below:



(*Id.* at ¶ 25) And the Odyssey rig is depicted below:



(*Id.* at ¶ 28)

Defendant began offering the Omni rig for sale in April 2016, first began shipping the product in August 2016 and discontinued sales in 2017. (D.I. 225, ex. 23 at ¶ 23; *id.*, ex. 25; *id.*, ex. 29; *id.*, ex. 30 at ex. A at 24) It began selling the Abyss rig in April 2015 and discontinued sales in 2017. (*Id.*, ex. 30 at ex. A at 25, 27; D.I. 226, ex. 31) And it began selling the Odyssey rig in September 2015, first began shipping it in May 2016 and discontinued production of the rig as of 2017. (D.I. 225, ex. 18 at 79-80; *id.*, ex. 19; *id.*, ex. 22; *id.*, ex. 23 at ¶ 22, ex. 30 at ex. A at 24)

The '019 patent includes 37 claims, with claims 1, 15, 22 and 30 being independent claims. ('019 patent) Claims 15-21 are method claims and every other claim in the patent is an apparatus claim. (*Id.*) The four independent claims read as follows:

1. A holding assembly configured to releasably retain a plurality of photographic cameras in a predetermined orientation, said holding assembly comprising:

a support including a support body having a plurality of support arms extending outwardly and radially from the support body; and

each of the support arms including a receptacle disposed thereon and in which a plurality of the receptacles are disposed radially about the exterior of said support body, each of said receptacles defining an open-ended enclosure having at least one latching feature for enabling a photographic camera to be releasably retained within the defined enclosure wherein the receptacles are oriented about said support such that each retained camera provides an overlapping field of view, the cameras being disposed on the support to create either a 360 degree by 180 degree full spherical composite image or a 360 degree composite image.

15. A method for manufacture of a holding assembly that enables capture of 360 degree photographic or video images of a scene of interest, said method comprising:

providing a support for said holding assembly comprising a center support body having a plurality of outwardly extending support arms, including a corresponding plurality of receptacles arranged on each extending support arm, each said receptacle defining an open-ended enclosure that is sized for releasably receiving at least one photographic camera body and in which each said receptacle is disposed in a specific angular or spherical orientation relative to each other to enable a 360 degree by 180 degree full spherical composite image or a 360 degree composite image to be created by the retained photographic cameras; and

configuring each receptacle with a latching feature to enable a photographic camera body to be releasably secured within the support without requiring tools.

22. A system for creating 360 degree images of a scene of interest, the system comprising:

a holding assembly configured to releasably retain a plurality of cameras in a predetermined orientation, the holding assembly comprising;

a supporting frame defined by a center support and a plurality of support arms outwardly extending from the center support;

a plurality of receptacles disposed about the exterior of the supporting frame, each of said receptacles provided on a

corresponding support arm and defining a receiving cavity sized to accommodate a camera and including a latching feature for releasably and individually retaining a photographic camera within the receptacle and wherein the receptacles are oriented about said supporting frame such that each camera, when loaded into the receptacles provides an overlapping field of view, the cameras being disposed to create a 360 degree by 180 degree full spherical composite image or a 360 degree composite image.

30. A holding fixture configured to retain a plurality of photographic cameras in a predetermined orientation, the holding fixture comprising:

a support including a center support body and a plurality of support arms outwardly and radially extending from the support body; and

a plurality of receptacles disposed about the exterior of the support and at the extending ends of each support arm, each of the receptacles defining an open end enclosure sized for retaining a photographic camera and in which the receptacles are oriented about the support such that each retained photographic camera provides an overlapping field of view, the cameras being disposed such that a centerline of the lens barrel of each retained camera is configured to intersect at a common center apex to enable either a 360 degree by 180 degree full spherical composite image or a 360 degree composite image to be created.

('019 patent, col. 22:24-41; *id.*, col. 23:15-32; *id.*, cols. 23:50-24:4; *id.*, col. 24:23-40)

In this litigation, it appears that Plaintiff is still asserting claims 1-5, 8, 11-12, 15-16, 18-20, 22-25 and 30-37. (D.I. 237, ex. F at 4) It asserts that Defendant began infringing the patent on October 6, 2015. (D.I. 226, ex. 53 at ex. A at ¶ 61)

Further additional relevant facts will be referenced as needed in Section II.

B. Procedural Background

Plaintiff commenced this action on September 13, 2017. (D.I. 1)² The Court was thereafter referred the case to hear and resolve all pre-trial matters, up to and including the resolution of case dispositive motions, by Judge Leonard P. Stark, who was the United States District Judge then assigned to the case. (D.I. 5)³

The Motion was filed on August 6, 2021, (D.I. 217), and it was fully briefed as of September 15, 2021, (D.I. 242). The Court held oral argument on the Motion and other-since-resolved related motions on September 29, 2021. (D.I. 256, hereinafter “Tr.”)

II. DISCUSSION

A. GoPro’s Motion for Summary Judgment

The Court first addresses the portion of the Motion that seeks summary judgment of non-infringement (referred to herein as the “MSJ”). Below, the Court will first set out the relevant legal standards for this inquiry. Thereafter, it will address each of the summary judgment issues raised by Defendant.

1. Legal Standards

a. Summary Judgment

² In April 2016, Defendant filed a trademark and copyright infringement suit against Plaintiff in the United States District Court for the Northern District of California (the “California Court”). (D.I. 226, ex. 35 at 1) Plaintiff later filed a counterclaim for patent infringement of the '019 patent in that action. (*Id.*) The California Court eventually ruled that Plaintiff did not then have standing to sue under the '019 patent and dismissed the infringement claim from the suit. (D.I. 223 at 1) Plaintiff later re-filed its patent infringement allegations as to the '019 patent (with some alterations) against Defendant in the instant case.

³ The case has recently been reassigned to visiting United States District Judge Matthew F. Kennelly of the United States District Court for the Northern District of Illinois. (Docket Entry, Feb. 1, 2022)

A grant of summary judgment is appropriate where “the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). The moving party bears the burden of demonstrating the absence of a genuine issue of material fact. *See Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 585 n.10 (1986). If the moving party meets this burden, the nonmovant must then “come forward with specific facts showing that there is a *genuine issue for trial*.” *Id.* at 587 (emphasis in original) (internal quotation marks and citation omitted). If the nonmoving party fails to make a sufficient showing on an essential element of its case with respect to which it has the burden of proof, the moving party is entitled to judgment as a matter of law. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-23 (1986). During this process, the Court will “draw all reasonable inferences in favor of the nonmoving party, and it may not make credibility determinations or weigh the evidence.” *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 150 (2000).

However, in order to defeat a motion for summary judgment, the nonmoving party must “do more than simply show that there is some metaphysical doubt as to the material facts.” *Matsushita*, 475 U.S. at 586. The “mere existence of *some* alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment; the requirement is that there be no *genuine* issue of *material* fact.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48 (1986) (emphasis in original). Facts that could alter the outcome are “material,” and a factual dispute is “genuine” only where “the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” *Id.* at 248. “If the evidence is merely colorable . . . or is not significantly probative . . . summary judgment may be granted.” *Id.* at 249-50 (internal citations omitted).

A party asserting that a fact cannot be—or, alternatively, is—genuinely disputed must support the assertion either by citing to “particular parts of materials in the record, including depositions, documents, electronically stored information, affidavits or declarations, stipulations (including those made for purposes of the motion only), admissions, interrogatory answers, or other materials”; or by “showing that the materials cited do not establish the absence or presence of a genuine dispute, or that an adverse party cannot produce admissible evidence to support the fact.” Fed. R. Civ. P. 56(c)(1)(A) & (B).

b. Patent Infringement

The patent infringement analysis consists of two steps. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed. Cir. 1995). First, the court must determine the meaning and scope of the patent claims asserted to be infringed. *Id.* Claim construction is generally a question of law, although subsidiary fact finding is sometimes necessary. *Teva Pharms. USA, Inc. v. Sandoz, Inc.*, 574 U.S. 318, 326 (2015). Second, the trier of fact must compare the properly construed claims to the allegedly infringing device. *Markman*, 52 F.3d at 976. This second step presents a question of fact. *ActiveVideo Networks, Inc. v. Verizon Commc’ns, Inc.*, 694 F.3d 1312, 1319 (Fed. Cir. 2012).

“Literal infringement of a claim exists when every limitation recited in the claim is found in the accused device.” *Kahn v. Gen. Motors Corp.*, 135 F.3d 1472, 1477 (Fed. Cir. 1998). If any claim limitation is absent from the accused product, there is no literal infringement as a matter of law. *Amgen Inc. v. F. Hoffman–La Roche Ltd*, 580 F.3d 1340, 1374 (Fed. Cir. 2009). A product that does not literally infringe a patent claim may still infringe under the doctrine of equivalents if the differences between the claimed invention and the accused product are insubstantial, or if the accused product or method performs substantially the same function in

substantially the same way with substantially the same result as each claim limitation of the patented product or method (i.e., the “function, way, result test”). *See Virnetx, Inc. v. Cisco Sys., Inc.*, 767 F.3d 1308, 1322 (Fed. Cir. 2014); *AquaTex Indus., Inc. v. Techniche Sols.*, 479 F.3d 1320, 1326 (Fed. Cir. 2007).

The patent owner has the burden of proving infringement, and must do so by a preponderance of the evidence. *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 859 F.2d 878, 889 (Fed. Cir. 1988). When an accused infringer moves for summary judgment of non-infringement, such relief is only appropriate if, viewing the facts in the light most favorable to the patentee, no reasonable jury could find that every limitation recited in the properly construed claim is found in the accused device, either literally or under the doctrine of equivalents. *See Chimie v. PPG Indus., Inc.*, 402 F.3d 1371, 1376 (Fed. Cir. 2005); *see also Bell Atl. Network Servs., Inc. v. Covad Commc’ns Grp., Inc.*, 262 F.3d 1258, 1267 (Fed. Cir. 2001).

2. Discussion

Defendant argues that summary judgment should be granted on four different grounds. The Court will address each ground in turn below.

a. “Support Arms” Limitation

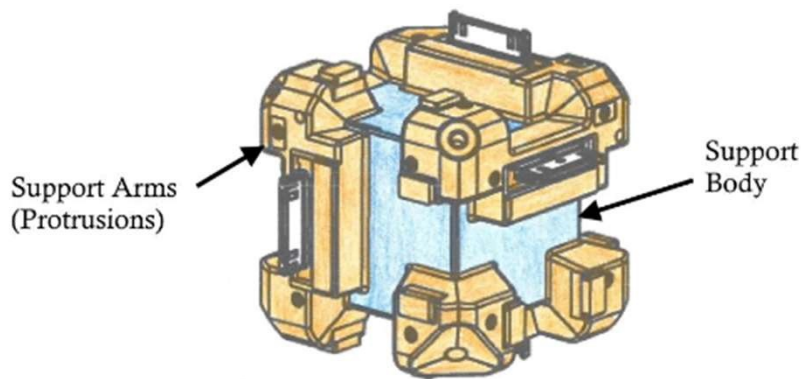
All of the asserted claims of the '019 patent require a plurality of “support arms” that: (1) each extend outward from a support body/center support body/center support (collectively, a “support body”) and (2) are each in some way associated with a receptacle. (D.I. 223 at 13) The California Court construed “support” to mean “structure that holds or positions something” and construed “support arm(s)” according to its plain and ordinary meaning. (D.I. 226, ex. 35 at 7)⁴

⁴ The California Court construed certain of the patent’s claim terms during the parties’ litigation in that Court; the parties thereafter agreed to adopt those constructions in this

Defendant's first MSJ argument is that none of the accused products—the Omni rig, the Abyss rig or the Odyssey rig—contain “support arms.” The Court will address this issue on a rig-by-rig basis.

i. The Omni Rig

With regard to the Omni rig, Plaintiff's allegation is that certain “protrusions” on the inner cube of the device amount to “support arms.” (D.I. 223 at 14) These protrusions are depicted in yellow in the following picture of a portion of the Omni rig; the picture was prepared by Plaintiff's technical expert, Dr. Randall King:



(D.I. 223 at 14; D.I. 226, ex. 37 at 10) Defendant makes two different arguments as to why summary judgment should be granted.

First, Defendant argues that summary judgment is warranted because the inner cube of the Omni rig (which Dr. King colored in blue in the above picture) is in fact a single piece of black plastic, and that the protrusions on the inner cube cannot be “support arms” because they are “simply part of the inner cube itself.” (D.I. 223 at 14-15; D.I. 242 at 5; Defendant's Hearing

case. (D.I. 223 at 12 & n.6) The undersigned Judge also construed certain of the claims' terms in this case; those constructions were later adopted by Judge Stark. (D.I. 138; D.I. 139; D.I. 140; D.I. 144; D.I. 147; D.I. 148)

Presentation, Slide 46; *see also* D.I. 226, ex. 38 at 82) In other words, Defendant is arguing that: (1) pursuant to the claims, the “support arms” must be an *identifiably distinct element* of the claimed rig; but (2) the protrusions are not that, and instead are simply the *same thing as* (i.e., they constitute the outer surface of) the very structure that is said to amount to the support body. (D.I. 223 at 14-15; D.I. 225, ex. 26 at ex. A at ¶ 45.b.; Tr. at 99-100; *see also* D.I. 242 at 5 (Defendant arguing that the “yellow- and blue-colored parts of the device [in Dr. King’s depiction shown on the previous page] are actually part of the same unitary structures and are not, as 360Heros contends, distinct parts of a more complex system.”))

The Court agrees that, pursuant to the claims’ language, the “support arms” must be an identifiably distinct element of the invention, vis-à-vis the support body. (*See, e.g.*, '019 patent, col. 22:27-28 (“a support including a *support body having a plurality of support arms extending outwardly and radially from the support body*”) (emphasis added); *id.*, col. 23:55-57 (“a supporting frame defined by a *center support and a plurality of support arms outwardly extending from the center support*”) (emphasis added)) But in the Court’s view, there is a genuine dispute of material fact here as to whether that is so here.

In his expert reports, Dr. King opines that the “Omni has *separate* protrusions performing a different function [from the inner cube, which is the asserted support body]: spacing the receptacle away from the support body.” (D.I. 237, ex. H at 11 (“King Reply Report”) (emphasis added); Tr. at 114-15 (Plaintiff’s counsel asserting that the protrusions are ““separate structures”” and that this is in part because they “come up from the side” of the inner cube)) It seems undisputed that the protrusions and the inner cube of the Omni are all part of a single “unitary” physical structure—in the sense that they are manufactured as a “unitary piece.” (Tr. at 100; *see also id.* at 115) But as the Court noted during the Motion hearing, this fact is not

necessarily dispositive; after all, certain figures in the patent depict a “support arm” and a support body that could well have been constructed from one unitary piece of material. (Tr. at 100 (Defendant’s counsel agreeing that this understanding of what the patent depicts is “reasonable”); *see also* '019 patent, FIGS. 1a & 1b) Plaintiff’s position is that even if the protrusions are part of the same “unitary body” as the rest of the inner cube, they could still amount to a “separate” claimed element, so long as they are distinguishable from the support body—in the sense that they perform a “separate function[]” from the rest of the inner cube. (Tr. at 115) The Court agrees. Even if the protrusions are made of the same piece of plastic as the rest of the inner cube, so long as the protrusions/“support arms” and the inner cube/support body are separately identifiable elements/components (as they could be viewed to be here), then the Court cannot say that infringement is precluded. The jury should be able to view the accused rig, hear the respective experts describe that rig and make this infringement call for itself.⁵

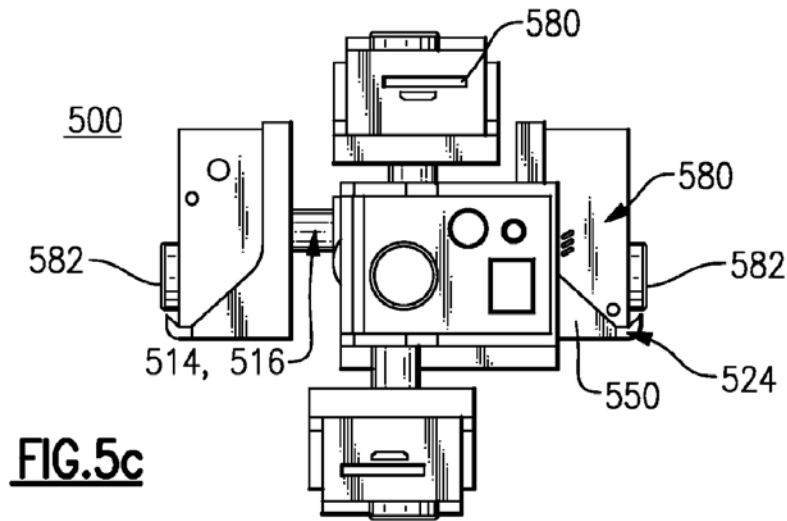
⁵ Relatedly, Defendant also argues that during an *inter partes* review (“IPR”) proceeding between the parties involving the '019 patent, Plaintiff made certain statements about another reference (the “Geerds” reference) wherein Plaintiff “expressly disclaimed the position it now takes [as to why the protrusions in the Omni can amount to ‘support arms.’]” (D.I. 223 at 15) In the IPR, Plaintiff argued that certain components of the Geerds device could not amount to “support arms” because those components were simply “arbitrary sections of the single [support] body in Geerds” and not “distinct” “support arms.” (D.I. 226, ex. 36 at 28-29)

The Court certainly understands why Defendant made this argument, as the issue is not free from doubt. However, and even assuming that Plaintiff’s IPR statements could have binding effect, (*see* D.I. 234 at 24; Tr. at 103-05), the Court ultimately concludes that summary judgment is not warranted on this basis. Defendant’s disclaimer argument presumes that the structure at issue in Geerds is just like the structure at issue in the Omni. Yet in his expert reports, Dr. King has asserted that there are material differences between those two structures; he claims that unlike in Geerds, the Omni’s protrusions do not amount to “arbitrary sections of” the single support body therein. (King Reply Report at 11) Dr. King explains that while “the [Geerds] platform is a *single part* performing a *single purpose*: providing a platform base to attach the remaining scaffolding[,]” the Omni rig, in contrast, “has *separate* protrusions performing a *different function*: spacing the receptacle away from the support body.” (*Id.*) (emphasis added)) The Court cannot say that Dr. King’s take on these differences is wrong. In the end, Plaintiff’s

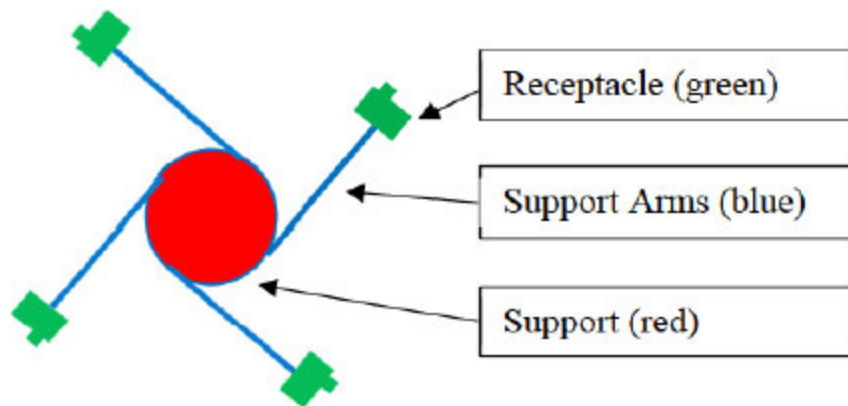
Second, Defendant argues that summary judgment is warranted here as to those claims (claims 1, 30 and their dependents) that require the rig to have “support arms” extending “outwardly *and radially*” from the support body. (D.I. 223 at 18-20; D.I. 242 at 4-5 & n.3; *see also* Tr. at 89-90) The Court construed “extending outwardly and radially” as meaning “extending outwardly *from the center*.” (D.I. 223 at 12 (emphasis added)) The dispute here is over whether the alleged “support arms” on the Omni can be said to extend “from the center” of the support body. Defendant argues that in his reports, Dr. King “ignored” the Court’s construction “entirely” and provided no explanation for how the protrusions extend “from the center” of the inner cube. (D.I. 223 at 19-20)

When construing the “outwardly and radially” term during claim construction, the Court provided some further guidance that is relevant to this infringement dispute. For example, the Court pointed to the “support arms” (516) in Figure 5c, which is depicted in the patent as follows:

assertions in the IPR about Geerds—a piece of prior art that disclosed a different device from the Omni, and that had different features than the Omni—does not amount to a “clear and unmistakable” disclaimer of claim scope. *Aylus Networks, Inc. v. Apple Inc.*, 856 F.3d 1353, 1361 (Fed. Cir. 2017) (internal quotation marks and citation omitted).



('019 patent, FIG. 5c (*cited in* D.I. 138 at 7)) The Court explained that the patent made clear that these “support arms” *did* emanate from the “center” of the support body, even though: (1) the arms may not have extended out from the centroid (i.e., the arithmetic mean position of all of the points in the figure) of the body; and (2) the centerlines of the various support arms depicted in Figure 5 did not meet at a precise common center apex. (D.I. 138 at 7; *see also* D.I. 226, ex. 38 at 49 (Dr. King noting that the “center” of the support body need not be a “precise mathematical point”); D.I. 242 at 5 (Defendant acknowledging that the “center” need not be “a precise centroid”)) On the other hand, the Court explained that there must actually be limits to what is (and what is not) the “center” of a support body. To that point, the Court referenced a figure that Plaintiff had provided:



(D.I. 138 at 10) The Court noted that in this figure, the “support arms” were arranged such that they did not extend radially from the red, circular support body; instead they extended from the very outer edges of that support body. (*Id.*; *see also* Tr. at 112 (the Court and Plaintiff’s counsel noting that this example “would not qualify” as extending from the center of a support body, because the “support arms were . . . like off of [the support body]” or “extending along each side of that” body))

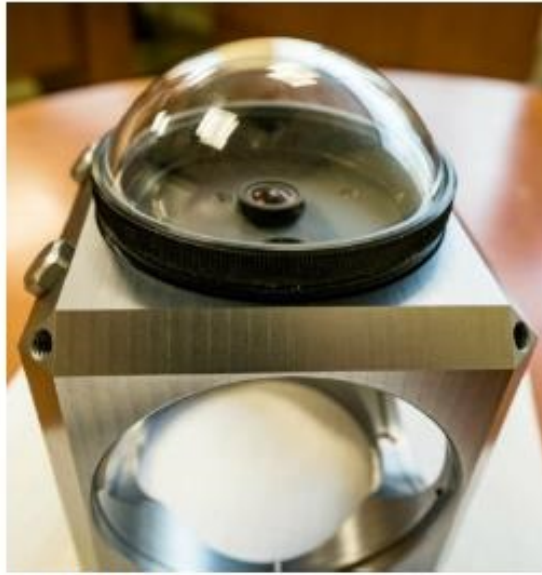
With this background in mind, the Court turns back to the instant dispute. The issue presents a close call. Plaintiff did not help itself much, in that it presented a somewhat limited record in support of its argument. For example, in his Opening Report on infringement, Dr. King provides little information about *why* the “support arms” at issue extend radially from the support body. (D.I. 237, ex. F (“King Opening Report”) at 10, 50-51) Then in his Reply Report on infringement, Dr. King seems to muddy the waters a bit, as he argues that the protrusions (i.e., the alleged “support arms”) on the Omni can meet the “radially” extending requirement even though they are “offset from the center” of the support body. (King Reply Report at 10-11) This is confusing, because it begs the question: “Does something that is ‘offset from the center’ of a support body still extend ‘from the center’ of that body?” Moreover, Plaintiff’s briefing on this

issue, (D.I. 234 at 3-8), and its discussion with the Court during the Motion hearing, (Tr. at 109-13), was not particularly elucidating.

But in the end, the Court concludes that there is just enough here for a reasonable juror to find for Plaintiff, and thus to warrant denial of this portion of the MSJ. When one examines the pictures of the Omni closely, it appears that certain portions of the protrusions extend out from a part of the cube's face that—even though it is not in the exact centroid of the cube—nevertheless also seems fairly far removed from the very outer edges of the cube. (*See supra* p. 11) Dr. King will opine that a person of skill in the art (“POSITA”) would recognize such “support arms” as extending outward from the “center” of that cube—in the sense that they emerge from the inner portion of the cube (and not, for example, from the outermost edges of the cube). (D.I. 226, ex. 38 at 45-47 (Dr. King asserting that the center region of a device is identifiable and that support arms can extend from the center of a cube if they are found in the “inside” portion of a “cube[,]” as opposed to the “rightmost . . . part of the” cube); *see also* King Reply Report at 10-11)) This is enough to demonstrate a genuine dispute of material fact on this infringement question.

ii. The Abyss Rig

The Court next turns to the Abyss rig. Here, Plaintiff asserts that a portion of certain domes that are attached to the Abyss' metal cube-shaped structure are the “support arms” in question. Below is a picture of one such dome:



(D.I. 234 at 12; *see also* King Opening Report at 97-98 (asserting that these domes amount to “support arms” because they project from a larger structure (i.e., the cube-shaped structure))

Defendant notes that Plaintiff is really only asserting that the *rear portion of the dome* (i.e., the black portion that can be attached to the camera and that is screwed into the metal cube-shaped structure of the Abyss) is what amounts to a “support arm.” (D.I. 223 at 16; Tr. at 93) And Defendant argues that this black portion of the dome cannot be said to extend “outwardly” from the support body, since “[t]o the extent [the domes] extend in any direction, they do so in a curving manner in an inward direction (parallel with the face of the cube frame).” (D.I. 223 at 16); *see also* D.I. 225, ex. 26 at ex. A at ¶ 54.a. (Defendant’s expert Dr. John D. Pratt asserting that “[t]o the extent that the domes can be said to ‘extend’ in any direction from the support body, their largest component of extension would be inward (parallel with the face of the cube frame) toward the center of the circular aperture.”); Tr. at 92-93 (Defendant’s counsel arguing that “the portion [of the dome] that actually holds the camera” and that “is in back” is what is

asserted to be the “support arm,” and asserting that this cannot be a “support arm” because it “extends parallel to the . . . face of the outer cube”))

To be sure, the portion of the dome at issue here is very different looking than some of the “support arms” depicted in the patent. And it may not look like what one typically thinks of as an “arm.” (*See* D.I. 242 at 10 (“The Abyss is nothing like the disclosed or claimed invention.”)) But the key question is simply whether this structure can meet the claims’ requirements for a “support arm.” On that score, Defendant’s argument (which took up less than a page of its opening brief) was not well-developed. (D.I. 223 at 16-17) It was also not helped by the fact that the Court does not have the benefit (as the jury presumably would) of being able to see and hold the accused device in question. From looking at pictures of this portion of the Abyss, it is not clear to the Court that the black portion of the dome extends only *inwardly* (and does not in any way extend *outwardly*) from the cube-shaped structure. Indeed, Dr. King says the opposite: he asserts that it is “obvious” that the “dome structures . . . do in fact extend outwardly” and he notes that whether “the arms also extend inwardly” is “irrelevant [as the] claim language as construed does not exclude such a construction.” (King Reply Report at 15-16)

Viewing the (relatively sparse) evidence in the light most favorable to the nonmoving party, the Court finds that the images of the Abyss, combined with Dr. King’s expert opinion, are together sufficient to raise a genuine dispute of material fact as to this question.

iii. The Odyssey Rig

The Court lastly turns to the Odyssey rig. Here, Plaintiff argues that orange levers in the Odyssey, either alone or together with orange backpack pieces, are “support arms.” (D.I. 234 at 14-15) The orange levers and orange backpack pieces are depicted below:



(D.I. 234 at 15; *see also* King Opening Report at 65-66 (asserting that these orange levers and orange backpack pieces amount to “support arms” because they project from a larger structure (i.e., the black frame or base plate of the Odyssey))

In asserting that the Odyssey does not contain “support arms,” Defendant makes two main arguments, which the Court will address in turn.

First, Defendant argues that the Odyssey cannot have “support arms” because “i[t] has a single, unitary base plate, a single cover lid with all of the 16 cameras entirely contained within the confines of those two parts[,]” (D.I. 223 at 17 (citing D.I. 225, ex. 26 at ex. A at ¶¶ 61-62 & n.7)), and because Plaintiff’s attempt “to carve up the base plate and point to arbitrary sections as meeting this limitation” is “directly contrary to the plaintiff’s admission during IPR that a unitary structure cannot be arbitrarily divided into sections to meet these elements.” (*Id.* (citing D.I. 226, ex. 36 at 28-29, 37)) Here Defendant is referring (again) to Plaintiff’s comments in the IPR about the Geerds reference. *See supra* n.5. Yet as the Court has earlier explained, it does not

view Plaintiff's statements about Geerds as a necessary barrier to its infringement position here. (*Id.*) Nor is it clear to the Court that the orange levers and orange backpacks at issue are, in fact, part of one single, unitary structure.

Second, Defendant argues that the levers or levers/backpack pieces cannot constitute "support arms" because they do not extend outwardly and radially from any support body (i.e., from the black portion of the Odyssey frame/base plate). Instead, Defendant asserts that the levers/backpack pieces are "disposed on top of a portion of the support body" and "are contained entirely within the support body and within the outer wall of the [] rig's holding assembly." (D.I. 223 at 18 (citing D.I. 225, ex. 26 at ex. A at ¶ 61.a); D.I. 242 at 12; Tr. at 87-89) Put differently, in Defendant's view, the lever/backpack pieces cannot extend "outwardly" from the support body because they are "within the support body" or "inside the support body" (in the sense that the outermost edge of the lever/backpack pieces do not extend beyond the outermost perimeter of the frame/base plate). (Tr. at 88-89)

Again, the Court does not have the actual rig in question before it, so it can only assess the accused device from pictures that the parties have supplied. But in doing so, it seems that it could be said that the levers/backpack pieces do extend "outwardly" from the frame/base plate—at least in the sense that they are located on top of the frame/base plate and they extend upwards (i.e., towards the ceiling) from that structure. Of course, this is not the kind of "outward" extension that is being depicted, for example, in Figure 5 of the patent (where the outward extension of the "support arms" goes past the perimeter of the support body in the direction of the subject that is to be captured by the camera). Yet the Court does not see why this type of "toward the ceiling" extension cannot be a form of "outward" extension. (King Reply Report at 17 ("The claims are not limited as Dr. Pratt suggests to exclude structures where the position of

the support arms is inside the perimeter of the support body.”); Tr. at 87 (the Court noting that the asserted “support arm” in question “extends at the top” and asking Defendant’s counsel “How come extending outwardly can’t mean extending outwardly atop the support body?”))
Indeed, it seems as if it could.

iv. Conclusion

In sum, the Court recommends that Defendant’s MSJ be DENIED with regard to the “support arms” limitation in its entirety.

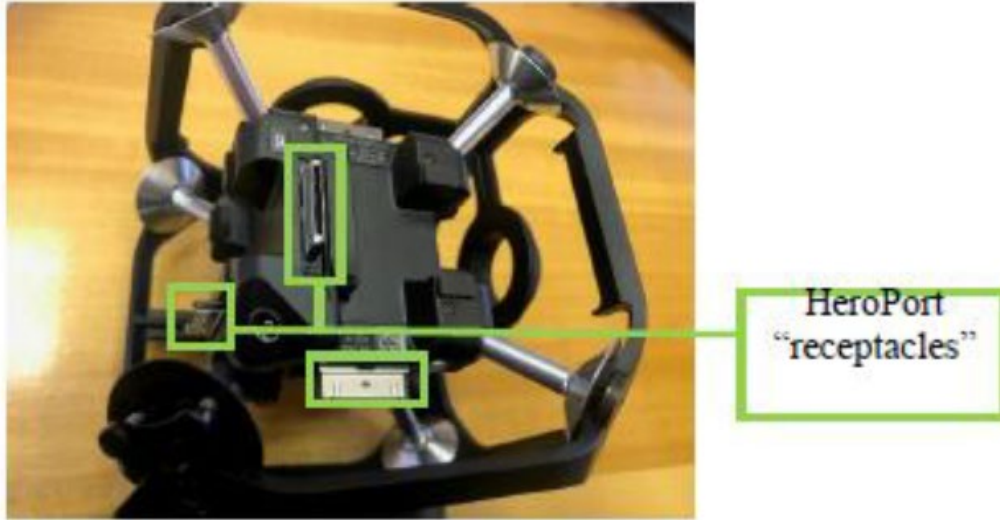
b. “Receptacles” Limitation

All of the asserted claims of the '019 patent require “receptacles” that are disposed on or about, arranged on, or provided on a corresponding support arm. (D.I. 223 at 20) The claims also require that each “receptacle” must releasably retain or receive a camera. (*Id.*) The California Court construed “receptacle(s)” to mean “structure(s) to receive and hold a camera in place.” (D.I. 226, ex. 35 at 9-10)

In its next set of MSJ arguments, Defendant asserts that none of the accused products contain “receptacles.” Again, the Court will address these arguments on a rig-by-rig basis.

i. The Omni Rig

With regard to the Omni rig, Plaintiff contends that the rig’s HEROPorts’ “male ends” satisfy this element, or that the HEROPorts, in conjunction with the “outer panel” or “outer covers” of the rig, meet this claim element. The purported HEROPort “receptacles” are depicted below:



(D.I. 234 at 16)

In pressing its MSJ on this issue, Defendant first argues that a HEROPort cannot amount to a “receptacle” because it “is like the end of a standard USB stick—while it may be inserted into a camera, it does not ‘hold’ a camera in place.” (D.I. 223 at 21; Tr. at 96-97) In furtherance of this argument, Defendant states that its expert, Dr. Pratt, “showed that a camera connected to the Omni rig via only the HEROPort will droop, move, and ultimately, become disconnected with very little movement of the rig.” (D.I. 223 at 21 (citing D.I. 225, ex. 26 at ex. A at ¶ 46.c))

But there is also contrary evidence in the record. In his Opening Report, Dr. King cites to photo of the HEROPorts’ “male ends[,]” and notes that they “fit inside the GoPro Hero4 cameras sufficiently securely to prevent the cameras from detaching with normal activity[.]” (King Opening Report at 14-15) He also cites to a portion of the Omni’s user manual that “instruct[s] users *to connect* a camera to the ‘HEROBus connector’ on the inner cube[;]” this type of “connect[ion]” sounds like a type of attachment that might suffice to hold a camera in place. (*Id.* at 15 (citing GP (360) 200000078) (emphasis added)) Thus, with substantive evidence on both sides of the ledger, summary judgment is not warranted on this ground. (Tr. at 96-97)

Defendant’s second argument is that the HEROPorts cannot be “receptacles” because they are not located *on* the alleged support arms of the Omni, namely “(a) the [protrusions on] the outer surface of the center cube or (b) the metal rods that extend from that structure.” (D.I. 242 at 1; *see also* D.I. 223 at 21; Tr. at 96) Because the HEROPorts “begin *within* the inner cube and extend slightly *through* openings on the cube’s outer surface[.]” Defendant asserts, they cannot be “disposed” on/“provided” on/“arranged” on the support arms as is required by the claims. (D.I. 223 at 21 (emphasis in original) (citing D.I. 225, ex. 26 at ex. A at ¶ 46.b); *see also* '019 patent, col. 22:30-31; *id.*, col. 23:21; *id.* col. 23:58; *id.*, col. 24:29; D.I. 138 at 14 (the Court construing “disposed thereon” and “disposed on” to mean “located thereon”/“located on”)) In this regard, Dr. Pratt notes that “the [HEROPort] connectors are attached to a circuit board by a ribbon cable, [and so they] are *mostly situated within the confines of the inner cube*, and are *received through* openings in the outer surfaces of the inner cube[.]” (D.I. 225, ex. 26 at ex. A at ¶ 46.b (emphasis added))

Plaintiff, however, disagrees with Defendant’s conclusion. (D.I. 234 at 17) In his Opening Report, Dr. King asserts that “[a]t the *end of each protrusion* [i.e., a portion of the Omni that Plaintiff asserts can be a “support arm”] is a ‘HeroPort,’ which receives and holds GoPro Hero4 cameras as shown [in the photo included above on page 23].” (King Opening Report at 14 (emphasis added)) And in his Reply Report, Dr. King asserts that “the claims do not require that *every part of the receptacles / HeroPorts* are attached to the support arms” and that “[n]othing in the claim language or specification suggests that the receptacle cannot be *connected in part* to the support body”; in light of this, he concludes that there is infringement, in that the HEROPorts “*extend through* and are *included in* the support arms[.]” (King Reply Report at 11-12 (emphasis added))

As to this dispute, there seems to be general agreement that the Omni’s HEROPorts (the alleged “receptacles”) touch and extend through the protrusions (the alleged “support arms”) found on the Omni’s inner cube (the alleged “support body”)—even though the HEROPorts are mostly situated within the confines of the inner cube. Defendant’s contention seems to be that if a component extends “through” a support arm, then it cannot be “disposed” on/“provided” on/“arranged” on a support arm. (D.I. 242 at 2-3) But the Court does not agree that this is necessarily so. In that scenario, at least a portion of the “receptacle”/HEROPort would be located on the “support arm”/protrusion (in the sense that it is touching/affixed to/emanating from the “support arm”/protrusion).⁶ And it seems like a factfinder could reasonably conclude that this meets the claims’ “disposed” on/“provided” on/“arranged” on claim requirements.⁷

⁶ Defendant may be suggesting that in order for a “receptacle” to be “disposed” on or “provided” on or “arranged” on a support arm, the *entirety* of the “receptacle” needs to be housed on the *outside or exterior* of the support arm. (D.I. 242 at 2-3 (Defendant asserting that “[t]hrough” however does not mean the same as “on” and that the “claim does not allow only a ‘portion’ or ‘part’ of a receptacle to be on the support arm”); *id.* at 3-4 (“The Omni rig schematic shows that the HEROPort extends through—but is not on—an opening in the purported support arm.”)) But the Court does not see how that is required by any of the claim constructions that have been issued in the case. Nor is it clear that it is otherwise required by the relevant claim language. If Defendant wished to pursue this point as a claim construction issue, it should have said so in its opening brief, proposed a construction for a relevant term, and mustered evidence to demonstrate why that construction was correct. It did none of those things.

⁷ Defendant makes a third summary judgment argument regarding “receptacles” and the Omni. It is not well set out in Defendant’s opening brief, and so it is somewhat confusing to follow. (D.I. 223 at 21-22; *see also* D.I. 234 at 17 (Plaintiff noting that in its opening brief, Defendant “does not even introduce what [this alternative theory] is to the Court”)) Defendant’s position here has to do with an alternative argument that Dr. King made about how the “outer covers” of the Omni “combined with the HeroPorts” can amount to “receptacles.” (King Opening Report at 15-18; *see also* D.I. 234 at 17-19) In the end, however, Defendant acknowledges that this third argument for dismissal “rises and falls” with its second argument (set out above): that there can be no infringement as to the Omni because the Omni’s alleged “receptacles” are not sufficiently located *on* the protrusions/“support arms.” (D.I. 242 at 3) Having already rejected Defendant’s second argument on that score, the Court similarly does so again here as to Defendant’s third argument.

ii. The Abyss Rig

With regard to the Abyss rig, Plaintiff's position is that, in the pictures below: (1) the support body of the Abyss is the "inner cube frame[.]" and the "receptacles" are "formed by the four metal bolts, the plate, and the central hold that together hold a camera in place[.]" (King Opening Report at 101-02; *see also* Tr. at 92 (Defendant's counsel noting that, according to Plaintiff, the "alleged receptacle is the portion that retains the camera against the back of the dome"))





Defendant’s summary judgment argument as to the Abyss begins with the fact that independent claims 1, 22 and 30 require the “receptacles” to be “disposed . . . *about the exterior* of the” support body. (’019 patent, col. 22:31-32 (emphasis added); *id.*, col. 23:58-59 (emphasis added); *id.*, col. 24:29-30 (emphasis added)) It then argues that the plain meaning of “disposed . . . about the exterior” refers to something that is “external or located outside relative to another object”; thus, it asserts that there can be no infringement of these claims, because the alleged “receptacles” are instead located entirely *inside or interior* to the alleged support body/inner cube (as depicted above). (D.I. 223 at 22-23; D.I. 242 at 9; Tr. at 92; *see also* D.I. 225, ex. 26 at ex. A at ¶ 55(e) (Dr. Pratt asserting that this is so, as a POSITA would understand that the plain and ordinary meaning of “about the exterior” is “outside the perimeter defining the support body.”)) The Court finds this argument to be persuasive.

Plaintiff tries to counter Defendant’s position by citing to Dr. King’s opinion, in which Dr. King states that: (1) “about” means “‘near’ or ‘in the vicinity of[,]’” and the alleged “receptacles” are at least located “near” the exterior of the support body; and (2) these “receptacles” are exterior to the support body in the sense that “they are not part of the interior of the support body[.]” (King Opening Report at 101-02 (*cited in* D.I. 234 at 20); King Reply

Report at 16 (*cited in* D.I. 234 at 20)) With regard to Dr. King’s first assertion, it is clearly off base. The claim term at issue here is not simply “about”—it is “about *the exterior*.” Being “near” to the exterior is clearly not the same thing as being “about the exterior[,]” which connotes being *on* the exterior of an item. (D.I. 223 at 23 (noting that Dr. King’s interpretation “writes ‘exterior’ out of the claim language”)) One can have one’s nose pressed right up against the interior side of a glass window pane, and in such a scenario, the person’s nose would certainly be “near” the exterior of the window pane. But it would not be “about the exterior” of that pane of glass. And Dr. King’s second assertion also misses the mark. His contention that the “receptacles” infringe so long as they are “not part of the interior” of the support body is wrong. Pursuant to the claims at issue, the “receptacles” need to be disposed “about the exterior” of that body; whether they are considered part of the “interior” of the body does not speak to whether they are “about the exterior” of that body.

Ultimately, the Court agrees with Defendant that the plain and ordinary meaning of “about the exterior” is “external or located outside relative to another object.” (D.I. 223 at 22) At a minimum, this construction would require that at least some portion of the “receptacle” (if not its entirety) is actually located external to or outside of the support body. And Plaintiff has not demonstrated that any portion of the alleged “receptacles” in the Abyss are so situated. Thus, summary judgment should be granted as to literal infringement regarding the Abyss rig and asserted claims 1, 22 and 30 (and all asserted claims depending therefrom).

iii. The Odyssey Rig

With regard to the Odyssey, Plaintiff’s contention is that the “receptacles” are “formed by the plastic of the Odyssey frame together with the [orange] lever and [orange] backpack that

holds a camera in place[.]” (King Opening Report at 67-68 (*cited in* D.I. 234 at 21)) This is depicted below:



(*Id.* at 68) In other words, Plaintiff is arguing that this combination of three elements together does what a “receptacle” does: it “receive[s] and hold[s] a camera in place.” (King Reply Report at 17 (*cited in* D.I. 234 at 21) (internal quotation marks omitted))

The problem here for Plaintiff is that it has already identified the Odyssey’s frame as the claimed support body and the orange lever and orange backpack (either individually or together) as the claimed support arms. This matters because, as the United States Court of Appeals for the Federal Circuit has explained in *Becton, Dickinson & Co. v. Tyco Healthcare Grp., LP*, 616 F.3d 1249 (Fed. Cir. 2010), “[w]here a claim lists elements separately, the clear implication of the claim language is that those elements are distinct components of the patented invention.” 616 F.3d at 1254 (internal quotation marks, citation and brackets omitted). Here the asserted claims do list, *inter alia*, a support arm and a “receptacle” as separate elements. And so this creates a presumption that in order to infringe the claims, the accused product would have to have a *separate* portion or physical structure that amounts to a support arm and a “receptacle,” respectively. Indeed, as was the case in *Becton*, if the *same exact portion or structure* of the

Odyssey could serve both as the support arm on the one hand, and the “receptacle” on the other hand, it would render the claims “nonsensical.” *Id.* at 1255. As was noted above, the claims require the “receptacles” to be “disposed” on/“provided” on/“arranged” on the support arms. How could a “receptacle” be *disposed on* a “support arm” if the receptacle *was the exact same structure* as the support arm?⁸ The answer seems clear: it cannot be so. For these reasons, Plaintiff’s attempt to generate a dispute of material fact as to literal infringement regarding the relevant asserted claims must fail.⁹

iv. Conclusion

In light of the above, the Court recommends that Defendant’s Motion be GRANTED-IN-PART with regard to the “receptacles” limitation, in that: (1) summary judgment be granted as to literal infringement regarding asserted claims 1, 22 and 30 (and those asserted claims depending therefrom) as to the Abyss device; and (2) summary judgment be granted as to literal infringement regarding the asserted claims as to the Odyssey device. It recommends that Defendant’s Motion in this regard otherwise be DENIED.

c. “Latching Feature” Limitation

⁸ The specification also supports the Court’s conclusion here. Nothing in the specification indicates that the “receptacle” can be the exact same structure as the support arm. Indeed, in every embodiment listed in the specification, those terms refer to distinct elements. (*See, e.g.*, '019 patent, cols. 6:55-7:54, 9:56-10:51; *id.*, FIGS. 1a, 1e, 3e, 4e, 7e; Tr. at 120-21 (“For example, the embodiments that we have looked at in the '019 patent each have separate support arms, receptacles, and latching features. They do not reuse the same structure for . . . different purposes.”)); *see also Becton*, 616 F.3d at 1254-55.

⁹ Having so concluded, the Court need not address Defendant’s other arguments for non-infringement as to the Odyssey with regard to the “receptacles” limitation. (D.I. 223 at 25)

Independent claims 1, 15 and 22, as well as dependent claim 34, all require that the receptacle have a “latching feature” for enabling a camera to be releasably secured or retained. (D.I. 223 at 26) The Court construed “latching feature” to mean a “structural element for securement and release.” (*Id.* at 12)

Defendant asserts that summary judgment is warranted because all three of the accused rigs do not have a “latching feature.” The Court again addresses this argument on a rig-by-rig basis.

i. The Omni

With regard to the alleged “latching feature” of the Omni, Defendant’s first argument is that Plaintiff again has a *Becton* problem. More specifically, as was previously noted above, Plaintiff identifies the male ends of the HEROPort, either alone or in conjunction with the Omni’s outer panels, as the receptacle (i.e., the structure that receives and holds a camera in place). *See supra* at p. 22; *see also, e.g.*, (King Opening Report at 14-15; King Reply Report at 13 (“The HeroPort extending from the support arm is the receptacle as it is ‘the structure to receive and hold a camera in place’ for the Omni”)). But Plaintiff is *also* asserting that the “latching feature” amounts to: (1) the “end of the HeroPort that attaches to the camera using an interference fit[,]” since that “portion of the “HeroPort” purportedly “provides for ‘securement and release’”; or (2) in the alternative, the end of the HEROPort together with Omni rig’s outer panels. (King Opening Report at 14-15, 24-25, 30-32, 42, 44, 55-57; King Reply Report at 13; *see also* D.I. 234 at 23) In other words, Plaintiff is attempting to use the same structure(s) in the Omni rig to satisfy multiple claim elements—to be both the receptacle and the “latching feature.” (D.I. 223 at 26)

However, unlike with the dispute over the receptacles in the Odyssey, the Court is not convinced that *Becton* and its progeny dictate that summary judgment should be granted here. To be sure, *Becton* explains that the general presumption is that when a claim lists two elements separately, those elements will be understood to be distinct components of the invention. But the Federal Circuit has also emphasized that a party can overcome this presumption. *See Powell v. Home Depot U.S.A., Inc.*, 663 F.3d 1221, 1231 (Fed. Cir. 2011). If, for example, a patent’s disclosures indicate that two separate claim elements *could* be satisfied by the same structure or component, then there is no bar to the type of infringement argument that Plaintiff makes here. *Id.* (concluding that the claims’ “cutting box” and “dust collection structure” elements could be met by the same component in an accused product, where the specification disclosed that the “cutting box” “functions to contain the sawdust and woodchips generated as the blade cuts through the wood” and thus that it could also serve as the “dust collection structure”); *see also Skedco, Inc. v. Strategic Operations, Inc.*, 685 F. App’x 956, 960 (Fed. Cir. 2017) (concluding that the claimed “pump” and “valve” could be satisfied by a “pump” that housed an internal “valve,” such that the two structures were not physically separated, since “nothing in the agreed-upon constructions of ‘pump’ and ‘valve’ forbids a pump from housing an internal valve” and because permitting such an infringement read would not render the claims “nonsensical[.]” as was the case in *Becton*). Here in the relevant claims, the “latching feature” is not described as something that necessarily has to be an entirely separate structure from the receptacles. Instead, the claims make clear that the “latching feature” is a *feature of the receptacle itself*. (See, e.g., ’019 patent, col. 22:30-36; *id.*, col. 23:30-32; *id.*, col. 23:58-64; *id.*, col. 24:50-53) In light of this, it does not appear that the claims would be rendered “nonsensical” if all or a part of the

receptacle was also said to be the “latching feature.” And Defendant did not really explain why this would be so in its briefing. (*See, e.g.*, D.I. 242 at 6)

Defendant’s second argument is a prosecution disclaimer argument. Here it asserts that, in light of a position that Plaintiff took during the IPR (regarding whether a POSITA would be motivated to combine two pieces of prior art, “Kayanuma” and “Qing”), Plaintiff has previously disclaimed the claim scope that it now argues for. (D.I. 223 at 26-27 (citing D.I. 226, ex. 36 at 44-45)) Prosecution disclaimer requires a “clear and unmistakable” disavowal of claim scope, *Aylus Networks, Inc. v. Apple Inc.*, 856 F.3d 1353, 1361 (Fed. Cir. 2017) (internal quotation marks and citation omitted), and the Court strongly doubts that this is what occurred in the IPR as to this issue. But even if the Court is wrong on that score, there is another reason why this argument should fail: Defendant did not sufficiently develop it in its briefing. Prosecution disclaimer is a tenet of claim construction, and so in essence, what Defendant is really arguing is that the claim term “latching feature”—a term that has already been construed by the California Court, (D.I. 226, ex. 35 at 7-9)—should now be re-construed in order to account for the alleged disavowal of certain claim scope. But if that is so, then Defendant should have proposed a new construction for this term in its opening brief, and explained why that new construction comports with Defendant’s assertions as to what actually occurred during the IPR. Defendant did not do this here, which hindered the Court’s ability to assess the issue. (D.I. 223 at 26-27)¹⁰ And so the Court will not further address Defendant’s position. *Cf. supra* n.6.

¹⁰ For example, from its briefing it seems Defendant could be suggesting that, in light of the alleged disclaimer, the proper construction for “latching feature” is “structural element for securement and release *that can be used with any type of camera.*” But the Court cannot be sure that this is what Defendant intends. And Defendant’s failure to be more specific on this point resulted in a confused record.

Defendant's third and final argument relates to the fact that, on the Omni rig, there are at least six recessed screws on two brackets that must be loosened in order to remove a camera from the rig; one way to do so (suggested by the manufacturer) is to use an Allen hex key to unscrew the screws. (D.I. 225, ex. 26 at ex. A at ¶ 47.c. (*cited in* D.I. 223 at 27); Defendant's Hearing Presentation, Slide 42) Defendant notes that during claim construction, when the California Court was explaining the reasons for its construction of "latching feature," it stated that the "prosecution history necessarily disclaims systems . . . that prevent the attachment or release of a camera without tools, screws, or similar[.]" (D.I. 226, ex. 35 at 9) Defendant goes on to argue that, in light of the California Court's rationale, the fact that one must loosen screws in order to eventually get access to a camera in the Omni means that the Omni cannot possibly read on the claims. (D.I. 223 at 27)

For at least two reasons, the Court disagrees that summary judgment is warranted on this ground. For one thing, the Court is not even sure that this argument is really about the meaning of the claim term "latching feature." If there is to be a dispute about whether the claims permit a camera to be attached to a rig with screws, it seems that issue would more likely be relevant to the construction of the claim terms "releasably retained"/"releasably secured"/"releasably and individually retaining," (found either in claims 1, 15, 22 or 34) or to the claim term "without requiring tools" (found in claim 15, and a term that the Court has already addressed via claim construction), (D.I. 139 at 1-6). And in order to make a fair presentment of that issue, Defendant would be required, at a minimum, to: (1) identify the correct claim term at issue; and (2) explain how that term should be construed (or, in the case of "without requiring tools," explain how the Court's prior construction necessarily dictates the result). But Defendant did not do so.

Additionally, in the Court’s prior discussion of the “without requiring tools” term, it noted that Plaintiff’s statements during prosecution about a prior art reference (“Weiss”) simply disclaimed assemblies that *absolutely required* tools or fasteners in order to remove the cameras at issue. (D.I. 139 at 5-6) The Court also explained that if an accused device is “configured in such a way that it does not *require* the use of tools to releasably secure such cameras (and if one’s fingers can, for example, be used instead for this process), then such a scenario does not fall into the realm of what was disclaimed.” (*Id.* (emphasis in original)) And here, Dr. King has opined that the screws holding together the Omni need not be removed solely via use of a hex key tool; instead, they may be removed by “finger turning.” (King Reply Report at 13; *see also id.* at 19 (“The screws holding together the Omni . . . may be finger tightened and loosened.”); D.I. 242 at 8 (Defendant acknowledging Dr. King’s statement in this regard, and not disputing that it is accurate, but instead arguing that “[t]hat is true for almost anything requiring screws, but it does not make the resulting item usable in the normal course”)) Thus, even had this claim construction/infringement issue been properly presented, there would still be a genuine issue of material fact preventing summary judgment.

ii. The Abyss

With regard to the Abyss, Plaintiff’s contention is that the “elastic band anchored to two of the metal protrusions [in the receptacle]” is the claimed “latching feature”—and this band “secures and allows for release of the camera and enables the camera to be releasably retained within the defined enclosure[.]” (King Opening Report at 102; *see also* Tr. at 91) This elastic band is shown in the picture below:



(Defendant’s Hearing Presentation, Slide 33)

In seeking summary judgment here, Defendant argues that: (1) in a preliminary response it filed during the IPR, Plaintiff clearly and unmistakably asserted that a rubber band just like the elastic band at issue above could not serve as a claimed “latching feature”; and (2) this amounts to a clear and unmistakable disclaimer of claim scope that renders Plaintiff’s infringement read toothless. The Court agrees.

In the IPR preliminary response, Plaintiff was attempting to explain why the Geerds reference did not disclose or teach a “latching feature,” as that term is used in the patents. In doing so, Plaintiff noted that “Geerds had to use what appears to be a rubber band around [the camera] to hold the camera in place”—i.e., the item that Defendant had identified in the IPR as the “latching feature” at issue. (D.I. 226 at 27-28) Below is a picture of the Geerds device, with the black rubber band visible at the top:



(King Reply Report at 17) In its IPR filing, Plaintiff then went on to explain why Defendant’s invalidity argument about Geerds could not be correct: “Even though the rubber band seems to function to retain the camera in place, it is not something that a POSITA would refer to as a ‘latching feature.’ . . . Therefore, Geerds fails to disclose such a structural element as required by the California Court claim construction, so Geerds cannot anticipate at least claims 1, 15 and 22 for these reasons.” (D.I. 226, ex. 36 at 30)

This statement by Plaintiff was clear and unmistakable. It unambiguously conveyed that an elastic or rubber band simply cannot amount to a “structural element for securement and release” (i.e., a “latching feature”).¹¹ In its briefing regarding the MSJ, Plaintiff suggests that disclaimer did not occur, but in support it simply points to Dr. King’s Reply Report; therein, Dr. King states only that “[t]he elastic band Dr. Pratt mentioned with respect to the [preliminary response] was on the Geerds device which did not include the dome assembly [that is found in

¹¹ Plaintiff does not suggest in its briefing (nor could it credibly) that there is any meaningful distinction between the “rubber” band used in Geerds and the “elastic” band used in the Abyss.

the Abyss]” and thus the “statement [in the preliminary response] does not apply to the Abyss.” (King Reply Report at 17 (*cited in* D.I. 234 at 26-27)) But as Defendant notes, (D.I. 242 at 8-9), the fact that the Abyss is a different device than the Geerds structure (of course it is), or the fact that the Abyss contains a dome or certain components that the Geerds device does not have (of course it does), is of no moment. What matters is that in this case, Plaintiff has been pointing to the elastic band in the Abyss as the thing that amounts to a “latching feature.” (King Opening Report at 102) And yet in the IPR, Plaintiff said that an elastic/rubber band cannot be a “latching feature.” (D.I. 242 at 8-9; Tr. at 91-92) The whole point of the doctrine of prosecution disclaimer is that a party may not “argue[the claims] one way in order to maintain their patentability and in a different way against accused infringers.” *Aylus*, 856 F.3d at 1360 (internal quotation and citation omitted). Here, Plaintiff is trying to do just that, and its efforts should not be countenanced. *See Midwest Athletics & Sports All. LLC v. Ricoh USA, Inc.*, Case No. 2:19-cv-00514-JDW, 2021 WL 3722329, at *6 (E.D. Pa. Aug. 23, 2021).

The Court recommends that summary judgment be granted as to the Abyss on this ground.

iii. The Odyssey

As for the Odyssey, Defendant again cites to *Becton* and its progeny and argues that Plaintiff is impermissibly relying on the same structures (the orange levers) to be both the “latching feature” and the support arms in the rig. (D.I. 223 at 28; D.I. 242 at 10) Defendant is correct: Plaintiff is in fact asserting that the orange levers are the “latching feature” and it is also asserting that the levers constitute support arms (or alternatively, that the levers and the orange backpacks together amount to support arms). (D.I. 234 at 27; *see, e.g.*, King Opening Report at 66, 69)

For the same reasons as were set out above in Section II.A.2.b.iii., the Court agrees with Defendant that summary judgment is warranted. As in the dispute regarding the “receptacles” limitation, here: (1) the claims utilize separate terms for support arms and “latching feature,” which leads to a presumption that the terms are to be embodied by separate structures in the accused products; and (2) more significantly, because a “latching feature” is a feature of a receptacle, and because a receptacle is disposed/arranged/provided on a support arm, it would not make sense that the “latching feature” could be the *exact same structure* as all or part of the support arm on which the latching feature/receptacle is supposed to be disposed/arranged/provided.

iv. Conclusion

In light of the above, the Court recommends that Defendant’s Motion be GRANTED-IN-PART with regard to the “latching feature” limitation, in that: (1) summary judgment be granted as to literal infringement regarding all relevant asserted claims (i.e., claims 1, 15 and 22 and 34 and any asserted claims dependent therefrom) as to the Abyss rig; and (2) summary judgment be granted as to literal infringement regarding all relevant asserted claims as to the Odyssey rig. It recommends that Defendant’s Motion in this regard otherwise be DENIED regarding literal infringement as to all relevant asserted claims in the Omni rig.

d. Doctrine of Equivalents

Finally, Defendant seeks summary judgment as to all of Plaintiff’s infringement arguments that rely on the doctrine of equivalents (“DOE”). (D.I. 223 at 28-32; *see also* D.I. 226, ex. 51 (listing Plaintiff’s various DOE arguments)) It does so on two different bases.

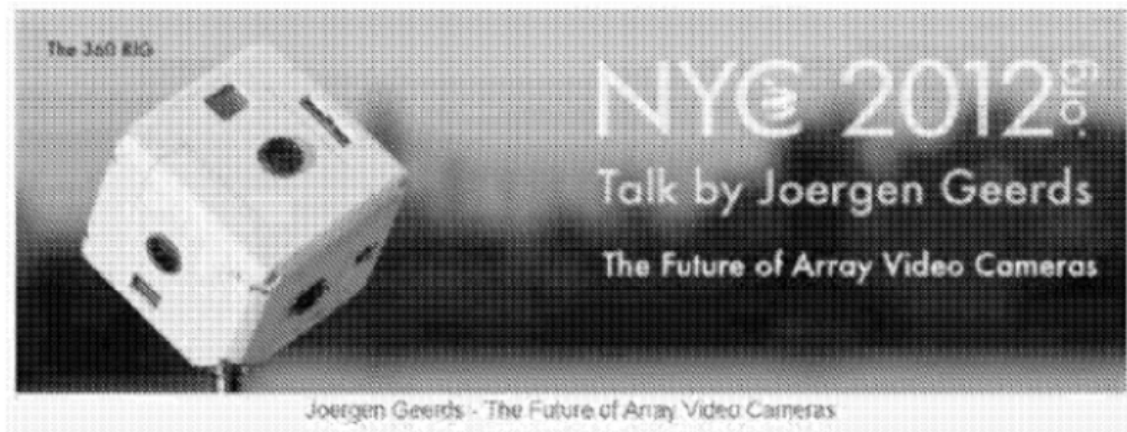
First, Defendant argues that Dr. King’s opinions as to how the relevant components of the accused rigs satisfy the “function, way, result” test amount to “unsupported conclusory

opinions[.]” (D.I. 242 at 13; *see also* D.I. 223 at 29-30) To be sure, Dr. King’s articulation of how the “function, way, result” test was met could have been more robust. (D.I. 226, ex. 51) It may well not stand up to scrutiny at trial. But in every instance that Defendant references where Plaintiff has attempted resort to the DOE, Dr. King appears to have done more than just utilize conclusory language. In other words, Dr. King did not *just* parrot back the relevant legal terminology associated with the “function, way, result” test and then add in a few buzzwords from the relevant accused products. Instead, as to each element of the test, Dr. King at least offered a brief articulation of *why it is* that this element was met (and in doing so, he made reference to what the claim requires, and why the assertedly equivalent component was, in fact, equivalent). (*Id.*; Tr. at 118-19); *see also Cooper Notification, Inc. v. Twitter, Inc.*, 867 F. Supp. 2d 485, 496 (D. Del. 2012) (requiring that, in order to withstand summary judgment, a patentee’s DOE claim must include a “meaningful explanation of why or how Defendants’ accused systems are equivalent to the asserted claims with respect to the [relevant claim requirement]”). In sum, the Court cannot recommend a grant of summary judgment on this basis.

Defendant’s second argument is that prosecution history estoppel¹² bars Plaintiff from regaining certain subject matter it relinquished during the IPR when it added the support arm and latching feature limitations. (D.I. 223 at 30-31) This argument relates to the fact that, during prosecution, a third party submitted printouts from two websites—including what the parties

¹² Prosecution disclaimer applies to the determination of literal infringement by excluding from a claim construction any claim scope that was clearly and unmistakably disavowed during prosecution; similarly, prosecution history estoppel prevents a party from using the DOE to recapture subject matter clearly and unmistakably surrendered from the literal scope of a claim during prosecution. *Trading Techs. Int’l, Inc. v. Open E Cry, LLC*, 728 F.3d 1309, 1321-22 (Fed. Cir. 2013); *Omega Eng’g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1326 n.1 (Fed. Cir. 2003).

refer to as the “Chegado printout”—to the Examiner; the Examiner rejected the pending claims in view of the cube-shaped camera rig shown in the Chegado printout (and depicted below):



(D.I. 223 at 31) Plaintiff responded by amending the independent claims of the patent. In doing so, it distinguished the Chegado printout by arguing that the printout failed to teach the amended claim’s requirements of a “support body having a plurality of outwardly and radially extending support arms and in which an open-ended receptacle having a latching feature is provided on each of the support arms” because it appears to define a “cubically shaped housing that fully retains and supports photographic apparatus within the confines of the housing.” (*Id.* (internal quotation marks and citation omitted)) Defendant argues that: (1) these comments disclaimed rigs that have components that “retain[] and support[] cameras *within the confines of the housing*[:];” and (2) Plaintiff cannot now assert that the three accused rigs infringe, since it is clear that all of the relevant components in all three rigs are clearly internal to the rigs’ housing. (*Id.* at 31-32 (emphasis added))

The Court, however, is not comfortable granting summary judgment on this basis either. For one thing, at times it appears that Plaintiff is identifying items as support arms/receptacles/latching features that are *a part of the exterior* of the rigs’ housing. Are those instances where the accused elements are entirely “within the confines of the housing” of the rig?

It is not clear that they are. Moreover, the Court wishes that Defendant took more time with this argument. It would have been better had Defendant laid out, in a detailed fashion, why every asserted support arm/receptacle/latching feature as to all three accused rigs could not meet the standard that the Plaintiff allegedly set when describing the Chegado printout. In the absence of that type of detailed argument, the Court simply does not have enough to go on to recommend grant of summary judgment.

For these reasons, the Court will recommend that the MSJ be DENIED as to its efforts to seek dismissal of Plaintiff's DOE arguments.

B. *Daubert*-Related Issues

The remainder of the Motion relates to Defendant's *Daubert* challenges (hereinafter referred to as the "*Daubert* motions"). The disputes raised in these *Daubert* motions regard: (1) certain opinions provided by Plaintiff's damages expert, Scott A. Bayley, in his opening expert report on damages, (D.I. 237, ex. E (hereinafter, "Bayley Opening Report")), and his reply expert report on damages, (D.I. 237, ex. D (hereinafter, "Bayley Reply Report")); and (2) certain opinions provided by Plaintiff's technical expert, Dr. King, in the King Opening Report, in Dr. King's rebuttal expert report on validity, (D.I. 237, ex. G (hereinafter, "King Rebuttal Report")), and in the King Reply Report.

With its Motion, Defendant asserts that all of Mr. Bayley's and portions of Dr. King's opinions and testimony regarding lost profits should be excluded—and that, as a result, summary judgment should be granted to it as to Plaintiff's claim for lost profits. (D.I. 223 at 2-3, 32-45) Defendant also argues that portions of Mr. Bayley's opinions and testimony regarding a

reasonable royalty should be excluded—and that, as a result, summary judgment should be granted as to Plaintiff’s claim for a reasonable royalty. (*Id.* at 2, 45-49)¹³

Below, the Court will first set out the relevant legal standards for a *Daubert* challenge. Thereafter, it will address Defendant’s arguments on the merits.

1. *Daubert* Motions

Rule 702 of the Federal Rules of Evidence governs the admissibility of qualified expert testimony, providing that a witness may testify if: “(a) the expert’s scientific, technical, or other specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue; (b) the testimony is based on sufficient facts or data; (c) the testimony is the product of reliable principles or methods; and (d) the expert has reliably applied the principles and methods to the facts of the case.” Fed. R. Evid. 702. Rule 702’s requirements were examined in detail in *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579 (1993) (“*Daubert*”), and have been said to embody “three distinct substantive restrictions on the admission of expert testimony: qualifications, reliability, and fit.” *Elcock v. Kmart Corp.*, 233 F.3d 734, 741 (3d Cir. 2000); *see also B. Braun Melsungen AG v. Terumo Med. Corp.*, 749 F. Supp. 2d 210, 222 (D. Del. 2010).¹⁴

With regard to the qualifications requirement, an expert is qualified if “the witness possess[es] specialized expertise.” *Schneider ex rel. Estate of Schneider v. Fried*, 320 F.3d 396, 404 (3d Cir. 2003). The United States Court of Appeals for the Third Circuit interprets this requirement liberally, and has observed that “a broad range of knowledge, skills, and training

¹³ So far as the Court can tell, Defendant never specifies which particular paragraphs of the relevant expert reports should be stricken.

¹⁴ In applying Rule 702 to a patent action, the Court will look to the law of the regional circuit. *Info-Hold, Inc. v. Muzak LLC*, 783 F.3d 1365, 1371 (Fed. Cir. 2015).

qualify an expert as such.” *In re Paoli R.R. Yard PCB Litig.*, 35 F.3d 717, 741 (3d Cir. 1994); *see also Schneider*, 320 F.3d at 404.

As to the reliability requirement, Rule 702 mandates that the relevant expert testimony “must be supported by appropriate validation—*i.e.*, ‘good grounds,’ based on what is known.” *Daubert*, 509 U.S. at 590; *see also Schneider*, 320 F.3d at 406. Such testimony should amount to “more than subjective belief or unsupported speculation[]” and a court’s focus in examining this factor must be on “principles and methodology” rather than on the expert’s conclusions. *Daubert*, 509 U.S. at 590, 595; *see also Daddio v. Nemours Found.*, 399 F. App’x 711, 713 (3d Cir. 2010). The grounds for the expert’s opinion “merely have to be good, they do not have to be perfect”; thus, the standard for reliability is “not that high.” *Paoli*, 35 F.3d. at 744-45.

With regard to the “fit” requirement, it “goes primarily to relevance[,]” as the testimony must “assist the trier of fact to understand the evidence or to determine a fact in issue” and have “a valid . . . connection to the pertinent inquiry as a precondition to admissibility.” *Daubert*, 509 U.S. at 591-92 (internal quotation marks and citations omitted); *see also Schneider*, 320 F.3d at 404. The standard for fit, however, is not a high one; it is met “when there is a clear ‘fit’ connecting the issue in the case with the expert’s opinion that will aid the jury in determining an issue in the case.” *Meadows v. Anchor Longwall & Rebuild, Inc.*, 306 F. App’x 781, 790 (3d Cir. 2009) (citations omitted).

Overall, “Rule 702 embodies a ‘liberal policy of admissibility.’” *B. Braun Melsungen AG*, 749 F. Supp. 2d at 222 (quoting *Pineda v. Ford Motor Co.*, 520 F.3d 237, 243 (3d Cir. 2008)). Nonetheless, the burden is placed on the party offering expert testimony to show that it meets each of the standards for admissibility. *Id.* (citing *Daubert*, 509 U.S. at 592 n.10).

2. Lost Profits

The Court first addresses Defendant’s challenge to Mr. Bayley’s and Dr. King’s relevant lost profits-related opinions.

Generally, there are two alternative types of compensatory damages¹⁵ that may be recovered in a patent case: (1) the patentee’s lost profits; or (2) the “reasonable royalty [the patentee] would have received through arms-length bargaining.” *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1324 (Fed. Cir. 2009). With regard to the first of these—an award of lost profits damages—it is a legal question as to whether such damages are available in a given case. *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1333 (Fed. Cir. 2009).

The goal of awarding lost profits damages is to “place the patentee in the same position it would have occupied had there been no infringement.” *Mentor Graphics Corp. v. EVE-USA, Inc.*, 851 F.3d 1275, 1285 (Fed. Cir. 2017). “To recover lost profits as opposed to royalties, a patent owner must prove a causal relation between the infringement and its loss of profits.” *BIC Leisure Prods., Inc. v. Windsurfing Int’l, Inc.*, 1 F.3d 1214, 1218 (Fed. Cir. 1993). The burden rests on the patent owner to “show a reasonable probability that, ‘but for’ the infringement, it would have made the sales that were made by the infringer.” *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1545 (Fed. Cir. 1995) (en banc). The “but for” inquiry requires a reconstruction of the market as it would have developed absent the infringing product, to determine what the patentee would have made. *Grain Processing Corp. v. Am. Maize-Prods. Co.*, 185 F.3d 1341,

¹⁵ The purpose of compensatory damages in patent cases is “not to punish the infringer, but to make the patentee whole.” *Pall Corp. v. Micron Separations, Inc.*, 66 F.3d 1211, 1223 (Fed. Cir. 1995). To that end, under 35 U.S.C. § 284 (“Section 284”), damages awarded for patent infringement “must reflect the value attributable to the infringing features of the product, and no more.” *Commonwealth Sci. & Indus. Research Organisation v. Cisco Sys., Inc.*, 809 F.3d 1295, 1301 (Fed. Cir. 2015) (internal quotation marks and citation omitted).

1350 (Fed. Cir. 1999); *see also Mentor Graphics*, 851 F.3d at 1285 (“[T]he fact finder’s job is to determine what would the patent holder have made (what would his profits have been) if the infringer had not infringed.”). While this is a hypothetical enterprise, in that it requires the patentee to project economic results that did not occur, the Federal Circuit has explained that it nevertheless “requires sound economic proof of the nature of the market and likely outcomes with infringement factored out of the economic picture.” *Grain Processing*, 185 F.3d at 1350. While such damages may not be based on speculation, they also need not be proved with unerring precision either. *Minnesota Mining & Mfg. Co. v. Johnson & Johnson Orthopaedics, Inc.*, 976 F.2d 1559, 1579 (Fed. Cir. 1992).

The *Panduit* test, set out in *Panduit Corp. v. Stahl Bros. Fibre Works, Inc.*, 575 F.2d 1152 (6th Cir. 1978), establishes an acceptable (though non-exclusive) framework for a patentee to show the required “but for” causation. *Rite-Hite*, 56 F.3d at 1545. Under this test, the patentee must make a showing of: (1) demand for the patented product; (2) absence of acceptable non-infringing alternatives; (3) manufacturing and marketing capability to exploit the demand; and (4) the amount of profit it would have made. *Panduit*, 575 F.2d at 1156. If the patentee establishes each of the *Panduit* factors, the court may reasonably infer that the claimed lost profits were caused by the infringing sales, thus establishing a patentee’s *prima facie* case with respect to “but for” causation. *Rite-Hite*, 56 F.3d at 1545. The burden then shifts to the alleged infringer to show that the inference is unreasonable for some or all of the lost sales. *Id.*

With the relevant law now set out, below the Court will assess Defendant’s challenge to Mr. Bayley’s and Dr. King’s lost profits opinions in order.

a. Mr. Bayley’s Lost Profits Opinions

Defendant requests that the Court exclude the entirety of Mr. Bayley's lost profits opinions on the grounds of unreliability and lack of fit, arguing that there are defects in his analysis relating to the *Panduit* factors. (D.I. 223 at 32-35, 37-41; Tr. at 8-9; D.I. 242 at 14-23) Were the Court to do so, it argues that Plaintiff's claim to lost profits damages would then be unsupported and should thus be dismissed.

i. First *Panduit* Factor

The first *Panduit* factor "simply asks whether demand existed for the 'patented product,' *i.e.*, a product that is 'covered by the patent in suit' or that 'directly competes with the infringing device.'" *DePuy Spine, Inc.*, 567 F.3d at 1330 (quoting *Rite-Hite Corp.*, 56 F.3d at 1548-49). In other words, this factor "presupposes that demand for the infringer's and patent owner's products is interchangeable." *BIC Leisure Prods., Inc.*, 1 F.3d at 1218. The focus as to this factor is not on particular product features corresponding to individual claim limitations, or on whether those individual features/limitations drove demand for the product; instead, the question to be answered is simply whether the patented product as a whole was in demand. *DePuy Spine*, 567 F.3d at 1330.

Although Defendant made an argument in its opening brief as to this factor, (D.I. 223 at 38), by the time of its reply brief and at oral argument, it no longer was contesting the factor, (D.I. 242 at 15-23, Tr. at 9). Moreover, in his reports, Mr. Bayley certainly did cite to evidence indicating that there was demand for rigs like Plaintiff's rigs (which are alleged to read on the relevant claims of the patent-in-suit) throughout the relevant damages period. (Bayley Opening Report at ¶ 43 (noting that in 2013-15, Plaintiff's total income (driven by sales of its rigs) was nearly \$4 million, that Defendant had significant sales of its accused products in 2015-2017, and

that 360 degree mounts continued to be sold as of the time of his report));¹⁶ *see Gyromat Corp. v. Champion Spark Plug Co.*, 735 F.2d 549, 552 (Fed. Cir. 1984) (“The substantial number of sales [] of infringing products containing the patented features itself is compelling evidence of the demand for the [patented] product.”); *see also BIC Leisure Prods., Inc.*, 1 F.3d at 1218-19. Therefore, the Court moves on to the second *Panduit* factor.

ii. Second *Panduit* Factor

The second *Panduit* factor requires that the patentee demonstrate the absence of commercially acceptable, non-infringing alternatives. This factor exists “because, if the customer might have purchased a different, non-infringing product, the patentee cannot establish entitlement to lost profits for that particular sale.” *Sonos, Inc. v. D & M Holdings Inc.*, 297 F. Supp. 3d 501, 517 (D. Del. 2017). The “[m]ere existence of a competing device does not make that device an acceptable substitute.” *TWM Mfg. Co. v. Dura Corp.*, 789 F.2d 895, 901 (Fed. Cir. 1986). And a “patentee need not negate every possibility that the purchaser might not have purchased a product other than its own, absent the infringement.” *Rite-Hite*, 56 F.3d at 1545. Rather, a patentee “need only show that there was a reasonable probability that the sales would have been made ‘but for’ the infringement.” *Id.*

Ultimately, while the first *Panduit* factor considered demand for the patented product as a whole, this factor “considers demand for particular limitations or features of the claimed invention.” *Mentor Graphics*, 851 F.3d at 1285. For example, “if purchasers are motivated to

¹⁶ The particular sales figures that Mr. Bayley cites for Defendant are problematic in another respect, however, in that they do not simply relate to revenue for video rigs and instead also include revenue for (unclaimed) cameras sold by Defendant. (*See* Bayley Opening Report at ¶ 43; *id.* at 16 (Table 2); *id.* at 36 (Table 16)) The Court will address this issue further in Section II.B.3.a.

purchase because of particular features available only from the patented product, [then] products without such features—even if otherwise competing in the marketplace—would not be acceptable noninfringing substitutes.” *Cohesive Techs., Inc. v. Waters Corp.*, 543 F.3d 1351, 1373 (Fed. Cir. 2008) (citation omitted). Thus, to prove that there are no acceptable noninfringing substitutes, the patent owner must show either that “(1) the purchasers in the marketplace generally were willing to buy the patented product for its advantages [that were not available in a proposed substitute product], or (2) the specific purchasers of the infringing product purchased on that basis.” *Id.* “[I]f there is a noninfringing alternative which any given purchaser would have found acceptable and bought, then the patentee cannot obtain lost profits for that particular sale.” *Mentor Graphics*, 851 F.3d at 1286. Such a determination is “made on a made on a customer-by-customer basis.” *Id.*

In his reports, Mr. Bayley lists 21 potential substitutes (“potential substitutes”) for the patented product.¹⁷ But as Defendant notes, Mr. Bayley does not actually perform his own analysis to explain why each of the products are non-infringing, or why they are not commercially acceptable. (D.I. 223 at 33) Instead, he relies for these purposes on: (1) his conversations with Dr. King; and (2) his conversations with Mr. Kintner. (D.I. 223 at 33-35, 38-39; Bayley Opening Report at ¶¶ 44, 45)

With regard to the referenced conclusions about whether the potential substitutes are *non-infringing*, it is pretty clear that there, Mr. Bayley is relying on Dr. King’s input. (Bayley Reply Report at ¶¶ 18-19 (Mr. Bayley stating that he is relying on Dr. King’s opinion in this regard);

¹⁷ These are listed, *inter alia*, in Table 1 of the Bayley Opening Report. (D.I. 223 at 33 (citing Bayley Opening Report at ¶ 45 & Table 1))

D.I. 226, ex. 55 at 41-42)¹⁸ Dr. King is a technical expert in the relevant subject matter, and Defendant does not argue that Dr. King is unqualified to opine on whether a particular product infringes the patent-in-suit (nor that Mr. Bayley cannot, in turn, rely on that opinion).

In his Opening Report, Dr. King did not engage in any analysis of these potential substitutes from an infringement/non-infringement perspective. (*See* King Opening Report at 141) But in his Reply Report, Dr. King did do that type of analysis. Therein, he concludes that 15 of the 21 potential substitutes are non-infringing, while 6 others do infringe the patent. (King Reply Report at 2-9; Bayley Reply Report at ¶ 18 & Table 1)¹⁹

That brings us to Mr. Bayley's opinion that none of the potential substitutes (including all 15 purportedly non-infringing substitutes) would have been *commercially acceptable alternatives* to the patented product. Here, the record clearly indicates that Mr. Bayley is relying solely on evidentiary input provided by Mr. Kintner—and no one else.²⁰

¹⁸ Mr. Bayley's opening report could be read to suggest that he is *also* relying on Mr. Kintner's input on this subject. (Bayley Opening Report at ¶ 44 & n.41) But the Court declines to read Mr. Bayley's report in this way, since it is clear that doing so would be problematic. Put differently, Mr. Bayley could not rely on Mr. Kintner's opinions regarding non-infringement because: (1) this would amount to expert testimony, and Mr. Kintner is not qualified to provide expert opinion on this subject, *cf. Webasto Thermo & Comfort N. Am. Inc. v. BesTop, Inc.*, Case No. 16-cv-13456, 2019 WL 3334563, at *6 (E.D. Mich. July 25, 2019); and (2) Mr. Kintner never conducted his own independent analysis on the subject, nor did he share the substance of any such analysis in discovery. (D.I. 226, ex. 56 at 200-07; D.I. 237, ex. A at 193-208; D.I. 243, ex. 4 at 2; Tr. at 14-15, 56-57) That said, because Mr. Bayley can instead rely on Dr. King's opinions as to this issue, the Court's conclusion here should not have a material impact on the viability of this aspect of Mr. Bayley's analysis of lost profits damages.

¹⁹ Defendant argues that Dr. King's analysis of non-infringing alternatives in his Reply Report should be stricken as untimely. (D.I. 223 at 41-42) The Court will address that issue below in Section II.B.2.b, wherein it concludes that Defendant's request is not well-taken.

²⁰ In his reports, Mr. Bayley states that he obtained information about what was a commercially acceptable alternative from both Mr. Kintner and Dr. King, (Bayley Opening Report at ¶¶ 44-45; Bayley Reply Report at ¶ 18; D.I. 226, ex. 55 at 25-26); Mr. Bayley did not

Now, there is nothing wrong with a lay witness like Mr. Kintner providing certain foundational facts about the 360-video rig market to a damages expert—so long as those facts are drawn from the lay witness’ own personal experience in the field. An expert could then take such facts into account in forming his or her opinion on a subject (as long as the expert was qualified to do so). (D.I. 242 at 20; Tr. at 52); *Oracle Am., Inc. v. Google Inc.*, No. C 10-03561 WHA, 2011 WL 5914033, at *1 (N.D. Cal. Nov. 28, 2011) (“Expert reliance on foundational facts supplied by [lay witnesses] can be proper so long as they testify to the foundational facts with firsthand knowledge.”); *see also ART+COM Innovationpool GmbH v. Google Inc.*, 155 F. Supp. 3d 489, 510-11 (D. Del. 2016).

But here, Mr. Bayley is not just taking foundational facts obtained from Mr. Kintner and using them to form his own, independent opinion about whether the 21 potential substitutes (or the 15 purportedly non-infringing potential substitutes) at issue would have been commercially acceptable alternatives. Mr. Bayley is a damages expert and he does not have any stand-alone opinion on commercial acceptability. Instead, he is entirely relying upon *Mr. Kintner’s opinion* in this regard.

And this is where Defendant’s objections come into play. Defendant asserts that Mr. Bayley’s analysis as to commercial acceptability is objectionable for two primary reasons. First, Defendant argues that if Mr. Bayley wanted to rely on Mr. Kintner’s opinions on the question of

conduct his own analysis of the market in this regard, (D.I. 226, ex. 55 at 31-32, 41, 75, 99). Yet although Dr. King does include opinion in his Opening Report and his Reply Report about whether certain of the potential substitutes are commercially acceptable alternatives, (D.I. 226, ex. 39 at 141; *see also id.*, ex. 37 at 2-9), it is clear that on that score, Dr. King was in turn wholly relying on the input he received from Mr. Kintner, (*id.*, ex. 39 at 141; *id.*, ex. 37 at 2-3; Tr. at 41, 46-48). So in the end, the underlying evidence here all derives from Mr. Kintner, not Dr. King.

commercial acceptability, then Plaintiff should have designated Mr. Kintner as an expert witness on that score (pursuant to Rule 26(a)(2)(A)), and should have had him provide a summary of his expected testimony during the expert discovery period (pursuant to Rule 26(a)(2)(C)). (D.I. 242 at 19; *see also* D.I. 223 at 39-40) It asserts this is so because Mr. Kintner’s testimony about commercial acceptability is based on specialized knowledge within the scope of Rule 702—and is not the type of lay witness opinion testimony permitted by Federal Rule of Evidence 701. (D.I. 242 at 18-19) Second, even if Mr. Kintner’s testimony in this regard is not expert testimony, Defendant asserts that Mr. Kintner simply did not have a firm factual foundation on which to base that lay opinion, since Mr. Kintner “testified that he had not conducted any analysis of the market for 360-video capture devices” nor had he “reviewed, relied upon or commissioned anyone else to conduct such an analysis.” (D.I. 223 at 39)

The Court need only address Defendant’s first argument here. In the Court’s view, Mr. Kintner’s opinions²¹ about whether consumers would have considered any of these 21 other video rig products to be commercially acceptable alternatives to the patented product amounts to the utilization of “other specialized knowledge within the scope of Rule 702”—such that it

²¹ It should be noted that the actual bases for Mr. Kintner’s opinions about commercial acceptability are not well set out in the record. In his expert reports, Mr. Bayley never explains *why* it is that Mr. Kintner thinks that any of these 21 potential substitutes would not be commercially acceptable alternatives. (Bayley Opening Report at ¶ 45; Bayley Reply Report at ¶ 18) And so far as the Court is aware, Mr. Kintner never discussed that subject during a deposition in the case. Presumably, the reasons behind Mr. Kintner’s conclusions in this regard are the ones set out by Dr. King in his Reply Report (i.e., the portions of that report where Dr. King discusses commercial acceptability of the potential substitutes). (King Reply Report at 2-9) Yet the Court’s point is that there is no other portion of the record where *Mr. Kintner himself* explains, on a product-by-product basis, how *he* came to these conclusions. That is problematic, since Mr. Kintner is the source of this information; Defendant has never had the opportunity to see Mr. Kintner’s analysis set out in one place, nor to depose Mr. Kintner about the substance of that analysis.

cannot serve as lay opinion testimony pursuant to Rule 701. Fed. R. Evid. 701. After all, the buying habits and preferences of purchasers of these video rigs is not the type of information that is within the ken of the average citizen. And it appears that in order to have a sufficiently deep understanding of this subject matter, Mr. Kintner would have needed to do more than simply rely on his firsthand knowledge of the inner-workings of his own business. *Cf.* Fed. R. Evid. 701 advisory committee's note to 2000 amendments (noting that a business owner could provide lay opinion testimony as to the value or projected profits of her business, because the business owner would have had personal knowledge of those financial matters by virtue of her own position in that business). Instead, Mr. Kintner would surely have been required to have surveyed the viewpoints of a broad array of stakeholders in this advanced technological field, so that he could speak with authority on those stakeholders' wants and needs. *See Minerva Marine, Inc. v. Spiliotes*, Civ. No. 02-2517 (WHW), 2006 WL 8457427, at *4-6 (D.N.J. Mar. 13, 2006) (concluding that the plaintiff's proposed lay opinion witness was in fact an expert witness pursuant to Rule 702, where the witness, a port captain, was being offered to provide testimony "based on his own personal knowledge and experience" about the services provided by a port captain, since the testimony required "specialized knowledge" about subject matter that went beyond events that the witness had "perceived firsthand"); *cf.* (D.I. 226, ex. 56 at 64 (Mr. Kintner explaining that with regard to a market share analysis as to all of the players in the 360 video rig industry, he was aware of "some stuff" that had been produced on that topic, but he had never reviewed or commissioned that type of an analysis)).

Indeed, in this very case, when offering testimony about whether certain third-party rigs would have been commercially acceptable alternatives in the relevant time period, Defendant did so through an expert (Ryan Thomas), whom it designated as such pursuant to Rule 702.

360Heros, Inc. v. GoPro, Inc., — F. Supp. 3d. —, 2021 WL 5050879, at *2-3 (D. Del. Nov. 1, 2021). Mr. Thomas submitted an expert report, and he was deposed extensively about his opinions during expert discovery. *Id.* at *1-3. And ironically, earlier in this matter, *Plaintiff* actually challenged Mr. Thomas’ testimony on the ground that his knowledge of this subject matter *was not specialized enough*. *Id.*

Case law from the patent realm also supports the Court’s conclusion here. For example, in *Webasto Thermo & Comfort N. Am. Inc. v. BesTop, Inc.*, Case No. 16-cv-13456, 2019 WL 3334563 (E.D. Mich. July 25, 2019), the United States District Court for the Eastern District of Michigan concluded that testimony from the defendant’s damages expert (Mr. Robinson) regarding the availability of non-infringing alternatives should be excluded on the ground of unreliability. 2019 WL 3334563, at *6-7. Mr. Robinson’s opinion on this front was based entirely on discussions he had with the defendant’s Director of Engineering (Mr. Smith). *Id.* at *4. The *Webasto* Court concluded that Mr. Robinson could not rely on Mr. Smith for evidence regarding non-infringing alternatives. In doing so, it explained that “any opinion that the proposed design would provide all the same benefits of the [patent-in-suit] and would be an acceptable alternative to consumers would involve explaining to a jury what consumers valued in the [patent-in-suit] and why and how the alleged proposed alternative design-around satisfied customer preferences and demands[.]” *Id.* at 6. The *Webasto* Court noted that Mr. Smith did not have percipient knowledge of this subject matter, and that this was one reason why his testimony at issue could not be relied upon. *Id.* But the Court also explained that even if Mr. Smith *did* have such knowledge, he still could not have testified at trial about this subject, since he would only have been able to provide testimony “in the form of lay opinion[.]” *Id.* In other words, although the *Webasto* Court did not explicitly state that this type of testimony required

“specialized knowledge” that must be provided by an expert witness pursuant to Rule 702, that is clearly the import of what the Court was conveying with its decision.

Similarly, in *Good Tech. Corp. v. Mobileiron, Inc.*, Case No. 5:12-cv-05826-PSG, 2015 WL 4090431 (N.D. Cal. July 5, 2015), the United States District Court for the Northern District of California concluded that the plaintiff’s technical expert’s opinions about the commercial acceptability of non-infringing alternatives should be excluded pursuant to Rule 702. 2015 WL 4090431, at *8. The *Good Tech.* Court explained that the expert’s “proffered testimony on customer expectations and preferences in the enterprise mobility management market [was] not based in any market research or particular expertise in the area[.]” and that while the expert was “more than qualified technically, experience with the technology does not give an individual expertise in consumer demand related to those non-infringing alternatives.” *Id.* Implicit in the *Good Tech.* Court’s ruling was that “expertise in consumer demand related to . . . non-infringing alternatives” is the kind of thing that amounts to “specialized knowledge” about a subject matter that falls within the scope of Rule 702.

Here, there is no dispute that Plaintiff did not designate Mr. Kintner as an expert witness pursuant to Rule 26(a)(2)(A) earlier in this case. Nor did it provide a summary of his expected testimony during the expert discovery period, pursuant to Rule 26(a)(2)(C). In light of this, the Court treats this portion of Defendant’s Motion as one seeking to strike any such now-proffered testimony as being violative of Rule 26. It grants that request. *See Minerva Marine, Inc.*, 2006 WL 8457427, at *6-7 (finding that because a proposed lay witness was in fact promoting expert testimony, and because the witness had not been properly identified as an expert witness, his testimony should be stricken). In the absence of reliance on such testimony, Mr. Bayley cannot point to evidence that could satisfy this second *Panduit* factor. Therefore, Mr. Bayley’s lost

profits methodology is unsound and does not fit the facts of the case; it must be rejected under *Daubert*.

iii. Third *Panduit* Factor

The third *Panduit* factor relates to whether a patentee can show that it had the manufacturing and marketing capability to exploit the demand for the patented product. Past business practices and relationships are probative of the ability to meet demand. *TEK Glob., S.R.L. v. Sealant Sys. Int'l, Inc.*, 920 F.3d 777, 790 (Fed. Cir. 2019); *Yarway Corp. v. Eur-Control USA, Inc.*, 775 F.2d 268, 276-77 (Fed. Cir. 1985).

In the relevant section of his Opening Report and Reply Report, Mr. Bayley includes information on this topic, largely drawn from his discussions with Mr. Kintner. (Bayley Opening Report at ¶¶ 46-49; Bayley Reply Report at ¶¶ 20-27) In these portions of his reports, Mr. Bayley largely focuses on manufacturing capabilities, and notes that: (1) Plaintiff's video rigs were manufactured by different companies during the years in question (including 3DSystems and The Sexton Corporation); (2) those companies had the capacity to meet any growth in demand that Plaintiff might have experienced during those years; and (3) Plaintiff had also developed new supply chain routes with Chinese manufacturers and had purchased excess inventory during this time, in order to help it meet any expected demand. (*Id.*)

In asserting that Mr. Bayley failed to point to sufficient evidence as to this factor, Defendant makes three arguments. (D.I. 223 at 35, 40) For the reasons set forth below, none of them are availing.

First, Defendant notes that Plaintiff was “engaged in litigation with Manfrotto—the exclusive reseller of its products—wherein [Plaintiff] claimed that Manfrotto failed to meet its obligations to properly market 360Heros’ products [in the 2017 to early 2018 time period].”

(D.I. 223 at 35 (citing D.I. 226, ex. 47, at 4-17)) But whether Plaintiff's troubles with its marketing firm would really have caused it to be unable to meet a need for increased demand in 2017 or early 2018 (and whether Mr. Bayley sufficiently considered those facts in his analysis) is a challenge that goes to the weight and credibility of his assessment, not its admissibility. *See Alarm.com, Inc. v. SecureNet Techs. LLC*, No. CV 15-807-RGA, 2019 WL 133228, at *2 (D. Del. Jan. 8, 2019); *Biomedical Enters., Inc. v. Solana Surgical, LLC*, CIVIL NO. A-14-CV-0095-LY, 2016 WL 4198304, at *3 (W.D. Tex. Apr. 26, 2016).

Second, Defendant argues that “Mr. Bayley relies only on [Mr.] Kintner for [manufacturing and marketing] information[,] without having engaged in any independent verification through [Plaintiff's] manufacturers or sub-manufacturers.” (D.I. 223 at 40) As an initial matter, there is no reason why Mr. Bayley could not rely on Mr. Kintner to provide factual information about Plaintiff's manufacturing or marketing partnerships. 360Heros is Mr. Kintner's company, after all, and Mr. Kintner surely would have first-person foundational knowledge about that subject matter. (Tr. at 24 (Defendant's counsel acknowledging that Mr. Kintner could, in fact, provide such testimony)) Nor is it correct to say that Mr. Bayley *only* references conversations with Mr. Kintner regarding this subject matter. For example, in other portions of his reports, Mr. Bayley cites to data suggesting that Plaintiff's ability to market its product to producers of video content grew more robust in the relevant timeframe—evidence Mr. Bayley offers to suggest that, had it needed to do so, Plaintiff could have successfully marketed its product to the customers that Defendant serviced during these periods. (Bayley Opening Report at ¶¶ 61-62 (citing data indicating that the number of Plaintiff contacts with such producers rose dramatically between 2015 and 2017); *see also* D.I. 247, ex. C at 57-58; Tr. at 58-60) If Defendant thinks Mr. Bayley should have also done additional “verification” of certain of

these facts by contacting third-party entities, that would be a matter it could follow up on via cross-examination.

Third, Defendant asserts that “correspondence between [Plaintiff] and its manufacturers over the years highlights significant shortcomings in manufacturing capacity.” (D.I. 223 at 40; *see also id.* at 35) Here, Defendant is referring primarily to two e-mails in the record. These e-mails indicate that in February 2015 and March 2016, respectively, Plaintiff was having difficulties with one of its rig manufacturers (3DSystems), which in turn were causing Plaintiff to struggle to meet demand.²² Again, these are very helpful documents for Defendant. They will make for good cross-examination of Mr. Bayley. But Mr. Bayley’s methodology is not subject to exclusion under *Daubert* for unreliability just because, in his reports, he does not refer to every e-mail that Defendant thinks he should. Nor is it subject to exclusion because there are some documents of record that might be said to contradict his testimony. *See Am. Cruise Lines, Inc. v. HMS Am. Queen Steamboat Co. LLC*, No. 13-cv-324 (RGA), 2017 WL 3528606, at *6 (D. Del. Aug. 16, 2017) (“Defendant also attempts to challenge [an expert’s] testimony by citing

²² In one of the e-mails from February 2015, Mr. Kintner tells a representative of 3DSystems that he needs the company to “step up to the plate and start meeting the demands that we are faced with every day” and that while he needs “to have 50 to 60 units per week if not more” 3DSystems was “presently providing [him with] 10 to 12.” (D.I. 226, ex. 58 at 360Heros_DE_01049) According to Mr. Kintner, this left his team facing “everyday [] issues of not being able to meet the demand of the productions[;]” he threatened that if 3DSystems “can’t meet these demands then I will be forced to source other manufacturing alternatives[.]” (*Id.*) In the second e-mail, from December 2016, Mr. Kintner complains to a representative of Stratasys Direct Manufacturing (or “Stratasys,” which apparently is a related entity to 3DSystems), (D.I. 237, ex. A at 118), that Plaintiff had “lost well over \$1.5 million in revenue because your company totally shut us off in the middle of major back orders and sales growth[;]” Mr. Kintner says that at one point, Stratasys “decided to stop shipping all products to [Plaintiff]” which caused it to have to “shutdown, retool and change all manufacturing processes to fulfill those back orders to move onward”—a process from which Plaintiff “ha[s] still not fully recovered[.]” (D.I. 226, ex. 57 at 360Heros_DE_01072).

to contradictory evidence. This attempt also fails. Contradiction is proper fodder for cross-examination.”).

iv. Fourth *Panduit* Factor

The fourth *Panduit* factor is “a showing of a reasonable approximation of the patentee’s lost profits.” *Mobil Oil Corp. v. Amoco Chems. Corp.*, 915 F. Supp. 1333, 1352 (D. Del. 1994). Defendant claims that Mr. Bayley’s lost profits calculation under the fourth *Panduit* factor is methodologically unsound for a number of reasons. The Court need only address two of the primary reasons that Defendant cites. (Tr. at 29)

First, Defendant argues that Mr. Bayley’s calculations are not based on actual sales made by GoPro, and instead on “a made-up number of forecasted sales” (D.I. 223 at 35; *see also id.* at 40-41). More specifically, Defendant notes that when Mr. Bayley estimated lost profits in the 2016-2020 time period, he did not start his analysis with a focus on the number of sales of accused products that *GoPro made to its customers* in that timeframe. Instead, Mr. Bayley: (1) focused on a database of videographers or producers (“producers”) that *360Heros* had contacted in 2012 through 2015; (2) used data regarding the amount of growth seen in that *360Heros* producer database, along with data about *360Heros*’ actual income, in order to project out what *360Heros*’ “but-for-total income” should have been during the infringement period; and (3) took *360Heros*’ projected income figures and used them to calculate its purported lost profits in the years in question (by reducing those income figures in light of various projected costs and expenses). (Bayley Opening Report at ¶¶ 58-66; *see also* D.I. 226, ex. 55 at 56-58) After doing these calculations, Mr. Bayley asserts that Plaintiff’s lost profits for the damages period would have been \$9,415,702. (Bayley Opening Report at ¶ 66 & Table 7) This was all methodologically unsound, Defendant argues, because Mr. Bayley has made no “correlation

between [360Heros producer list data or income] and *GoPro's actual allegedly infringing sales.*" (Tr. at 25 (emphasis added); *see also* D.I. 242 at 22 (Defendant noting that Mr. Bayley "does not describe how the 'producers' are relevant to sales or present any evidence to show that any of these 'producers' actually purchased accused products from GoPro or that any of GoPro's customer[s] would have purchased 360Heros' rigs"))

Defendant is correct. The lost profits calculation is one that typically must have, at its foundation, a focus on the sales of the accused products *that the accused infringer actually sold* during the relevant damages period. After all, courts have articulated the goal of the lost profits analysis as attempting to determine how many of *those sales* the patentee would have made "but for" infringement (and how much profit the patentee lost as a result of not having made sales of its own product to *those very same customers*). *See Rite-Hite*, 56 F.3d at 1545 ("To recover lost profits damages, the patentee must show a reasonable probability that, 'but for' infringement, it would have made *the sales that were made by the infringer.*") (emphasis added). But Mr. Bayley's analysis was not about correlating Defendant's actual sales with the amount of lost profits that Plaintiff should have received. Instead, as Plaintiff acknowledges, Mr. Bayley "correlated 360Heros['] actual profits to actual producers contacted[.]" (D.I. 234 at 45 (emphasis added)) This type of analysis contradicts relevant legal precedent on lost profits damages and is thus methodologically unsound.²³

²³ Plaintiff's arguments to the contrary are unavailing. For example, Plaintiff asserts that Mr. Bayley used a methodology that is little different than the one blessed by the Federal Circuit in *Versata Software, Inc. v. SAP Am. Inc.*, 717 F.3d 1255 (Fed. Cir. 2013). But as Defendant notes, (D.I. 242 at 21-22), even a cursory review of that case demonstrates that it does not help Plaintiff's argument—it hurts it. In *Versata*, the first step that the plaintiff's damages expert took in calculating the plaintiff's lost profits was that he "identified a pool of potential customers: Tier 1 customers who had purchased [the accused infringer] SAP's software." 717 F.3d at 1266. And from there, the expert's goal was to "determine[] how many of those 435

Second, Defendant argues that Mr. Bayley’s calculations are unreliable because he calculates lost profits through 2020, while GoPro stopped selling the allegedly infringing rigs in 2017. (D.I. 223 at 35, 40-41; *see also* Bayley Opening Report at ¶ 53 & Table 2 (showing that Defendant did not sell accused products in 2018, 2019 or 2020); *id.* at ¶ 66 & Table 7 (Mr. Bayley asserting lost profits damages in 2018, 2019 and 2020); Tr. at 27-28) Again, the Court agrees that this amounts to the use of an unreliable methodology.

In a lost profits analysis, the patentee cannot argue that in a given year, but for infringement, it would have made the sales that were made by the infringer—if in that very year, *the infringer did not make any actual sales*. (Cf. D.I. 234 at 30 (Plaintiff asserting that its lost profits analysis intends to establish that “‘but for’ GoPro’s infringement, it reasonably would have made additional profits *enjoyed by GoPro*.”) (emphasis added)) And more generally, it would certainly be unusual for a patentee to be able to obtain lost profits damages for a time

customers [who had purchased the accused infringer’s software] [the plaintiff] would have won but for SAP’s infringement.” *Id.* This is exactly what Mr. Bayley did not do here. Instead of starting with the number of Defendant’s customers who purchased the accused products in the damages window and attempting to figure out how many of those sales Plaintiff would have won in a “but for” world, Mr. Bayley started with a focus on the amount of sales *Plaintiff* actually made in this time period and on how many producers *Plaintiff* contacted during that period.

Additionally Plaintiff argues—citing to paragraph 63 and Table 6 of Mr. Bayley’s Opening Report—that Mr. Bayley did, in fact, “consider GoPro’s actual sales[.]” (D.I. 234 at 46 (citing Bayley Opening Report at ¶ 63 & Table 6)) But this statement is misleading. In the portion of his report at issue, Mr. Bayley is simply saying that the total amount of income from Defendant’s accused product sales in 2016 and 2017 is greater than the total amount of lost profits that Mr. Bayley claims that Plaintiff lost in those years. Yet the reality is that when it came to calculating what those lost profits should be, Mr. Bayley did not start with the amount of accused product sales that Defendant made in those years, and then work to determine how many of those sales Plaintiff would have made (and, relatedly, how much profit Plaintiff would have reaped from those sales). Instead, as can be clearly seen in, *inter alia*, Table 7 of Mr. Bayley’s Opening Report, Mr. Bayley’s starting point in his lost profits analysis was the projected amount of total income that he calculates that *Plaintiff should have earned* in those years. That is error.

period in which its adversary did not make any accused product sales. If such a scenario is even possible, then surely Plaintiff must at least put forward evidence specifying the particular (non-Defendant) sales that it believes it would have made in this “but for” world, explain what entity actually made those sales, and somehow credibly link its failure to make those sales to Defendant’s infringing conduct. *Cf. Brooktree Corp. v. Advanced Micro Devices, Inc.*, 977 F.2d 1555, 1581 (Fed. Cir. 1992); *Rosco, Inc. v. Mirror Lite Co.*, 506 F. Supp. 2d 137, 150 (E.D.N.Y. 2007). Mr. Bayley does none of that type of analysis here.

Because Mr. Bayley has not pointed to reliable evidence that could satisfy the fourth *Panduit* factor, this is another reason why his lost profits methodology is unsound and must be rejected under *Daubert*.

b. Dr. King’s Lost Profits Opinions

With regard to its request to exclude portions of Dr. King’s opinions relating to lost profits, GoPro makes two arguments. The Court will address them in turn.

First, as was noted above, *see supra* n.19, Defendant asserts that Dr. King “failed to include any analysis of non-infringing alternatives in his opening report”; it argues that Dr. King’s efforts to correct this by explaining in his Reply Report why the potential substitutes do or do not infringe should be “struck in its entirety for being provided in an untimely manner.” (D.I. 223 at 41-43; D.I. 242 at 15; Tr. at 21-22; *see also* King Reply Report at 2-9) However, even assuming that this information was not timely provided, an analysis of the *Pennypack* factors does not militate in favor of exclusion.²⁴

²⁴ In considering whether to exclude evidence relating to an untimely or otherwise improper disclosure, the Third Circuit has directed district courts to weigh certain factors, known as “the *Pennypack* factors”: (1) the surprise or prejudice to the moving party; (2) the ability of the moving party to cure any such prejudice; (3) the extent to which allowing the testimony

To be sure, the first *Pennypack* factor (regarding “surprise or prejudice”) goes Defendant’s way. Defendant was likely surprised to see an infringement analysis regarding the potential substitutes show up in Dr. King’s Reply Report (as opposed to his Opening Report). After all, Mr. Bayley had cited those same 21 potential substitute products in *his* Opening Report along with a notations as to whether each “Infringes” or were “Non-Infringing[.]” (Bayley Opening Report at ¶ 45 & Table 1; Tr. at 12, 52-53) Since Dr. King is the only expert on Plaintiff’s side who was actually qualified to provide an opinion on that score, it stands to reason that Defendant would have expected Dr. King to *also* address this same subject matter in his Opening Report. (Tr. at 12, 54-55) And Dr. King’s failure to do so may have caused Defendant some prejudice, since “had [Defendant] had [access to] that information starting in [Dr. King’s] opening report,” then it would have been able to address that analysis in its own expert’s rebuttal report. (Tr. 21)

But the remainder of the *Pennypack* factors go Plaintiff’s way. For example, as to the second factor (regarding the ability to cure any prejudice) and third factor (regarding the impact of any cure on trial), a cure before trial is surely possible. Defendant has had Dr. King’s opinions now for many months, and it has had the opportunity to depose him on this subject matter. Moreover, Defendant’s own expert would surely be given the opportunity to address Dr.

would disrupt the order and efficiency of trial; (4) bad faith or willfulness in failing to comply; and (5) the importance of the testimony sought to be excluded. *See Meyers v. Pennypack Woods Home Ownership Ass’n*, 559 F.2d 894, 904-05 (3d Cir. 1977); *see also Konstantopoulos v. Westvaco Corp.*, 112 F.3d 710, 719 (3d Cir. 1997). Because “[t]he exclusion of critical evidence is an extreme sanction,” the Third Circuit has explained that it should be reserved for circumstances amounting to “willful deception or flagrant disregard of a court order by the proponent of the evidence.” *Paoli*, 35 F.3d at 791-92 (internal quotation marks and citations omitted).

King's opinions at the October 2022 trial. And if Defendant feels the need to have its expert serve a pre-trial supplemental report (limited to this content), there is certainly time before trial for it to seek the District Judge's permission to do so. (Tr. at 21) As to the fourth "bad faith or willfulness" factor, the Court sees no evidence of bad faith here. And with regard to the fifth "importance of the testimony" factor, Dr. King's opinions on this front are certainly very important to Plaintiff's ability to make a lost profits argument. Even Defendant conceded as much in its briefing. (D.I. 223 at 43 (Defendant allowing that "Dr. King's belated opinions are extremely important to the damages calculation in this case" and could "mean the difference between possible liability and no liability for lost profits in this case"); *see also* Tr. at 21-22) In sum, Dr. King's opinions in his Reply Report about whether any of the potential alternatives are infringing or non-infringing should not be stricken (even if they were untimely).

Second, Defendant asserts that Dr. King's opinions on the commercial acceptability of the potential substitutes should be excluded, in that they are outside the scope of Dr. King's expertise and are unreliable. (D.I. 223 at 43-45; *see also* King Opening Report at 141; King Reply Report at 2-9) For the same reasons as were discussed above in Section II.B.2.a.ii., the Court agrees that: (1) Dr. King's opinions in this regard are wholly reliant on Mr. Kintner's input; and (2) because Mr. Kintner was not properly offered as an expert witness on this subject, Dr. King's opinions on the subject should be excluded. (D.I. 234 at 47-48; D.I. 242 at 15-16, 18-21)

3. Reasonable Royalty

Lastly, Defendant challenges Mr. Bayley's reasonable royalty analysis. (D.I. 223 at 45-49; D.I. 242 at 24-25; Defendant's Hearing Presentation, Slide 11) The Court begins by setting out the relevant legal standards relating to such an analysis.

Damages in a patent infringement action may be awarded based on a “reasonable royalty” for use of the patented invention. *See* 35 U.S.C. § 284. This requires that a royalty rate and a royalty base be assessed. A reasonable royalty “seeks to compensate the patentee not for lost sales caused by the infringement, but for its lost opportunity to obtain a reasonable royalty that the infringer would have been willing to pay if it had been barred from infringing.”

AstraZeneca AB v. Apotex Corp., 782 F.3d 1324, 1334 (Fed. Cir. 2015). “A patentee is only entitled to a reasonable royalty attributable to the infringing features” and therefore “[t]he patentee ‘must in every case give evidence tending to separate or apportion the defendant’s profits and the patentee’s damages between the patented feature and the unpatented features.’” *Power Integrations, Inc. v. Fairchild Semiconductor Int’l, Inc.*, 904 F.3d 965, 977 (Fed. Cir. 2018) (quoting *Garretson v. Clark*, 111 U.S. 120, 121 (1884)); *see also Elbit Sys. Land & C4I Ltd. v. Hughes Network Sys., LLC*, 927 F.3d 1292, 1301 (Fed. Cir. 2019) (“[T]he apportionment requirement [dictates] that a royalty should reflect the value of patented technology.”); *Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201, 1226 (Fed. Cir. 2014) (“As a substantive matter, it is the ‘value of what was taken’ that measures a ‘reasonable royalty’ under [Section] 284.”) (internal quotation marks and citation omitted). This means that when it comes to assessing the damages base in a case where only certain elements of a multi-component product are accused of infringement, it is generally required that royalties be based “not on the entire product, but instead on the ‘smallest salable patent-practicing unit.’” *LaserDynamics, Inc. v. Quanta Comput., Inc.*, 694 F.3d 51, 67 (Fed. Cir. 2012) (citation omitted).

A narrow exception to the general rule requiring apportionment is the entire market value rule. *Id.* The entire market value rule “permits recovery of damages based on the value of a patentee’s entire apparatus containing several features when the patent[-]related feature is the

basis for customer demand.” *Rite-Hite*, 56 F.3d at 1549 (internal quotation marks and citation omitted) (applying the entire market value rule to lost profits damages analysis); *see also LaserDynamics*, 694 F.3d at 67 (“In effect, the entire market value rule acts as a check to ensure that [reasonable] royalty damages being sought under [Section] 284 are in fact ‘reasonable’ in light of the technology at issue.”). In order to satisfy the entire market value rule, a patentee must “present evidence showing that the [patented feature] drove demand for the [entire apparatus]; [i]t is not enough to merely show that the [patented feature] is viewed as valuable, important, or even essential to the use of the [entire apparatus].” *Id.* at 68.

Defendant argues that Mr. Bayley’s reasonable royalty opinions are defective for two main reasons. (D.I. 223 at 45-49) The Court will address these in turn.

a. Apportionment and the Entire Market Value Rule

First, Defendant asserts that Mr. Bayley failed to properly assess the royalty base by not identifying the smallest salable patent-practicing unit (or “SSPPU”), and that he erroneously applied the entire market value rule. (D.I. 223 at 45-47) To that end, when identifying the appropriate royalty base, Mr. Bayley utilized worldwide gross revenue (dating from October 6, 2015 through the expected date of trial), for the accused video rigs—as well as for cameras and software that are sold in conjunction with those rigs. (Bayley Opening Report at ¶ 121 & Table 16; D.I. 223 at 46) He then applied a 4.4% royalty rate to this base, resulting in a proffered reasonable royalty of [REDACTED]. (*Id.*) Defendant argues that not only was it wrong for Mr. Bayley to use total revenue for the accused video rigs as a base without any further apportionment, but it was doubly wrong to include revenues relating to Defendant’s “cameras and software sold with Accused Products[, in light of] the [] fact that the '019 patent does not cover cameras or software.” (D.I. 223 at 46-47)

With regard to the fact that Mr. Bayley utilized all of the sales revenue for each accused video rig in his royalty base (as opposed to attempting to apportion by identifying a SSPPU that amounts to something less than the entire rig), Plaintiff responds by stating that “Mr. Bayley’s report provides that he ascribed 100% of the value of the infringing sales to the claims of the patent for each of the accused devices[,] as there were no improvements added by GoPro that results in incremental benefit to users of the accused devices in calculating the royalty base.” (D.I. 234 at 48) That may be so, but the Court cannot identify the portion of Mr. Bayley’s reports in which he actually states this conclusion and explains the reasons behind it. There is one sentence in his opening report where Mr. Bayley flatly asserts “I am not aware of any additional features or improvements added by GoPro that resulted in an incremental benefit to the Omni, Abyss, and Odyssey users.” (Bayley Opening Report at ¶ 111; *see also* D.I. 234 at 48) Yet as was noted above, in order to utilize the entire market value rule, Plaintiff must present at least *some evidence* showing that the patented features (here, certain claimed sub-components of a video rig) drive demand for the entire rig. Mr. Bayley does not marshal any actual facts nor engage in any real analysis when attempting to make this showing. Thus, his analysis on this point is unreliable and does not fit the facts of the case.

As for the fact that Mr. Bayley included camera sales revenue in his royalty base, Plaintiff asserts that this was appropriate, because although “claims 1-29 [of the '019 patent] do not claim a camera as a separate element” when it comes to asserted independent claim 30, “a camera *is* included as a claim element[.]” (D.I. 234 at 48 (emphasis added); *see also id.* at 49)²⁵

²⁵ In making this argument in its briefing, Plaintiff cites for support to a declaration submitted by Dr. King. Defendant moved to strike this declaration as untimely, (D.I. 252), a motion that the Court has denied, (D.I. 266). That said, in his declaration, Mr. King makes no real, non-conclusory argument as to *why* the apparatus in claim 30 necessarily includes a camera.

However, as a matter of claim construction, the Court disagrees that claim 30 (and its dependent claims) include such a camera element. It does so for the following reasons:

- Claim 30 is an apparatus claim. And more specifically, it is a claim to a “holding fixture” with particular required sub-components. (’019 patent, col. 24:23-40) A “holding fixture” is not a camera.
- The holding fixture in claim 30 is one said to be “configured to retain a plurality of photographic cameras in a predetermined orientation, the holding fixture comprising[. . .]” (*Id.*, col. 24:23-25) This further makes clear that what follows in the claim is a description about how the holding fixture *is configured* so that, when it is manufactured, it can hold multiple cameras in a certain configuration. It would not make sense for an apparatus claim worded this way to include a camera itself as a limitation. Instead, it makes sense that what is further described are attributes of the claimed rig (a rig that, in turn, can be used to hold cameras).
- Claim 30 describes how the holding fixture includes a “plurality of receptacles[.]” (*Id.*, col. 24:29) It further states that “each of the receptacles defining an open-end[ed] enclosure sized for retaining a photographic camera and in which the receptacles are oriented about the support such that each retained photographic camera provides an overlapping field of view, the cameras being disposed such that a centerline of the lens barrel of each retained camera is configured to intersect [in a certain manner].” (*Id.*, col. 24:31-40) There is no question that this language is clunky. But in the Court’s view, what is being described here is the required structure and orientation *of the receptacles*, nothing more. (D.I. 242 at 25; Tr. at 30) To be sure, the contours of that required structure/orientation are described by reference to how cameras must be disposed when they are placed into the receptacles, as well as to the viewpoint of such cameras. (*Id.* at 31) But the claim does not require that a camera actually be inserted into a

(D.I. 237, ex. K at ¶¶ 7, 11; *see also* D.I. 242 at 24 (Defendant noting that in his declaration, Dr. King “fails to explain where or how claims 30 to 37 recite a camera as a separate element, let alone why claims 1 to 29 supposedly do not.”)) He just says that it does. So his declaration is not helpful in this regard. As the Court has noted, (D.I. 266), a decision on whether claim 30 does encompass a camera will be based on an analysis of the relevant claim language.

receptacle for infringement to occur. Instead, by the claim's own language, infringement occurs once a holding fixture (containing the required receptacles, and other features) is made, used, offered for sale, or sold.

- Even Plaintiff acknowledges that claim 1, which is also to an apparatus (a “holding assembly”), does not require a camera. (D.I. 234 at 49; D.I. 237, ex. K at ¶ 12; '019 patent, col. 22:24-41) Claim 1 similarly describes how certain receptacles are structured and oriented. In doing so, like claim 30, claim 1 notes the required orientation of the receptacles by making reference to the disposition and viewpoint of cameras that can be placed into those receptacles. ('019 patent, col. 22:34-41) Thus, claim 1 is little different from claim 30 in this respect.²⁶ And so it makes little sense that claim 1 would not require a camera as an element while claim 30 would. (Tr. at 30, 66-68)

In light of this conclusion, Mr. Bayley's inclusion of camera revenue as part of his royalty base amounts to the use of an unreliable methodology that does not fit the facts of the case.

b. Consideration of Certain Licenses

Second, Defendant argues that Mr. Bayley's opinions should be excluded because he relies on 10 purportedly comparable licenses in order to help him determine what a reasonable royalty rate would be. (Bayley Opening Report at ¶ 82 & Table 9; Bayley Reply Report at ¶ 40)²⁷ Defendant argues that this amounts to an unreliable methodology, since Mr. Bayley did no analysis in order to establish that the licenses are, in fact, comparable. (D.I. 223 at 47; Tr. 33-34)

²⁶ During oral argument, Plaintiff's counsel suggested that a material difference between the two claims is that claim 1 claims receptacles that have a latching feature “for enabling a photographic camera to be releasably retained[,]” ('019 patent, col. 22:34-35), while claim 30 claims receptacles that have an enclosure “sized for retaining a photographic camera[,]” ('019 patent, col. 24:31-32). (Tr. at 68-69) But in the Court's view, this difference in claim language does not make a difference. In both cases, the respective claims are referencing characteristics *of the receptacles themselves*, and how they are configured or sized.

²⁷ More specifically, in his reports Mr. Bayley explains why he believes that an appropriate royalty rate would be 4.4%—the same rate established in a separate license agreement for the '019 patent that Plaintiff entered into with Yi Technologies, Inc. (“Yi”).

There must be a basis in fact to associate the royalty rates used in prior licenses to the particular hypothetical negotiation at issue, *see Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1317 (Fed. Cir. 2011), and comparison of past patent licenses to the infringement must account for the technological and economic differences between them, *see Wordtech Sys., Inc. v. Integrated Network Sols., Inc.*, 609 F.3d 1308, 1320 (Fed. Cir. 2010). The testimony of a damages expert who relies on non-comparable licenses in reaching his royalty rate should be excluded. *DataQuill Ltd. v. High Tech Comp. Corp.*, 887 F. Supp. 2d 999, 1022 (S.D. Cal. 2011).

The Court agrees that Mr. Bayley’s testimony about these 10 licenses does not pass *Daubert* muster. This is because in order to be relevant to this case, as noted above, the licenses need to be technologically comparable to the asserted claims/infringement. Yet Mr. Bayley is not qualified to opine on whether the licenses are technologically comparable. And the one expert on Plaintiff’s side who is qualified to do so (Dr. King) was never shown these licenses and never commented on them. (D.I. 223 at 48; D.I. 226, ex. 55 at 80-81) Without a technical expert providing the necessary linkage here as to technological comparability, Mr. Bayley cannot show that the 10 licenses are relevant to the case. *See Spring Commc’ns Co., L.P. v. Mediacom Commc’ns Corp.*, Civil Action No. 17-1736-RGA, 2021 WL 982734, at *2 (D. Del. Mar. 16, 2021); *GREE, Inc. v. Supercell Oy*, Case No. 2:19-cv-00070-JRG-RSP, Case No. 2:19-cv-00071-JRG-RSP, 2020 WL 4057640, at *6 (E.D. Tex. July 20, 2020); *Odyssey Wireless, Inc. v. Apple*

(Bayley Opening Report at ¶¶ 73, 78) Mr. Bayley then notes that the 10 other licenses at issue here “provide for a royalty that ranges from 0.5% to 5.0%.” (Bayley Opening Report at ¶ 84) And Mr. Bayley goes on to use the royalty rate range provided by these 10 licenses as a kind of a check on the reasonableness of the 4.4% rate drawn from the Yi license—noting that the “4.4% royalty rate compares well with the royalties identified in the” 10 licenses. (*Id.* at ¶ 74; *see also* D.I. 226, ex. 55 at 83)

Inc., Case No.: 15-cv-01735-H-RBB, Case No. 15-cv-1738-H-RBB, Case No. 15-cv-1743-H-RBB, 2016 WL 7644790, at *5 (S.D. Cal. Sept. 14, 2016).

4. Conclusion

For the reasons set out above, the Court ORDERS that GoPro's *Daubert* Motions be GRANTED-IN-PART and DENIED-IN-PART. More specifically, the Court ORDERS that the *Daubert* Motions should be GRANTED in the following respects:

- Mr. Bayley's and Dr. King's opinions on the commercial acceptability of potential non-infringing substitutes should be excluded. In light of that, Plaintiff does not have sufficient evidence to meet its burden as to the second *Panduit* factor. And Mr. Bayley's opinions setting out a reasonable approximation of the patentee's lost profits should be excluded on multiple grounds. This means that Plaintiff also does not have sufficient evidence to meet its burden as to the fourth *Panduit* factor.
- Mr. Bayley's opinions regarding what is the appropriate royalty base and about the 10 purportedly comparable licenses referenced above should be excluded.

The Court ORDERS that the *Daubert* Motions be DENIED in all other respects.

To the extent that the portions of the Court's orders here that grant aspects of the *Daubert* Motions go unchallenged or are affirmed by the District Judge, then this will then leave open the question of whether Plaintiff should be given the chance to serve supplemental expert reports in order to try to remedy these deficiencies. The outcome of that decision, in turn, may inform whether Plaintiff's claims for lost profits or reasonable royalty damages should be entirely dismissed (as Defendant seeks). (D.I. 223 at 32, 45) The Court defers to the District Judge's judgment as to whether any such supplementation should be permitted prior to trial.

III. CONCLUSION

For the foregoing reasons, the Court recommends that GoPro's MSJ be GRANTED-IN-PART and DENIED-IN-PART, as set out above. It also orders that GoPro's *Daubert* motions be GRANTED-IN-PART and DENIED-IN-PART, as set out above.

This Report and Recommendation is filed pursuant to 28 U.S.C. § 636(b)(1)(B), Fed. R. Civ. P. 72(b)(1), and D. Del. LR 72.1. The parties may serve and file specific written objections within fourteen (14) days after being served with a copy of this Report and Recommendation. Fed. R. Civ. P. 72(b)(2). The failure of a party to object to legal conclusions may result in the loss of the right to *de novo* review in the district court. *See Sincavage v. Barnhart*, 171 F. App'x 924, 925 n.1 (3d Cir. 2006); *Henderson v. Carlson*, 812 F.2d 874, 878-79 (3d Cir. 1987).

The parties are directed to the Court's Standing Order for Objections Filed Under Fed. R. Civ. P. 72, dated March 7, 2022, a copy of which is available on the District Court's website, located at <http://www.ded.uscourts.gov>.

Because this Report and Recommendation may contain confidential information, it has been released under seal, pending review by the parties to allow them to submit a single, jointly proposed, redacted version (if necessary) of the Report and Recommendation. Any such redacted version shall be submitted no later than **April 4, 2022** for review by the Court. It should be accompanied by a motion for redaction that shows that the presumption of public access to judicial records has been rebutted with respect to the proposed redacted material, by including a factually-detailed explanation as to how that material is the "kind of information that courts will protect and that disclosure will work a clearly defined and serious injury to the party seeking closure." *In re Avandia Mktg., Sales Pracs. & Prods. Liab. Litig.*, 924 F.3d 662, 672 (3d Cir. 2019) (internal quotation marks and citation omitted). The Court will subsequently issue a publicly-available version of its Report and Recommendation.

Dated: March 30, 2022


Christopher J. Burke
UNITED STATES MAGISTRATE JUDGE