

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SPRINT COMMUNICATIONS COMPANY LP,

Plaintiff,

v.

CHARTER COMMUNICATIONS, INC., et al.,

Defendants.

C.A. No. 17-1734-RGA

SPRINT COMMUNICATIONS COMPANY LP,

Plaintiff,

v.

WIDEOPENWEST, INC., et al.,

Defendants.

C.A. No. 18-361-RGA

SPRINT COMMUNICATIONS COMPANY LP,

Plaintiff,

v.

ATLANTIC BROADBAND FINANCE, LLC, et al.,

Defendants.

C.A. No. 18-362-RGA

SPRINT COMMUNICATIONS COMPANY LP,

Plaintiff,

v.

GRANDE COMMUNICATIONS NETWORKS, LLC,
et al.,

Defendants.

C.A. No. 18-363-RGA

MEMORANDUM OPINION

Christina B. Vavala and Stephen J. Kraftschik, POLSINELLI PC, Wilmington, DE; Aaron E. Hankel, B. Trent Webb, John D. Garretson, Jonathan M. Hernandez, Jordan T. Bergsten, Lauren E. Douville, Lydia C. Raw, Mark D. Schafer, Ryan D. Dykal, and Ryan J. Schletzbaum, SHOOK, HARDY & BACON LLP, Kansas City, MO; Michael W. Gray and Robert H. Reckers, SHOOK, HARDY & BACON LLP, Houston, TX, attorneys for Plaintiff Sprint Communications Company LP.

Kelly E. Farnan, RICHARDS, LAYTON & FINGER PA, Wilmington, DE; Alex Henriques, Robert A. Appleby, Ryan Kane, James E. Marina, Gregory Arovas, and Jeanne M. Heffernan, KIRKLAND & ELLIS LLP, New York, NY; Bao T. Nguyen, KIRKLAND & ELLIS LLP, San Francisco, CA; Gregory Polins, KIRKLAND & ELLIS LLP, Chicago, IL; Luke Dauchot, KIRKLAND & ELLIS, LLP, Los Angeles, CA; Daniel L. Reisner, David S. Benyacar, and Michael Block, ARNOLD & PORTER KAYE SCHOLER LLP, New York, NY; Robert J. Katerberg, ARNOLD & PORTER KAYE SCHOLER LLP, Washington, DC; Thomas T. Carmack, ARNOLD & PORTER KAYE SCHOLER LLP, Palo Alto, CA, attorneys for Defendants Charter Communications, Inc. et al.

Andrew C. Mayo, ASHBY & GEDDES, Wilmington, DE; Robinson Vu, Lindsay Volpenhein Cutié, Natalie Alfaro Gonzales, and Amy E. Bergeron, BAKER BOTTS LLP., Houston, TX; Timothy S. Durst, BAKER BOTTS LLP, Dallas, TX, attorneys for Defendants WideOpenWest Networks, Inc., Atlantic Broadband Finance, LLC, and Grande Communications Networks, LLC, et al.

March 16, 2021

/s/ Richard G. Andrews

ANDREWS, U.S. DISTRICT JUDGE:

Before the Court is Plaintiff's Motion for Summary Judgment of No Inequitable Conduct. (D.I. 463). I have reviewed the parties' briefing. (D.I. 464, 502, 524).¹ The motion and briefing have been filed in five cases. I previously dismissed the motion against Mediacom, as Mediacom did not raise a defense or counterclaim of inequitable conduct. (No. 17-1736, D.I. 427).

I. BACKGROUND

Plaintiff Sprint Communications alleged patent infringement against Defendants Charter Communications, WideOpenWest,² Atlantic Broadband Finance,³ and Grande Communications Networks.⁴ Plaintiff currently asserts that Defendants' Voice-over-IP ("VoIP") systems infringe nine⁵ patents, which can be grouped into the Call Control Patents, the Broadband Patents, and the Enhanced Services Patent. The Call Control Patents are Nos. 6,452,932 ("the '932 Patent"), 6,463,052 ("the '052 Patent"), 6,633,561 ("the '3,561 Patent"), 7,286,561 ("the '6,561 Patent"), and 7,505,454 (the '454 Patent"). The Broadband Patents are Nos. 6,343,084 ("the '084 Patent"), 6,473,429 ("the '429 Patent"), and 6,298,064 ("the '064 Patent"). Patent No 6,697,340 ("the '340 Patent") is the Enhanced Services Patent.

II. LEGAL STANDARD

"The court shall grant summary judgment if 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.

¹ Unless otherwise specified, I will cite to the 17-1734 docket.

² C.A. No. 18-361.

³ C.A. No. 18-362.

⁴ C.A. No. 18-363.

⁵ Plaintiff asserted claims from eleven patents at the time of the briefing, but has since dismissed all claims of two of them. (*See* D.I. 432 at 2; D.I. 493). The reduction to nine patents has no impact on the analysis.

R. CIV. P. 56(a). The moving party has the initial burden of proving the absence of a genuinely disputed material fact relative to the claims in question. *Celotex Corp. v. Catrett*, 477 U.S. 317, 330 (1986). Material facts are those “that could affect the outcome” of the proceeding, and “a dispute about a material fact is ‘genuine’ if the evidence is sufficient to permit a reasonable jury to return a verdict for the nonmoving party.” *Lamont v. New Jersey*, 637 F.3d 177, 181 (3d Cir. 2011) (quoting *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986)). The burden on the moving party may be discharged by pointing out to the district court that there is an absence of evidence supporting the non-moving party’s case. *Celotex*, 477 U.S. at 323.

The burden then shifts to the non-movant to demonstrate the existence of a genuine issue for trial. *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586–87 (1986); *Williams v. Borough of West Chester, Pa.*, 891 F.2d 458, 460–61 (3d Cir. 1989). A non-moving party asserting that a fact is genuinely disputed must support such an assertion by: “(A) citing to particular parts of materials in the record, including depositions, documents, electronically stored information, affidavits or declarations, stipulations . . . , admissions, interrogatory answers, or other materials; or (B) showing that the materials cited [by the opposing party] do not establish the absence . . . of a genuine dispute” FED. R. CIV. P. 56(c)(1).

When determining whether a genuine issue of material fact exists, the court must view the evidence in the light most favorable to the non-moving party and draw all reasonable inferences in that party’s favor. *Scott v. Harris*, 550 U.S. 372, 380 (2007); *Wishkin v. Potter*, 476 F.3d 180, 184 (3d Cir. 2007). A dispute is “genuine” only if the evidence is such that a reasonable jury could return a verdict for the non-moving party. *Anderson*, 477 U.S. at 247–49. If the non-moving 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. *See Celotex Corp.*, 477 U.S. at 322.

III. ANALYSIS

Defendants assert an affirmative defense of inequitable conduct against Plaintiff for both the Call Control and Broadband Patents.⁶ Plaintiff contends that it is entitled to summary judgment of no inequitable conduct, as Defendants have failed to raise a genuine issue of material fact that supports their theories of inequitable conduct. (D.I. 464 at 1).

“To prevail on a claim of inequitable conduct, the accused infringer must prove that the patentee acted with the specific intent to deceive the [Patent Office].” *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276, 1290 (Fed. Cir. 2011). Specifically, “the accused infringer must prove by clear and convincing evidence that the applicant knew of the [information], knew that it was material, and made a deliberate decision to withhold it.” *Id.* In exceptional cases, “[w]hen the patentee has engaged in affirmative acts of egregious misconduct, such as the filing of an unmistakably false affidavit, the misconduct is [deemed] material” as a matter of law. *Id.* at 1292. Generally, however, “[m]ateriality is defined by what a reasonable examiner would have considered important in deciding whether to allow a patent application.” *Innogenetics, N.V. v. Abbott Labs.*, 512 F.3d 1363, 1378 (Fed. Cir. 2008). Materiality is a question of fact. *Eisai Co. v. Dr. Reddy’s Labs., Ltd.*, 533 F.3d 1353, 1360 (Fed. Cir. 2008).

⁶ Plaintiff sought summary judgment against Defendants WideOpenWest, Grande, and Atlantic Broadband in regard to their inequitable conduct argument concerning Plaintiff’s failure to disclose the Tsuboi reference. But Defendants confirmed they are not pursuing that argument. (D.I. 502 at 24). Further, the Court has found that incorporation by reference of the Call Control Specification into the Broadband Specification does not constitute but-for materiality. (*See id.*, citing D.I. 102 at 7). Defendants do not challenge that ruling either. (D.I. 502 at 24). Therefore, the Court does not review these issues.

An applicant has a “duty to disclose to the [Patent] Office all information known to that individual to be material to patentability.” 37 C.F.R. § 1.56(a). “The duty to disclose information exists with respect to each pending claim until the claim is cancelled or withdrawn from consideration, or the application becomes abandoned.” *Id.*

Enablement is an issue material to patentability. *See* 35 U.S.C. § 112.

A. Call Control Patents

For the Call Control Patents, Defendants allege that three of Plaintiff’s representatives “repeatedly told the PTO [Patent and Trademark Office] that ATM switches capable of receiving and processing signaling to set up a communications path already existed as of the claimed date” and that such “representations were false when made.” (D.I. 33 at 29-30). Plaintiff argues that it is entitled to summary judgment on this defense because such disclosure is not material as, under the Court’s construction, an Asynchronous Transfer Mode (“ATM”) switch is not a requirement of the asserted claims. (D.I. 464 at 3). Defendants counter that Plaintiff’s alleged misrepresentations are material, as claiming more broadly than the disclosed embodiment increases disclosure obligations. (D.I. 502 at 19). Further, Defendants argue that since Plaintiff’s “knowing and repeated false representations to the USPTO” are egregious misconduct, they are not even required to prove materiality. (*Id.*).

There are genuine issues of material fact regarding the materiality of Plaintiff’s alleged failure to disclose information about the ATM switch. Defendants proffer evidence that Plaintiff represented to the PTO that ATM switches that could work (that is, by being able to respond to signaling) in the disclosed invention existed. (D.I. 504-1, Exh. 30 at 78 of 288 (“broadband switch – Fore Systems ASX-100”); D.I. 504-1, Exh. 32 at 109 of 288; D.I. 503-1 at Exh. 15 at 461-64 of 752). Defendants’ evidence also supports its argument that such switches did not exist

(and that the switch identified by Plaintiff, while it existed, could not perform the required function), and that Plaintiff knew that. (D.I. 503-1, Exh. 15 at 439, 461-64 of 752; D.I. 503-1, Exh. 19 at 632-33 of 752; D.I. 504-1, Exh. 33 at 114 of 288 (lines 6-12); D.I. 504-1, Exh. 35 at 152-53 (internal page numbering 40:12-41:24)). While Plaintiff argues that the failure to disclose a working ATM switch is not material to patentability (D.I. 524 at 2), a reasonable fact finder could conclude, based on the evidence, that such a failure to disclose was material. A reasonable fact finder could determine that a reasonable examiner would have considered the lack of a functioning ATM switch material to the evaluation of enablement and written description. As a reasonable fact finder could find for Defendants and there are genuine disputes of material fact pertaining to materiality, Plaintiff's motion for summary judgment on this ground is denied.

B. Broadband Patents

For the Broadband Patents, Defendants allege inequitable conduct as one of Plaintiff's lawyers never disclosed to the PTO that Plaintiff could not get the Broadband Patents to work. (D.I. 33 at 36-37). Defendants allege that this failure to disclose was material, because had the PTO known this, it would have found that the patents did not meet the enablement requirement. (*Id.* at 38).

Plaintiff moves for summary judgment on this affirmative defense, arguing that it is not true that it failed to develop a working embodiment of the Broadband Patents. (D.I. 464 at 4). Plaintiff contends that Defendants improperly focus on full commercialization of the product, which is not required for enablement. (*Id.* at 5).

Defendants counter that the parties dispute whether the prototype was a successful embodiment of the claimed invention and that there is a "mountain of evidence that the prototype did not work." (D.I. 502 at 20). Defendants also argue that even if the prototype did work, it was

not an embodiment of the claimed invention as it did not connect a packet network to the Public Switched Telephone Network (“PSTN”), as Plaintiff contends the invention does. (*Id.* at 21).

Plaintiff’s development of a prototype for the Broadband Patents was referred to as JCS2000. (D.I. 503-1, Exh. 15 at 425-26 of 752). The JCS2000 project as a whole aimed to “integrate [Plaintiff’s] voice and data networks onto the ATM infrastructure.” (D.I. 505-1, Exh. 50 at 74-75 of 231). The intent of the project was to determine whether the Broadband Patents would work, by having a Call/Connection Management (“CCM”) control an ATM Voice Multiplexer instead of a switch. (D.I. 503-1, Exh. 15 at 425-429 of 752). The “proof of concept” prototype was developed at Plaintiff’s Advanced Technology Lab. (D.I. 505-1, Exh. 50 at 75 of 231; D.I. 465-1, Ex. 2 at 25 of 80).

The parties dispute whether the prototype worked and whether it embodied the disclosed invention.⁷ Plaintiff cites to deposition testimony from fact witnesses who stated that the prototype worked. (D.I. 465-1, Exh. 2 at 25-27 of 80 (internal page numbering 135:4-144:11); Exh. 4 at 37-41 (internal page numbering 85:20-89:18); Exh. 5 at 46 of 80 (internal page numbering 76:2-7). Defendants have no evidence from which a reasonable fact finder could conclude that the prototype did not work. While Defendants cite testimony from a Cisco employee who stated that Plaintiff “had been unable to get [the prototype] completely working,” (D.I. 504-1, Exh. 47 at 287-88 of 288 (internal page numbering 196:6-198:2)), that is inadmissible hearsay that cannot be considered in a motion for summary judgment. Defendants’ only other evidence in support of its contention that the prototype did not work are Plaintiff’s

⁷ One difficulty with the “prototype” argument is that it is not always clear that the parties are talking about the same thing. There was a “proof of concept” prototype and there were at least two “production prototypes.” (D.I. 465-1, Ex. 2 at 25 of 80). I think it is undisputed that the JCS2000 was “never actually deployed to commercial traffic.” (*Id.*, Ex. 4 at 39 of 80; *see* D.I. 464 at 5). Commercial deployment is, however, irrelevant to enablement.

IRS documents describing “technical uncertainties” with the JCS2000. (D.I. 505-1, Exh. 49 at 13-16 of 231). A reasonable fact finder could not return a verdict of inequitable conduct regarding the Broadband Patents for Defendants based on this evidence.

Defendants, however, raise a genuine issue of material fact that the prototype did not embody the claimed invention. Using the ’640 Patent as an example, the Broadband Patents’ specification states, “The method comprises receiving the signaling for the call into the signaling processor, processing the signaling to select the virtual connection, generating new signaling to identify the particular connection and the selected virtual connection, and then transmitting the new signaling to the ATM interworking multiplexer.” (D.I. 14, Exh. F at col. 2:17-22). In other words, the “Broadband Patents generally claim broadband communication systems relating to various broadband networking techniques for the bridging of calls between packet-based and non-packet-based communication networks.” (D.I. 500-1, Exh. 1 at 33 of 1423). Defendants argue, and cite to evidence, that the “proof of concept” prototype was not connected to a packet network or to a PSTN (a non-packet based network), as was part of the disclosed invention. (D.I. 503-1, Exh. 15 at 426-29 of 752; D.I. 504-1, Exh. 42 at 219-20 of 288). While Plaintiff contends that the prototype embodied the invention (D.I. 464 at 4-6), Defendants’ proffered evidence creates a genuine dispute of material fact as to whether Plaintiff’s prototype actually did so.

Based on Defendants’ evidence, a reasonable fact finder could find that the “proof of concept” prototype did not enable the invention disclosed in the Broadband Patents. There is no argument that some other work enabled the invention. (D.I. 524 at 4-5). As enablement is an issue material to patentability, it follows that a reasonable fact finder could find that a reasonable examiner would have considered information about the failure to make a working embodiment to

be material to patentability. Such issues of fact must be decided by the fact finder. Therefore, summary judgment of no inequitable conduct for the Broadband Patents is denied.

C. Specific Intent to Deceive

Plaintiff argues that Defendants have not established specific intent as Defendants' allegations are based on purported inconsistent statements that have no record support and from which multiple reasonable inferences can be drawn. (D.I. 464 at 6). Plaintiff contends that Defendants have not met their burden of proving that intent to deceive is the single most reasonable inference to be drawn from the evidence. (*Id.* at 7).

Defendants argue that the Court should infer specific intent from the evidence presented, including Plaintiff's knowing and repeated misrepresentations about the existence of an ATM switch and Plaintiff's failure to disclose to the PTO that their prototype did not embody the claimed invention. (D.I. 502 at 23). Defendants contend that from this evidence, a reasonable fact finder could find that intent to deceive is the single most reasonable inference. (*Id.*).

For inequitable conduct, the intent to deceive must be "the single most reasonable inference able to be drawn from the evidence to meet the clear and convincing standard." *Star Sci., Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1366 (Fed. Cir. 2008). Granting summary judgment on inequitable conduct "is permissible, but uncommon," in light of the "inherently factual nature of the issue of intent." *Digital Control, Inc. v. Charles Mach. Works*, 437 F.3d 1309, 1317 (Fed. Cir. 2006). As "[d]irect evidence of intent is rare, . . . a court must often infer intent from the surrounding circumstances." *Id.*

Drawing all inferences in favor of Defendants, a reasonable fact finder could find that the intent to deceive is the single most reasonable inference from the evidence presented. For the Call Control Patents, the parties dispute whether Plaintiff's employees had the intent to deceive

the PTO. (D.I. 464 at 7; D.I. 502 at 22). Plaintiff contends that it is a reasonable inference that their employees did not deliberately misrepresent the existence of ATM switches or intentionally disclose conflicting information to the PTO. (D.I. 464 at 7). Defendants, however, argue that the most reasonable inference of Plaintiff's repeated misrepresentations to the PTO is specific intent to deceive. (D.I. 502 at 22). Based on the evidence, a reasonable fact finder could find that Plaintiff's representations to the PTO were made with an intent to deceive.

A reasonable fact finder could also find that an intent to deceive was the most reasonable inference from Plaintiff's failure to disclose problems with the prototype for the Broadband Patents to the PTO. Defendants' evidence contains a description of the prototype and its functionality, including testimony that the prototype did not connect a packet-based and non-packet-based network. (D.I. 503-1, Exh. 15 at 426-29 of 752; D.I. 504-1, Exh. 42 at 219-20 of 288). From this evidence, a reasonable fact finder could find that Plaintiff's lack of disclosure to the PTO regarding the functionality of the prototype was done with an intent to deceive. There are disputes of material fact as to whether Plaintiff had specific intent to deceive and the determination of intent is "inherently factual." Thus, Plaintiff's motion for summary judgment is denied.

IV. CONCLUSION

As there are genuine issues of material fact and a reasonable fact finder could find for Defendants, Plaintiff's motion for summary judgment of no inequitable conduct (D.I. 463; No. 18-361, D.I. 253; No. 18-362, D.I. 274; No. 18-363, D.I. 249) is denied.

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Defendants.

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Plaintiff,

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SPRINT COMMUNICATIONS COMPANY LP,

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C.A. No. 18-362-RGA

SPRINT COMMUNICATIONS COMPANY LP,

Plaintiff,

v.

GRANDE COMMUNICATIONS NETWORKS, LLC,
et al.,

Defendants.

C.A. No. 18-363-RGA

ORDER

For the reasons stated in the accompanying memorandum opinion, Plaintiff's motion for summary judgment of no inequitable conduct (D.I. 463; No. 18-361, D.I. 253; No. 18-362, D.I. 274; No. 18-363, D.I. 249) is **DENIED**.

IT IS SO ORDERED this 16th day of March 2021.

/s/ Richard G. Andrews
United States District Judge

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FOR THE DISTRICT OF DELAWARE

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

CHARTER COMMUNICATIONS, INC., et al.,
Defendants.

C.A. No. 17-1734-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

MEDIACOM COMMUNICATIONS CORP.,
Defendant.

C.A. No. 17-1736-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

WIDEOPENWEST, INC., et al.,
Defendants.

C.A. No. 18-361-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

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ATLANTIC BROADBAND FINANCE, LLC, et al.,
Defendants.

C.A. No. 18-362-RGA

SPRINT COMMUNICATIONS COMPANY LP,
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GRANDE COMMUNICATIONS NETWORKS, LLC,
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C.A. No. 18-363-RGA

MEMORANDUM OPINION

Christina B. Vavala and Stephen J. Kraftschik, POLSINELLI PC, Wilmington, DE; Aaron E. Hankel, B. Trent Webb, John D. Garretson, Jonathan M. Hernandez, Jordan T. Bergsten, Lauren E. Douville, Lydia C. Raw, Mark D. Schafer, Ryan D. Dykal, and Ryan J. Schletzbaum, SHOOK, HARDY & BACON LLP, Kansas City, MO; Michael W. Gray and Robert H. Reckers, SHOOK, HARDY & BACON LLP, Houston, TX, attorneys for Plaintiff Sprint Communications Company LP.

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Andrew C. Mayo, ASHBY & GEDDES, Wilmington, DE; Robinson Vu, Lindsay Volpenhein Cutié, Natalie Alfaro Gonzales, and Amy E. Bergeron, BAKER BOTTS LLP., Houston, TX; Timothy S. Durst, BAKER BOTTS LLP, Dallas, TX, attorneys for Defendants Mediacom Communications Corp., WideOpenWest Networks, Inc., Atlantic Broadband Finance, LLC, and Grande Communications Networks, LLC, et al.

March 16, 2021

/s/ Richard G. Andrews

ANDREWS, U.S. DISTRICT JUDGE:

Before the Court is Defendants' Motion to Strike Portions of Plaintiff's Expert Reports. (D.I. 476; No. 17-1736, D.I. 327; No. 18-361, D.I. 275; No. 18-362, D.I. 297; No. 18-363, D.I. 272). I have considered the parties' briefing. (D.I. 477, 527, 540).¹ The motion and briefing have been filed in five cases.

I. BACKGROUND

Plaintiff Sprint Communications alleges patent infringement against Defendants Charter Communications, Mediacom Communications,² WideOpenWest,³ Atlantic Broadband Finance,⁴ and Grande Communications Networks.⁵ Plaintiff currently asserts that Defendants' Voice-over-IP ("VoIP") systems infringe nine⁶ patents, which can be grouped into the Call Control Patents, the Broadband Patents, and the Enhanced Services Patent. The Call Control Patents are Nos. 6,452,932 ("the '932 Patent"), 6,463,052 ("the '052 Patent"), 6,633,561 ("the '3,561 Patent"), 7,286,561 ("the '6,561 Patent"), and 7,505,454 (the '454 Patent"). The Broadband Patents are Nos. 6,343,084 ("the '084 Patent"), 6,473,429 ("the '429 Patent"), and 6,298,064 ("the '064 Patent"). Patent No 6,697,340 ("the '340 Patent") is the Enhanced Services Patent.

Defendants move to strike about thirty-six paragraphs of Plaintiff's expert reports that Defendants contend do not satisfy Rule 26. (D.I. 476 at 1). Defendants argue that Plaintiff's expert reports incorporate by reference a significant amount of other expert reports, expert

¹ For efficiency, I will cite to the 17-1734 docket, unless otherwise specified.

² C.A. No. 17-1736.

³ C.A. No. 18-361.

⁴ C.A. No. 18-362.

⁵ C.A. No. 18-363.

⁶ Plaintiff asserted claims from eleven patents at the time of the briefing, but has since dismissed all claims of two of them. (*See* D.I. 432 at 2; D.I. 493). The reduction to nine patents has no impact on the analysis unless noted.

testimony, and jury verdicts from prior litigations, which incorporation fails to meet the requirements of Rule 26(a)(2)(B). (D.I. 477 at 1). The parties discussed these issues extensively before bringing the issue before the Court. (*See* D.I. 478-1, Exh. 1 (35-page email chain)).

II. LEGAL STANDARD

Federal Rule of Civil Procedure 26(a)(2)(B) requires an expert report to “contain...a complete statement of all opinions that the witness will express and the basis and reasons for them; [and] the facts or data considered by a witness in forming them.” Fed. R. Civ. P. 26(a)(2)(B). Rule 26’s disclosure requirement is intended to “prevent a party from being unfairly surprised by the presentation of new evidence.” *EMC Corp. v. Pure Storage, Inc.*, 154 F. Supp. 3d 81, 92 (D. Del. 2016) (quoting *Alza Corp. v. Andrx Pharm., LLC*, 2008 WL 1886042, at *2 (D. Del. Apr. 28, 2008)).⁷

III. ANALYSIS

A. Defendants’ Motion to Strike Portions of Dr. Wicker’s Reports

Defendants move to strike any paragraphs of the reports that fail Rule 26, and specifically ask the Court to strike from Dr. Stephen Wicker’s reports: paragraph 181 of his expert report regarding infringement of U.S. Patent Nos. 6,452,932, 6,463,052, 6,633,561, 7,286,561, 7,505,454, 6,298,064, 6,343,084, 6,473,429, 7,327,728, 6,330,224, & 6,697,340, dated March 20, 2020 (errata dated May 11, 2020); paragraphs 4, 43, 51, 176, 267 of his April 24, 2020 rebuttal report in response to Dr. Kevin Almeroth, Dr. Michael Frendo, and Mr. Bradner; paragraphs 1, 83, 160, 406 of his April 24, 2020 rebuttal report in response to Zygmunt Haas; paragraphs 1, 70, 142, 291, 337, 351, 381, 474, 482, 543 of his April 24, 2020 rebuttal

⁷ No party cites a case directly on point. That is why this Memorandum Opinion does not further cite any cases on the main point of dispute.

report in response to Seamus B. Gilchrist; paragraphs 128, 138, 175 of his May 15, 2020 reply report in response to Dr. Almeroth; and paragraphs 228 and 247 of his May 15, 2020 reply report in response to Mr. Gilchrist. (D.I. 476 at 1-2).

Defendants move to strike Dr. Wicker's incorporation of his reports and testimony from prior litigations. (D.I. 477 at 8). Defendants contend that Dr. Wicker's reports in the instant action incorporate nine prior reports totaling over 3,351 pages and all his prior deposition and trial testimony, which amounts to at least eighteen days of testimony. (*Id.* at 3). Defendants argue that incorporation of such a significant amount of material fails to put Defendants on notice of which opinions Dr. Wicker will offer at trial and makes it "nearly impossible" for Defendants to determine whether Plaintiff is confining its expert testimony to opinions properly disclosed under Federal Rule of Civil Procedure 26(a)(2)(B). (*Id.* at 1-2, 8-9). Defendants assert that Dr. Wicker's incorporations do not sufficiently set forth the basis and reasons for Dr. Wicker's opinions in the present case. (*Id.* at 9).

Plaintiff counters that there is no unfair surprise, as either Plaintiff or Dr. Wicker has specified which portions of his prior reports will be used in this case. (D.I. 527 at 10). Further, Plaintiff argues that Dr. Wicker does not intend to offer opinions from prior cases if such opinions are irrelevant to the issues in this action. (*Id.*).

The parties conferred on these issues. (*See* D.I. 478-1, Exh. 1). The discussions resulted in some changes to Dr. Wicker's reports. For his March 20, 2020 expert report on infringement, Dr. Wicker submitted an errata on May 11, 2020 that eliminated citations to documents that had not been produced to Defendants. (*Id.*, Exh. 2 at 45 of 143). Plaintiff also clarified certain references in Dr. Wicker's April 24, 2020 rebuttal report in response to Dr. Kevin Almeroth, Dr. Michael Frendo, and Mr. Bradner, by specifying which portions of Dr. Wicker's prior reports he

was incorporating into that report. (*Id.*, Exh. 1 at 16 of 143). Defendants argue that this is still insufficient as Plaintiff's proposed narrowing for this report incorporates "vast swathes of his opinions expressed in other cases." (D.I. 540 at 2).

While Plaintiff has made some efforts to reduce the extensive incorporation of Dr. Wicker's reports by identifying, in certain paragraphs, which portions of the prior reports he is incorporating, that is not enough. Defendants are entitled to such specificity throughout all of Dr. Wicker's reports. In many paragraphs Defendants seek to strike, Dr. Wicker incorporates entire reports and testimony from prior litigation. For example, in Dr. Wicker's Rebuttal (i.e., Answering) Invalidity Report regarding Written Description, Enablement, and Related Technical Issues (D.I. 478-1, Ex. 5), one of six reports of Dr. Wicker that are subject to the instant motion, there are the following paragraphs to which Defendants object:

I have previously provided opinions related to the validity of certain claims in Sprint's Asserted Patents under the written description and enablement requirements in 35 U.S.C. § 112. In particular, **my May 15, 2015 Rebuttal Report to Dr. Paul S. Min ("Kansas Invalidity"), July 11, 2016 Rebuttal Report to Dr. Paul S. Min and Henry Houh ("Cox Validity I"), and July 10, 2017 Rebuttal Report to Dr. Paul S. Min ("Cox Invalidity II"), contain opinions relevant to the written description and enablement requirements and the Sprint Asserted Patents, which I incorporate herein by reference. In February and March 2017, I also testified at a jury trial in the Sprint v. Time Warner Cable matter in the United States Court for the District of Kansas where I offered expert testimony as to the relevant technology and validity of certain claims in the Sprint Asserted Patents under the written description requirement. I incorporate herein by reference that testimony and the associated demonstrative exhibits I relied upon to explain my opinions to the jury.**

In my Infringement Report, **as well as my Kansas Validity, Cox Validity I, and Cox Validity II reports**, I provided a detailed tutorial regarding relevant technological issues. [See, e.g., Infringement Report at in 21-162, 174-195.] Based on the descriptions provided by Dr. Almeroth and Dr. Frendo, I provide the below additional contextual discussions.

I provided background information related to the Internet Protocol in my Infringement Report in this proceeding, **as well as my earlier reports in Kansas and Cox, each of which is incorporated herein by reference.**

I agree with the Federal Circuit's majority opinion holding the claims of the Broadband Patents were not invalid under the written description requirement. **I hereby incorporate by reference my prior opinions and trial testimony in the Time Warner Cable litigation.**

As explained in my prior reports, including the Cox Validity Reports, the Call Control Patent specifications are not limited to connection-oriented networks, but rather, the specification demonstrates that the inventors were in possession of inventions used to connect broadband networks to narrowband networks. As one example, and with reference to FIG. 2, the Call Control Patents disclose that network 210 could be narrowband, broadband, packet-based, or a hybrid.[3,561 Patent at 8:35-48.] As another example, with respect to the interconnection of a broadband network to a narrowband network, the Call Control Patents' describe a CCP used to "select the narrowband switches to process particular calls and the DSO ports on those switches that will accept these calls." [3,561 Patent; 12:5-7.] The disclosure is not limited to a connection-based broadband network, but instead, discloses a CCP that selects an egress or ingress point for the broadband network. In an IP-based network, like an ATM based network, it is necessary to identify such an egress point from the broadband network before the communications path is established. Dr. Almeroth does not explain why a person of skill in the art would conclude that the selection of a narrowband switch and DSO connection would not apply when connecting an IP network to a narrowband network for transmitting voice.

(*Id.* at 58-62 (¶¶ 4, 43, 51, 176, 267) (emphasis added). To the extent the highlighted cross-references and incorporations by reference are supposed to represent a disclosure in compliance with Rule 26, I do not think they do. They are purposeful obfuscation (or, hiding the ball) of what the opinions are that Dr. Wicker intends to express at the trial in this case. The rule calls for the disclosure of "all opinions the witness will express," not all opinions the witness has or has ever had. The Rebuttal Report is in response to whatever it is that Defendants' experts have opined. Wholesale incorporation of opinions offered at different times in different cases, only some of which could possibly be relevant to the opinions Defendants' experts are offering in this case is not literally in compliance with the rules.⁸ The practice is also inconsistent with the spirit

⁸ It does not matter that Sprint says Dr. Wicker will only offer relevant opinions. It is, among other things, the inclusion of irrelevant opinions that makes the disclosure violative of the Rule.

of the Rule. Nor is it somehow incumbent upon Defendants to use deposition time to ferret out what Dr. Wicker might actually intend to say in this case.

There is also a practical aspect to this. In my experience, the second most common objection at patent trials is, “Objection, not disclosed in the expert’s report.”⁹ Dealing with this objection at a jury trial can be difficult even when the parties are operating in good faith, but it would be a nightmare when the universe of possible sources of a disclosure is as great as Plaintiff suggests it could be.

Thus, Defendants’ motion to strike is granted as to Dr. Wicker’s expert reports.

The parties dispute whether the motion to strike includes all the information in the stricken paragraphs or only the information that is relevant to the incorporation of prior opinions. (D.I. 527 at 19-20; D.I. 540 at 7-8). Limiting the motion to strike to the portions of the paragraphs that concern Dr. Wicker’s incorporation of his prior reports and testimony will resolve Defendants’ contentions.

The motion to strike is granted as to Dr. Wicker’s incorporation by reference of his other reports and testimony in the identified paragraphs. While Defendants’ motion to strike is granted, Plaintiff can supplement Dr. Wicker’s reports with information from his previous reports and testimony that is germane to this litigation. By “supplement,” I mean Dr. Wicker can amend his reports (while keeping the original paragraph numbering and not changing the text except in the amending paragraphs) to add anything that occurred in other litigation that he will express in this trial and that he has not said elsewhere in his reports in this case.

B. Defendants’ Motion to Strike Portions of Dr. Mangum’s Reports

⁹ I think the most common is, “Objection, leading.”

Defendants move to strike paragraphs 234-35 and footnote 99 of Dr. Mangum’s March 20, 2020 expert report for Defendant Charter (D.I. 478-1, Exh. 2); paragraphs 238-39 and footnote 452 of his March 20, 2020 expert report for Defendant Mediacom (and identical paragraphs in his opening reports for the other non-Charter Defendants) (D.I. 478-1, Exh. 11); paragraphs 27, 146, 179 of his May 15, 2020 reply report for Defendant Charter (D.I. 478-1, Exh. 9) ; and paragraph 105 and footnote 168 of his May 15, 2020 reply report for Defendant Mediacom (and identical paragraphs in his reply reports for the other non-Charter Defendants) (D.I. 478-1, Exh. 12). (*See* D.I. 476 at 1-2).

Defendants argue that Dr. Mangum’s report does not comply with Rule 26, as his references to other expert opinions do not give Defendants notice of what Dr. Mangum will testify about. (D.I. 477 at 9). Further, Defendants contend that they will be denied the opportunity for effective cross examination if Dr. Mangum “intends to repeat opinions from people who have not been disclosed as experts in this case.” (*Id.* at 10). Defendants have asked Plaintiff for confirmation that Dr. Mangum “will not use prior reports or prior testimony to either: a) add opinions that are not expressly reflected in his reports in this case; or b) support the opinions contained in his reports in this case.” (*Id.* at 10). Plaintiff has not provided such confirmation. (*Id.*).

Plaintiff argues that Dr. Mangum references the other experts’ reports in the context of one of the *Georgia-Pacific* factors, which is the “opinion testimony of other qualified experts.” (D.I. 527 at 15). Plaintiff states that at Dr. Mangum’s deposition, he testified that he was not taking other experts’ opinions and using them as his own. (*Id.*). Plaintiff asserts that this should quell Defendants’ concerns that Dr. Mangum will use other experts’ opinions as his own. (*Id.*). Plaintiff contends that Defendants’ arguments also fail as Federal Rule of Evidence 703 permits

an expert to rely on other experts to form an opinion, so long as an expert does not simply state other experts' opinions as his own. (*Id.* at 16).

All Defendants take issue with the following paragraphs in Dr. Mangum's March 20, 2020 Expert Report:

I have considered the evidence presented to me in this matter, as well as considered the expert report of Dr. Wicker. In addition, as part of the evidence presented to me, I have seen prior expert reports from prior tracks of litigation. These prior expert reports were from Sprint as well as the defendant in the case.

Of perhaps the closest comparison to my expert opinion and report in this matter, I considered the expert report of Dr. Rao in relation to Sprint's actions against Time Warner Cable, Comcast, Cox Communications, and Cable One. Dr. Rao did not choose to pursue the analytical approach or lost profits approach for those defendants based on the facts before him in that case. I believe that as a matter of economic principle that lost profits is an appropriate measure of damages and, if a reasonable royalty is nonetheless to be calculated, that the analytical approach to a royalty is an appropriate remedy given the circumstances of this case.

(D.I. 478-1, Exh. 3 at 49 of 143 (¶¶234-35¹⁰)).

Defendant Mediacom and the other non-Charter Defendants move to strike footnote 452 from Dr. Mangum's March 20, 2020 report in the Mediacom case (and the identical paragraphs in his reports in the other non-Charter Defendants' cases):

These consist of reports from Mohan Rao, Christine Hammer, Christopher Bakewell, Julie Davis, Jonathan Putnam, Mark Hosfield, Gene Partlow, and Stephen Wicker. *See, e.g.*, SPRe-043-01-07079; SPRe-043-01-07162; SPRe-043-01-07887; SPRe-043-01-08764; SPRI4_02_00083981; SPRI4_02_00084605; SPRI4_02_00085743; SPRI4_02_00085826; SPRI4_02_00085928; SPRI4_02_00086014; SPRI4_02_00086320; SPRI4_02_00086484; SPRI4_02_00086666; SPRI4_02_00087601; SPRI4_02_00087905; SPRI4_02_00088128; SPRI4_02_00088182; SPRI4_02_00088305; SPRI4_02_00088568; SPRI4_02_00089412; SPRI4_02_00091012; SPRI4_02_00092205; SPRI4_02_00093309; SPRI4_02_00093558; SPRI4_02_00094086; SPRI4_02_00095120; SPRI4_02_00095120; SPRI4_02_00095127; SPRI4_02_00095134; SPRI4_02_00095173.

¹⁰ Paragraphs 234-35 of Dr. Mangum's expert report for Defendant Charter are identical to paragraphs 238-39 of Dr. Mangum's March 2020 expert report for Defendant Mediacom. (D.I. 478-1, Exh. 4 at 3 at 49 of 143; Exh. 11 at 93-94, 113-14 of 143).

(D.I. 478-1, Exh. 11 at 109-110, 113 of 143 (n.452)). This footnote lists the expert reports that Dr. Mangum considered in this case and which are referred to in paragraphs 234 and 235 above. Defendants take issue with Paragraphs 234 and 235 and footnote 452 as they argue that Dr. Mangum is incorporating other expert testimony into his own opinions. (D.I. 540 at 6-7).

I disagree. First, these paragraphs are in the section of Dr. Mangum's report that discusses *Georgia-Pacific* factor 14, which is "the opinion and testimony of qualified experts." (*Id.*, Exh. 3 at 49 of 143). Dr. Mangum is not reiterating the opinions of other experts. He simply states that he has "seen" and "considered" the evidence in this matter, which includes expert reports from prior litigations and those of Dr. Wicker in this case. Further, Plaintiff has represented that Dr. Mangum's report is "not incorporating by reference prior reports as his own opinions in this case." (*Id.*, Exh. 1 at 21 of 143). Dr. Mangum has also confirmed that he is referring to the other experts' reports and not "inserting them into [his] opinion." (D.I. 528-1, Exh. 13 at 4 of 4). That Dr. Mangum has "considered the evidence presented" to him and "seen prior expert reports" are statements of fact.¹¹ This is not a basis for a motion to strike. It does not purport to be a disclosure of the opinions of these other experts. That is not to say, of course, that Dr. Mangum will be allowed to testify that he has reviewed numerous other opinions of hired damages experts, but, if that is an issue, it can be addressed by other means, such as a motion in limine, at a subsequent stage in this litigation. Defendants' motion to strike paragraphs 234-35 of Dr. Mangum's March 20, 2020 report (and the identical paragraphs in reports for the other cases) and footnote 452 of the expert report for Defendant Mediacom (and the identical footnote in reports for the other non-Charter Defendants) is denied.

¹¹ Indeed, disclosure of the "facts and data considered by the witness in forming" opinions is a required disclosure. Fed. R. Civ. P. 26(a) (2)(B)(ii).

The Charter Defendants also move to strike footnote 99 from Dr. Mangum's March 20, 2020 report:

See, e.g., Sprint Communications Company L.P. v. Cable One, Inc., Memorandum and Order, pp. 1-2 and 7-9. The Court rejected Cable One's motion for summary judgment that Cable One did not jointly infringe any of the patent claims because some of the infringement steps were allegedly performed by Level 3 Communications. *See also* Expert Report of Dr. Wicker on Infringement in *Sprint v. Comcast*, 11-2684 (Consolidated Cases) (D. Kan), Apr. 3, 2015, at Exhibit Cable One Architecture (opining that Cable One infringes Sprint's patents); *id.* at pp. 81-82 (opining that "Licensed Interconnection Providers" are not available, acceptable non-infringing alternatives).

(D.I. 478-1, Exh. 3 at 48 of 143 (n.99)).

In Dr. Mangum's May 15, 2020 Expert Reply Report, all Defendants move to strike:

On a related note, I disagree with the Mulhern Report's purported economic adjustment to Sprint's past royalties, which assumes that every verdict and royalty payment should be divided equally among the patents specifically at-issue in that case or agreement, and the individually calculated value of each such patent should be subtracted from a license in this case if that individual patent is not asserted here. This is inconsistent with established economic principles and with how Sprint and others in the VoIP industry have understood Sprint's patents and patents-in-suit. As an example, even before the *Sprint v. TWC* verdict, I understand that the evidence shows that Sprint executives relied upon the *Sprint v. Vonage* verdict to form an expectation that the cable companies would pay at least 5 percent of VoIP revenue for a license to Sprint's entire VoIP patent portfolio. This underscores that Sprint believed (and others in the industry understood) the Christie patents asserted by Sprint were blocking patents, such that if any of those patents were infringed then Sprint would be entitled to at least a reasonable royalty of around 5 percent of VoIP revenue, or \$1.37 per subscriber per month, in exchange for a license to the Christie Patents. Likewise, in the *Sprint v. TWC* case, the jury specifically heard testimony from Dr. Rao about the blocking nature of Sprint's patents, and awarded Sprint the full amount it requested at the \$1.37 per subscriber per month rate, which was calculated off of the *Vonage* verdict, even though there was not perfect overlap between the patents asserted at trial in the *Sprint v. Vonage* case and the *Sprint v. TWC* case. I understand that the jury in *Sprint v. TWC* also heard testimony from Dr. Rao that the \$1.37 sought by Sprint in that case was further corroborated by the Voiceglo and Paetec licenses, each of which amounted to a royalty of around 5 percent to Sprint for Sprint's Christie Patent portfolio, even though Sprint only accused those companies of infringing select patents in that portfolio. I understand the Federal Circuit agreed that these two licenses corroborated the jury verdict in the *Sprint v. TWC* case. Finally, as discussed in my opening report, the *Metrocast* settlement recognized that Sprint was entitled to at least \$1.37 per subscriber per month for a license to the entire Christie portfolio, even though Sprint only accused Metrocast of infringing certain patents from that portfolio.

(D.I. 478-1, Exh. 9 at 98-99 of 143 (¶ 146¹²)).

The Charter Defendants also move to strike from the same report:

Based on my conversation with Dr. Wicker, I understand Ms. Mulhern's claim that there was non-infringing competition from third parties is factually incorrect. The Mulhern Report seems to infer from the lack of infringement claims against certain parties that those parties did not infringe the patents-in-suit. I understand that this is not correct as a matter of law. I understand that this Court has also rejected this very argument (and even excluded expert testimony on that basis). As explained in my opening report, Dr. Wicker explained in the Cable One case why Cable One's use of Level 3 as a wholesale provider infringed Sprint's patents, and I understand it is Dr. Wicker's opinion in this case that the use of any non-Sprint wholesale service provider would still infringe Sprint's patents. I also understand that no expert in this case has directly challenged that opinion or explained why the use of Level 3 or any other non-Sprint third-party wholesale service provider by Charter or Bright House would avoid infringement under Dr. Wicker's opinions.

In the first such opinion I can identify, Dr. Almeroth claims, without any citation or explanation, that “Dr. Mangum credits the Asserted Patents (and Sprint) with 100% of any ‘cost savings’ of VoIP over traditional circuit-switched systems because he assumes the Asserted Patents are ‘blocking patents.’” This is incorrect for several reasons. First, I do not assume that the asserted patents are blocking patents, rather I rely on Dr. Wicker's opinion that there is no available, acceptable, non-infringing alternatives to the patents-in-suit, and I confirm where appropriate that from an economic standpoint that the alternatives identified by Defendants—including circuit-switched telephony and IP-IP peering arrangement—would be unacceptable from an economic standpoint. Second, I do not credit the patents-in-suit with 100 percent of cost savings, but rather apply the analytical approach for calculating the value of the patents-in-suit as described by the Federal Circuit. Third, in applying that analytical approach, I explain, for example, how the “apportionment impact” of “profits due to differential product features” of VoIP is “factored into the analysis,” and why, consistent with the opinion of Dr. Rao that was affirmed by the Federal Circuit in the *Sprint v. TWC* case, it would be economically improper to subtract out the value of IP-IP calls.

(D.I. 478-1, Exh. 9 at 96-97, 100 of 143 (¶¶ 27, 179)). Defendants urge the Court to strike

footnote 99 from Dr. Mangum’s March 20, 2020 report and paragraphs 27, 146, and 179 from

¹² Paragraph 146 of Dr. Mangum’s reply report in the *Charter* case (No. 17-1734) is virtually the same as Paragraph 105 of his reply report in the *Mediacom* case (No. 17-1736) (and the other non-Charter Defendants’ cases). (D.I. 478-1, Exh. 9 at 98-99 of 143; Exh. 12 at 124-25, 129-30 of 143). The only difference appears to be the names of the Defendants’ respective experts.

Dr. Mangum's May 15, 2020 reply report, arguing that Dr. Mangum disclosed opinions from other experts in prior litigations, which does not satisfy Rule 26. (D.I. 477 at 9).

To the extent that Dr. Mangum's opinions rely on Dr. Wicker's opinions, and he discloses that he is doing that, it is permissible within the bounds of Rule 26. "It is perfectly reasonable for a finance and damages expert to adopt conclusions of other experts." *EMC Corp.*, 154 F. Supp. 3d at 115 (quoting *Formax, Inc. v. Alkar-Rapidpak-MP Equip., Inc.*, 2014 WL 3057116, at *2 (E.D. Wis. July 7, 2014)). Here, Dr. Mangum referenced Dr. Wicker's opinions on infringement and blocking patents, which is reasonable for him to do. Dr. Mangum is not a technical expert, but he can rely on Dr. Wicker's technical opinions as foundation for his damages report. (See D.I. 478-1, Exh. 9 at 96-97, 100 of 143). Defendants will be able address the soundness of Dr. Wicker's and Dr. Mangum's opinions through cross examination and other trial testimony. Defendants' motion to strike footnote 99 in Dr. Mangum's March 20, 2020 report and paragraph 27 in Dr. Mangum's May 15, 2020 report is denied. And, to the extent that paragraph 179 relies on Dr. Wicker's opinions, the motion to strike is similarly denied.

Defendants' objections to paragraphs 146 and 179 concern Dr. Mangum's statements regarding Dr. Rao's testimony in *Sprint v. Time Warner Cable*. Both paragraphs discuss Dr. Rao's testimony in that litigation, specifically Dr. Rao's calculation of a reasonable royalty, which was calculated based on prior jury verdicts and settlement agreements. (*Id.* at 98-100 of 143). Dr. Mangum refers to Dr. Rao's testimony on blocking patents, licenses and reasonable royalties, and apportionment. (*See id.*). I do not read the quoted paragraphs as disclosing that Dr. Mangum is relying on Dr. Rao's testimony in the Time Warner Cable litigation for any of Dr. Mangum's opinions. If he were, I would strike them, as Dr. Mangum would simply be reiterating the conclusions of another expert who will not be testifying at trial and whose

underlying opinions are not described in Dr. Mangum's report. Rule 26 would be violated.

Defendants' motion to strike paragraphs 146 and 179 is denied.

Defendants have also filed a *Daubert* motion to exclude portions of Dr. Mangum's expert report and testimony for its reliance on prior jury verdicts and settlement agreements. (D.I. 467). The Court is granting this motion and is excluding Dr. Mangum's expert report and testimony to the extent that it relies on prior jury verdicts and settlement agreements. This ruling likely will eliminate Dr. Mangum's use of Dr. Rao's opinions in his report and testimony.¹³

The non-Charter Defendants also move to strike footnote 168 of Dr. Mangum's May 15, 2020 Expert Reply Report for Defendant Mediacom (and the identical footnotes in Dr. Mangum's reply reports for the other non-Charter Defendants):

I also understand that the Federal Circuit affirmed Sprint's decision not to apportion IP-IP calls in the TWC case with Sprint. *See Sprint v Time Warner Cable*, 17-2247, Brief of Appellant, 2017 WL 5515391, at *2 (Fed. Cir. Nov. 13, 2017); *Sprint v. Time Warner Cable*, 17-2247, Brief of Appellee, 2018 WL 1215305, at *38 (Fed. Cir. Feb. 23, 2018); *Sprint Commc'ns Co., L.P. v. Time Warner Cable, Inc.*, 760 F. App'x 977, 984 (Fed. Cir. 2019); *Time Warner Cable, Inc. v. Sprint Commc'ns Co., L.P.*, 140 S.Ct. 467 (Mem), 205 L.Ed.2 287 (2019).

(D.I. 478-1, Exh. 12 at 126, 131-32, 137 of 143 (n.168)). Again, this is a statement of fact, as Dr. Mangum is stating his understanding of a prior Federal Circuit decision. This is not a basis for a motion to strike and its admissibility is more appropriately raised in a motion in limine. And, like the rest of Dr. Mangum's opinion, to the extent that this footnote relies on prior jury verdicts and/or settlement agreements, it will be excluded under *Daubert*. Defendants' motion to strike this footnote is denied.

IV. CONCLUSION

¹³ To be clear, the issue here is whether Rule 26 was violated. Based on other rulings I am making contemporaneously with this one, it should be understood that I am not here addressing the admissibility of anything in the reports, and, in particular, anything about other trials and litigations.

Defendants' motion to strike (D.I. 476; No. 17-1736, D.I. 327; No. 18-361, D.I. 275; No. 18-362, D.I. 297; No. 18-363, D.I. 272) is granted as to portions of Dr. Wicker's reports. Plaintiff can supplement Dr. Wicker's reports by specifying which of his other reports he is incorporating by reference into his reports in this case. As to Dr. Mangum's reports, the motion to strike is denied.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SPRINT COMMUNICATIONS :
COMPANY, L.P., :
 :
Plaintiff, :
 :
v. : Civil Action No. 18-361-RGA
 :
WIDOPENWEST, INC., et al., :
 :
Defendants. :

MEMORANDUM ORDER

Defendants filed a motion for summary judgment of no willful infringement. (No. 18-361, D.I. 258). The motion is fully briefed. (D.I. 257, 308, 334).¹ The operative complaint is the Second Amended Complaint. (No. 18-361, D.I. 97). It names multiple Defendants, but the parties and I treat them as one Defendant – WideOpenWest or WOW. (*Id.* at ¶¶ 2-12, 45-47).

Defendants attack the willful infringement allegations in the operative complaint. Five of the remaining nine asserted patents have willfulness allegations. They are Counts 2-6 of the operative complaint. (*Id.* at ¶¶ 86, 91, 96, 101, 106). Sprint states in its brief, “Wave relies on a near identical argument as WOW to argue that it is entitled to summary judgment. For essentially the same reasons as described above with respect to WOW, the Court should deny Wave’s motion.” (D.I. 308 at 22). I agree with Sprint that Wave and WOW make nearly identical arguments, and that Sprint responds with essentially the same argument. In a separate Memorandum Order filed in No. 18-363, I explain at more length why I am granting summary

¹ For ease of reference, all citations, unless otherwise indicated, are to the docket items in no. 18-363, which has the identical briefing.

judgment of no willful infringement for Wave. As the issues here are the same, the result is the same.

I rely upon what I said in the Memorandum Order in No. 18-363.

I do comment on some arguably different facts for WOW than for Wave. First, like Wave, WOW was aware “through the media” that Sprint had sued some other cable companies including Comcast at the end of 2011. (D.I. 309-1, Ex. T at 461-62 of 1002). But Sprint also cites a lengthy section of a deposition about what WOW knew in 2017 (D.I. 308 at 18; *see* D.I. 309-1, Ex. V at 593-95 of 1002). Since the relevant patents expired in 2014, the 2017 knowledge adds nothing. Second, Sprint asserts that it has copying evidence because WOW used the same Nortel equipment—a CS2K—to connect calls that Sprint had used in 2007-08. (D.I. 308 at 20; *see* D.I. 309-1, Ex. V at 581 of 1002). But Sprint does not connect the dots to show why using an existing piece of equipment supplied by a third party would make any infringement “copying.” Third, General Counsel for WOW stated at his deposition that WOW should have anticipated litigation with Sprint in 2010 “based on what transpired,” although he did not recall that WOW was in fact expecting litigation. (D.I. 309-1, Ex. U at 495, 512 of 1002). Leaving aside the ambiguity of “based on what transpired,” which appears to refer to the lawsuit filed in 2018, what WOW should have anticipated on the basis of whatever hindsight was being referred to is irrelevant. Fourth, there is correspondence in 2010 where the parties were at an impasse on discussing whether any of Sprint’s patents were infringed by WOW. (D.I. 309-1, Exs. W, X, Y, Z at 607-18 of 1002). Sprint would not provide any information without an NDA, but WOW, after “consult[ing] with our own IP counsel,” would not sign the NDA since it was “premature” without some “information or other data provided by Sprint which suggests any

infringement.” (*Id.* at 617 of 1002). The impasse at discussing the matter does not make WOW’s infringement, if proved, willful.

Defendants’ motion for summary judgment of no willfulness (No. 18-361, D.I. 258) is

GRANTED.

IT IS SO ORDERED this 16th day of March 2021.

/s/ Richard G. Andrews
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SPRINT COMMUNICATIONS :
COMPANY, L.P., :
 :
 Plaintiff, :
 :
 v. : Civil Action No. 17-1736-RGA
 :
 MEDIACOM COMMUNICATIONS CORP., :
 :
 Defendant. :

SPRINT COMMUNICATIONS :
COMPANY, L.P., :
 :
 Plaintiff, :
 :
 v. : Civil Action No. 18-361-RGA
 :
 WIDEPENWEST, INC., et al., :
 :
 Defendants. :

SPRINT COMMUNICATIONS :
COMPANY, L.P., :
 :
 Plaintiff, :
 :
 v. : Civil Action No. 18-362-RGA
 :
 ATLANTIC BROADBAND :
FINANCE, LLC, et al., :
 :
 Defendants. :

SPRINT COMMUNICATIONS	:	
COMPANY, L.P.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No. 18-363-RGA
	:	
GRANDE COMMUNICATIONS	:	
NETWORK, LLC, et al.,	:	
	:	
Defendants.	:	

MEMORANDUM ORDER

Sprint filed a motion for partial summary judgment on equitable issues. (No. 17-1736, D.I. 308; No. 18-361, D.I. 256; No. 18-362, D.I. 278; No. 18-363, D.I. 253).¹ Sprint raises fifteen issues in eighteen pages of argument. But Sprint summarizes the arguments as being threefold. First, Mediacom’s express license defense fails because Mediacom did not satisfy the preconditions to the license. (D.I. 309 at 2-4, 9-12; D.I. 350; D.I. 383 at 4 n.2). This argument does not actually involve an equitable issue. In any event, Mediacom said nothing about it in the answering brief, and thus I treat the motion as unopposed. Second, no Defendant can establish equitable estoppel. Third, Sprint has not acquiesced to or waived its patent rights. The issues are fully briefed. (D.I. 309, 350, 383). Defendants’ response to the second and third issues is that there are material factual disputes.

I am not the first district judge to address the summary judgment worthiness of these issues in regard to Sprint’s assertion of some of the patents-in-suit. At summary judgment in the Kansas litigation, the Court denied Sprint summary judgment (against different defendants) on equitable estoppel, acquiescence and waiver, and implied license by equitable estoppel. *Sprint*

¹ Unless otherwise indicated, all subsequent citations are to the docket in 17-1736.

Comm'ns Co. v. Comcast Cable Comm'ns LLC, 2016 WL 7052055, *12-16, 22-24 (D. Kan. Dec. 5, 2016). After trial, the Court granted Sprint judgment on these same defenses. *Sprint Comm'ns Co. v. Time Warner Cable, Inc.*, 2017 WL 978107 (D. Kan. Mar. 14, 2017), *aff'd*, 760 F. App'x 977 (Fed. Cir.), *cert. den.*, 140 S. Ct. 467 (2019).

Defendants rely upon the first decision, Sprint the second. As I am at the same stage of the case as the first decision, it is the more persuasive, and I agree that I generally should not grant summary judgment. Equitable issues are fact intensive. The record is not clear, for the most part, that I should grant Sprint's motion.

Neither side disputes the accuracy of the Kansas Court's summary of the relevant law.

For all four defenses, the burden of proof is a preponderance of the evidence.

For equitable estoppel, Defendant must prove: "(1) the patentee, through misleading conduct (or silence), leads the alleged infringer to reasonably infer that the patentee does not intend to enforce its patent against the alleged infringer; (2) the alleged infringer relies on that conduct; and (3) the alleged infringer will be materially prejudiced if the patentee is allowed to proceed with its claim." *2016 Kansas Decision*, at *12. For implied license by equitable estoppel, Defendant must prove: "(1) the patentee, through statements or conduct, gave an affirmative grant of consent or permission to make, use, or sell to the alleged infringer; (2) the alleged infringer relied on that statement or conduct; and (3) the alleged infringer would, therefore, be materially prejudiced if the patentee is allowed to proceed with its claim."² *Id.* at *22. For acquiescence, the alleged infringer must show that the patentee "made an affirmative grant of consent or permission" to the alleged infringer's conduct. *Microsoft Corp. v. Corel Corp.*, 2017 WL 6513639, *2 (N.D. Cal. Dec. 11, 2017); *see 2017 Kansas Decision*, at *11. For waiver, the

² It is not clear to me why implied license by equitable estoppel is not just a subset of equitable estoppel.

alleged infringer must show: “an existing right, knowledge of the right, [and] an actual intention to relinquish that right.” *Sun Microsystems, Inc. v. Versata Enterprises, Inc.*, 630 F. Supp. 2d 395, 409 (D. Del. 2009); *see 2017 Kansas Decision*, at *10.

As to equitable estoppel and implied license by equitable estoppel, I think the long ago assertion of Sprint’s patent rights combined with a decade’s worth of inaction while Sprint interacted with Defendants and while Sprint knew what Defendants were doing to get VoIP services creates a disputed issue of material fact.³ I also do not think Mediacom has waived its implied license by equitable estoppel defense. (*See* D.I. 309 at 9; D.I. 350 at 10-11; D.I. 383 at 4-5).

As to acquiescence and waiver, both of which, at least in the factual circumstances of this case, require more than equitable estoppel, I do not agree with Defendants that there is a disputed issue of material fact. As Sprint points out (D.I. 383 at 6, 8-9, 12, 16), Defendants offer nothing or next to nothing in support of those defenses, other than stating that the same facts—essentially, a long silence—that make out equitable estoppel also make out acquiescence and waiver. (D.I. 350 at 13 (Mediacom), 20 (WideOpenWest), 24 (Grande), 28 (Atlantic Broadband)). Silence is not enough for acquiescence and waiver.

Sprints motion for partial summary judgment on equitable issues (No. 17-1736, D.I. 308; No. 18-361, D.I. 256; No. 18-362, D.I. 278; No. 18-363, D.I. 253) is **GRANTED** as to Mediacom’s express license defense and all Defendants’ acquiescence and waiver defenses, and is otherwise **DENIED**.

³ Mediacom seems to rely in part on Sprint’s silence when Mediacom sent it a release in March 2017 (D.I. 350 at 6), but inasmuch as eight of the nine asserted patents expired in 2014 and the Enhanced Services Patent expired in 2016, I do not think silence in March 2017 has any probative value.

IT IS SO ORDERED this 16th day of March 2021.

/s/ Richard G. Andrews
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SPRINT COMMUNICATIONS :
COMPANY, L.P., :
 :
Plaintiff, :
 :
v. : Civil Action No. 17-1736-RGA
 :
MEDIACOM COMMUNICATIONS CORP., :
 :
Defendant. :

SPRINT COMMUNICATIONS :
COMPANY, L.P., :
 :
Plaintiff, :
 :
v. : Civil Action No. 18-361-RGA
 :
WIDEOPENWEST, INC., et al., :
 :
Defendants. :

SPRINT COMMUNICATIONS :
COMPANY, L.P., :
 :
Plaintiff, :
 :
v. : Civil Action No. 18-362-RGA
 :
ATLANTIC BROADBAND :
FINANCE, LLC, et al., :
 :
Defendants. :

SPRINT COMMUNICATIONS	:	
COMPANY, L.P.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No. 18-363-RGA
	:	
GRANDE COMMUNICATIONS	:	
NETWORK, LLC, et al.,	:	
	:	
Defendants.	:	

MEMORANDUM ORDER

Plaintiff Sprint filed a motion to exclude expert testimony of damages expert Christopher Bakewell. (No. 17-1736, D.I. 314; No. 18-361, D.I. 262; No. 18-362, D.I. 284; No. 18-363, D.I. 259).¹ The matter is fully briefed. (D.I. 317, D.I. 351, D.I. 390). Portions (about 15% of the text by Sprint; slightly more than 50% by Defendants) of Bakewell’s Rebuttal Expert Report—the report at issue—are docketed. (D.I. 319-1; D.I. 354-1). The parties cite the Atlantic Broadband Finance Report as exemplary.² I do not think Bakewell was deposed, as I do not see a notice of deposition on the docket and the parties do not cite deposition testimony in the briefs.

I address the three arguments in turn.

The first argument is that Bakewell’s damages opinion for the “Christie Patents”³ and the “Enhanced Services Patent” does not include sufficient calculations to show how he got to a reasonable royalty of 21 cents per month per subscriber for the Christie Patents and 1 cent per

¹ Unless otherwise indicated, all subsequent citations are only to the docket in No. 17-1736.

² For Atlantic Broadband, Bakewell’s analysis is that a reasonable royalty for the Christie Patents is \$490,000 and for the Enhanced Services Patent, \$30,000, based on a rate of 21 cents for the former and 1 cent for the latter. (D.I. 319-1, Ex. 1, ¶ 482). The 1 cent is only for the time when the Christie Patents had expired. It appears to have no impact during the time when the Christie Patents were in force. For Mediacom, the reasonable royalty is \$2,380,000. (D.I. 319-1, Ex. 2, ¶ 481). For WideOpenWest, \$2,360,000. (D.I. 319-1, Ex. 3, ¶ 482). For Grande Networks, \$1,270,000. (D.I. 319-1, Ex. 4, ¶ 486).

³ The “Christie Patents” are elsewhere in this litigation referred to as the “Call Control Patents” and the “Broadband Patents.”

month per subscriber for the Enhanced Services Patent. (D.I. 317 at 3, 6-9). Defendants respond that Bakewell calculated a range of reasonable royalties of 18 – 44 cents using the income approach and 9 – 69 cents using the market approach; he then applied the *Georgia Pacific* factors, reaching a conclusion of a reasonable royalty of 20 cents for the Christie Patents and 1 cent for the Enhanced Services Patent.⁴ (D.I. 351 at 2-5; 7-12). Defendants distinguish the Federal Circuit cases upon which Sprint relies as essentially involving discussion of *Georgia Pacific* factors followed by the announcement of a reasonable royalty rate.⁵ In contrast, here Bakewell calculated numerical ranges (which are not challenged under *Daubert*) and which are massaged with *Georgia Pacific* before reaching a conclusion that is well within both of the calculated ranges. I think he has tied his economic analysis to the facts of this case. Some degree of approximation is inherent in any damages analysis. Thus, I think the first argument does not successfully challenge admissibility. Sprint will be able to challenge it with cross-examination and contrary evidence.

The second argument is that Bakewell assumed in his analysis that any VoIP service Sprint has not sued is a non-infringing alternative. (D.I. 317 at 3-4, 9-11). Defendants respond that there is documented technical analysis by their technical expert—Gilchrist—that other VoIP competitors offered non-infringing services. (D.I. 351 at 5-6, 11-15). Defendants’ response goes on at some length about Sprint having the burden of proof on non-infringing alternatives in a lost

⁴ The disagreement over whether the royalty rate for the Christie Patents is 20 or 21 cents is immaterial to the issues raised by the motion.

⁵ I do not think Bakewell’s analysis is analogous to the case in which an expert apparently testified at some length without any relevant quantitative analysis before concluding the royalty rate should be 5%. See *Exmark Mfg. Co. v. Briggs & Stratton Power Prods. Grp., LLC*, 87 F.3d 1332, 1349-51 (Fed. Cir. 2018). Nor do I think it is analogous to the “complete lack of economic analysis” in the second case (which arose in the context of the entire market value rule). See *LaserDynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 69 (Fed. Cir. 2012). The third case involved “multiple errors in [the expert’s] royalty rate calculation.” See *Whitserve, LLC v. Computer Packages, Inc.*, 694 F.3d 10, 29 (Fed. Cir. 2012). Sprint does not allege errors here. Rather, it alleges insufficient quantification of the various *Georgia Pacific* factors to what was quantified as a broad range of starting points, that is, 9 to 69 cents, where the upper end is nearly eight times the lower end.

profits analysis and about the evidence that Bakewell relies upon for his opinion on non-infringing alternatives. It does not actually defend using the fact that Sprint has not sued the various competitors as a proper basis for his opinion. Thus, I will exclude any testimony from Bakewell that Sprint has not sued Verizon, AT&T, Level 3, MCI, and Net2Phone, and any testimony that the fact that Sprint has not sued someone shows that the someone does not infringe Sprint's patents.

The third argument is that Bakewell refers to non-Sprint "patents related to VoIP" without any documented technical expert's input as to their technical comparability, and uses technically non-comparable licenses to conclude that a reasonable royalty should be in the form of a lump sum. (D.I. 317 at 4-5, 11-13). Defendants respond that Bakewell relies upon the technical expert—Gilchrist—for the proposition that the technology for VoIP requires more than what is covered by the asserted Sprint patents. (D.I. 351 at 6, 15-16). There is evidence that Defendants' response is, at least partially, correct. Whether Bakewell's trial testimony might go outside his area of expertise and his reliance on Defendants' technical expert's opinions seems to be an issue more suitable for objection to specific questions at trial than a ruling at this time. As to the comparable licenses argument, Defendants do not appear to contest that they are not comparable, but says that Bakewell's use of them is limited to showing Sprint's preference for lump sum payments in license agreements.⁶ (*Id.* at 6, 16-17). Neither side cites a case that addresses the issue of whether non-comparable licenses can be used as an input to the decision whether the royalty would be a running royalty or a lump sum. It makes sense that a business's practices relating to a preference for lump sum license agreements generally could be used to

⁶ Thus, I do not expect Defendants to introduce the three agreements at issue into evidence, and I do not expect Bakewell to give any testimony about the amount of the lump sum, unless Sprint is the one that asks him directly for such information. Further, after reviewing Bakewell's report (D.I. 319-1, Ex. 1, ¶ 206), I wonder why Defendants need these agreements.

determine the structure of a license even if the practice had not been used previously for any comparable technology. Thus, I think the issue is one that goes to weight and not to admissibility.

Thus, the motion to exclude (No. 17-1736, D.I. 314; No. 18-361, D.I. 262; No. 18-362, D.I. 284; No. 18-363, D.I. 259) is **GRANTED** as to Bakewell's testimony concerning VoIP providers not sued by Sprint and otherwise **DENIED**.

IT IS SO ORDERED this 16th day of March 2021.

/s/ Richard G. Andrews
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SPRINT COMMUNICATIONS :
COMPANY, L.P., :
 :
 Plaintiff, :
 :
 v. : Civil Action No. 17-1736-RGA
 :
 MEDIACOM COMMUNICATIONS CORP., :
 :
 Defendant. :

SPRINT COMMUNICATIONS :
COMPANY, L.P., :
 :
 Plaintiff, :
 :
 v. : Civil Action No. 18-361-RGA
 :
 WIDEPENWEST, INC., et al., :
 :
 Defendants. :

SPRINT COMMUNICATIONS :
COMPANY, L.P., :
 :
 Plaintiff, :
 :
 v. : Civil Action No. 18-362-RGA
 :
 ATLANTIC BROADBAND :
FINANCE, LLC, et al., :
 :
 Defendants. :

SPRINT COMMUNICATIONS	:	
COMPANY, L.P.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No. 18-363-RGA
	:	
GRANDE COMMUNICATIONS	:	
NETWORK, LLC, et al.,	:	
	:	
Defendants.	:	

**ORDER DENYING SUMMARY JUDGMENT
BASED ON PATENT INELIGIBILITY**

Defendants move for summary judgment that the “Call Control Patents”¹ are patent ineligible pursuant to section 101. (No. 17-1736, D.I. 315; No. 18-361, D.I. 263; No. 18-362, D.I. 285; No. 18-363, D.I. 260).² The motion is lightly briefed. (D.I. 316 at 27-35; D.I. 359 at 27-34; D.I. 385 at 12-17). It appears that Defendants have an expert (Gilchrist) who opined that the Call Control Patents were patent ineligible. (See D.I. 360-2, Ex. SS at 250-54 of 254 (Sprint’s expert replying to the Gilchrist opinions)). Defendants’ briefing, however, cites to the Gilchrist report only for its recitation of the history of switchboard operators. (See D.I. 316 at 31 (citing D.I. 318-1, Ex. C at 53-57 of 65)). Instead, Defendants’ argument mostly relies upon deposition testimony of Plaintiff’s technical expert.

Both sides seem to agree that the below two independent claims of the ‘3,561 Patent are representative of all asserted claims of the Call Control Patents. (See D.I. 316 at 29-30 & nn. 28

¹ For purposes of this Order, the Call Control Patents are Nos. 6,452,932 (“the ‘932 Patent”), 6,463,052 (“the ‘052 Patent”), 6,633,561 (“the ‘3,561 Patent”), 7,286,561 (“the ‘6,561 Patent”), and 7,505,454 (the ‘454 Patent”).

² Hereafter, unless otherwise indicated, the citations are only to the docket in No. 17-1736.

& 29; D.I. 359 at 27 (not contesting Defendants’ assertion of representativeness)). The representative claims are:

1. A method of operating a processing system to control a packet communication system for a user communication, the method comprising:
receiving a signaling message for the user communication from a narrowband communication system into the processing system;
processing the signaling message to select a network code that identifies a network element to provide egress from the packet communication system for the user communication;
generating a control message indicating the network code;
transferring the control message from the processing system to the packet communication system[;]
receiving the user communication in the packet communication system and using the network code to route the user communication through the packet communication system to the network element; and
transferring the user communication from the network element to provide egress from the packet communication system.

24. A method of operating a processing system to control a packet communication system for a user communication, the method comprising:
selecting a network code that identifies a network element to provide egress for the user communication from the packet communication system to a narrowband communication system;
generating a control message indicating the network code and transferring the control message from the processing system to the packet communication system; and (sic)
generating a signaling message for the user communication and transferring the signaling message from the processing system to the narrowband communication system;
receiving the user communication in the packet communication system and using the network code to route the user communication through the packet communication system to the network element; and
transferring the user communication from the network element to the narrowband communication system to provide egress from the packet communication system.

The first question in a patent-ineligibility analysis is, for this case, are the claims directed to an abstract idea? Defendants argue that the claims are directed “to transferring a user communication based on a selected network characteristic representing the destination.” (D.I.

316 at 30). Defendants argue that this is the same abstract idea as is behind the U.S. Postal Service or the switchboard that Ernestine (a/k/a Lily Tomlin) used to operate.

Plaintiff's response is that the representative claims are directed "to a specific technical improvement." (D.I. 359 at 27). The problem to be solved by the Call Control Patents was that "communication between packet-based and non-packet-based networks required the transmission of signaling information between the switches of these two disparate networks." (*Id.* at 28; *see, e.g.*, '3,561 Patent at 1:54-2:31). Plaintiff points to the Federal Circuit's summary of the Call Control Patents: "The invention at the heart of the patents in suit is a method for using a packet-switched network to transport telephone calls and data to and from the existing circuit-switched network for telephone communications known as the Public Switched Telephone Network ("PSTN"). The inventions allowed telephone calls and data to be transmitted between these two different networks seamlessly." *Sprint Commc 'ns Co. v. Time Warner Cable, Inc.*, 760 F. App'x 977, 979 (Fed. Cir.), *cert. den.*, 140 S. Ct. 467 (2019). Despite Plaintiff pointing to this, Defendants ignore it in their reply. What the Federal Circuit was describing is a technological improvement, not an abstract idea.³ *See Visual Memory LLC v. NVIDIA Corp.*, 867 F.3d 1253, 1258-60 (Fed. Cir. 2017).

As the asserted claims are not directed to an abstract idea, I do not need to reach the second step, relating to whether there is an inventive concept.

The motions for summary judgment of patent ineligibility (No. 17-1736, D.I. 315; No.

³ The Federal Circuit's summary was part of the introduction to its opinion. There was no patent-ineligibility issue in the appeal. Thus, the summary was in a different context. Nevertheless, I think it neatly captures what the Call Control Patents are directed to.

18-361, D.I. 263; No. 18-362, D.I. 285; No. 18-363, D.I. 260) are **DENIED**.

IT IS SO ORDERED this 16th day of March 2021.

/s/ Richard G. Andrews
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

CHARTER COMMUNICATIONS, INC., et al.,
Defendants.

C.A. No. 17-1734-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

MEDIACOM COMMUNICATIONS CORP.,
Defendant.

C.A. No. 17-1736-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

WIDEOPENWEST, INC., et al.,
Defendants.

C.A. No. 18-361-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

ATLANTIC BROADBAND FINANCE, LLC, et al.,
Defendants.

C.A. No. 18-362-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

GRANDE COMMUNICATIONS NETWORKS, LLC,
et al.,
Defendants.

C.A. No. 18-363-RGA

ORDER

For the reasons stated in the accompanying memorandum opinion, Defendants' Motion to Strike Portions of Plaintiff's Expert Reports (D.I. 476; No. 17-1736, D.I. 327; No. 18-361, D.I. 275; No. 18-362, D.I. 297; No. 18-363, D.I. 272) is **GRANTED in-part** and **DENIED in-part**.

IT IS SO ORDERED this 16th day of March 2021.

/s/ Richard G. Andrews
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

CHARTER COMMUNICATIONS, INC., et al.,
Defendants.

C.A. No. 17-1734-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

MEDIACOM COMMUNICATIONS CORP.,
Defendant.

C.A. No. 17-1736-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

WIDEOPENWEST, INC., et al.,
Defendants.

C.A. No. 18-361-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

ATLANTIC BROADBAND FINANCE, LLC, et al.,
Defendants.

C.A. No. 18-362-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

GRANDE COMMUNICATIONS NETWORKS, LLC,
et al.,
Defendants.

C.A. No. 18-363-RGA

MEMORANDUM OPINION

Christina B. Vavala and Stephen J. Kraftschik, POLSINELLI PC, Wilmington, DE; Aaron E. Hankel, B. Trent Webb, John D. Garretson, Jonathan M. Hernandez, Jordan T. Bergsten, Lauren E. Douville, Lydia C. Raw, Mark D. Schafer, Ryan D. Dykal, Ryan J. Schletzbaum, and Thomas M. Patton, SHOOK, HARDY & BACON LLP, Kansas City, MO; Michael W. Gray and Robert H. Reckers, SHOOK, HARDY & BACON LLP, Houston, TX, attorneys for Plaintiff Sprint Communications Company LP.

Kelly E. Farnan, RICHARDS, LAYTON & FINGER PA, Wilmington, DE; Alex Henriques, Robert A. Appleby, Ryan Kane, James E. Marina, Gregory Arovas, and Jeanne M. Heffernan, KIRKLAND & ELLIS LLP, New York, NY; Bao T. Nguyen, KIRKLAND & ELLIS LLP, San Francisco, CA; Gregory Polins, KIRKLAND & ELLIS LLP, Chicago, IL; Luke Dauchot, KIRKLAND & ELLIS, LLP, Los Angeles, CA; Daniel L. Reisner, David S. Benyacar, and Michael Block, ARNOLD & PORTER KAYE SCHOLER LLP, New York, NY; Robert J. Katerberg, ARNOLD & PORTER KAYE SCHOLER LLP, Washington, DC; Thomas T. Carmack, ARNOLD & PORTER KAYE SCHOLER LLP, Palo Alto, CA, attorneys for Defendants Charter Communications, Inc. et al.

Andrew C. Mayo, ASHBY & GEDDES, Wilmington, DE; Robinson Vu, Lindsay Volpenhein Cutié, Natalie Alfaro Gonzales, and Amy E. Bergeron, BAKER BOTTS LLP., Houston, TX; Timothy S. Durst, BAKER BOTTS LLP, Dallas, TX, attorneys for Defendants Mediacom Communications Corp., WideOpenWest Networks, Inc., Atlantic Broadband Finance, LLC, and Grande Communications Networks, LLC, et al.

March 16, 2021

/s/ Richard G. Andrews

ANDREWS, U.S. DISTRICT JUDGE:

Before the Court are Defendants' Motion for Summary Judgment and Motion to Exclude Expert Testimony Under *Daubert*. (D.I. 466, 467). I have reviewed the parties' briefing. (D.I. 468, 497, 522).¹ I heard oral argument on some issues on November 30, 2020. (D.I. 554).

I. BACKGROUND

Plaintiff Sprint Communications alleged patent infringement against Defendants Charter Communications, Mediacom Communications,² WideOpenWest,³ Atlantic Broadband Finance,⁴ and Grande Communications Networks.⁵ Plaintiff currently asserts that Defendants' Voice-over-IP ("VoIP") systems infringe nine⁶ patents, which can be grouped into the Call Control Patents, the Broadband Patents, and the Enhanced Services Patent. The Call Control Patents are Nos. 6,452,932 ("the '932 Patent"), 6,463,052 ("the '052 Patent"), 6,633,561 ("the '3,561 Patent"), 7,286,561 ("the '6,561 Patent"), and 7,505,454 (the '454 Patent"). The Broadband Patents are Nos. 6,343,084 ("the '084 Patent"), 6,473,429 ("the '429 Patent"), and 6,298,064 ("the '064 Patent"). Patent No 6,697,340 ("the '340 Patent") is the Enhanced Services Patent. The Broadband Patents and the Call Control Patents are also called the "Christie Patents." (D.I. 468

¹ I cite only to the 17-1734 docket, unless otherwise specified. The rulings here apply to the same briefing as filed in the four related cases.

² C.A. No. 17-1736.

³ C.A. No. 18-361.

⁴ C.A. No. 18-362.

⁵ C.A. No. 18-363.

⁶ Plaintiff asserted claims from eleven patents at the time of the briefing, but has since dismissed all claims of two of them. (*See* D.I. 432 at 2; D.I. 493). The reduction to nine patents has no impact on the analysis unless noted.

at 2). The Broadband Patents are also called the Asynchronous Transfer Mode (“ATM”) Patents. (*Id.*).⁷

II. LEGAL STANDARDS

A. Summary Judgment

“The court shall grant summary judgment if 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 has the initial burden of proving the absence of a genuinely disputed material fact relative to the claims in question. *Celotex Corp. v. Catrett*, 477 U.S. 317, 330 (1986). Material facts are those “that could affect the outcome” of the proceeding, and “a dispute about a material fact is ‘genuine’ if the evidence is sufficient to permit a reasonable jury to return a verdict for the nonmoving party.” *Lamont v. New Jersey*, 637 F.3d 177, 181 (3d Cir. 2011) (quoting *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986)). The burden on the moving party may be discharged by pointing out to the district court that there is an absence of evidence supporting the non-moving party’s case. *Celotex*, 477 U.S. at 323.

The burden then shifts to the non-movant to demonstrate the existence of a genuine issue for trial. *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586–87 (1986); *Williams v. Borough of West Chester, Pa.*, 891 F.2d 458, 460–61 (3d Cir. 1989). A non-moving party asserting that a fact is genuinely disputed must support such an assertion by: “(A) citing to particular parts of materials in the record, including depositions, documents, electronically stored information, affidavits or declarations, stipulations . . . , admissions, interrogatory answers, or

⁷ At the time of briefing, Plaintiff asserted claims from U.S. Patent No. 6,330,224 (“the ’224 Patent”), which was also part of the ATM Patents group. Plaintiff has since dismissed all claims from the ’224 Patent. (D.I. 493).

other materials; or (B) showing that the materials cited [by the opposing party] do not establish the absence . . . of a genuine dispute” FED. R. CIV. P. 56(c)(1).

When determining whether a genuine issue of material fact exists, the court must view the evidence in the light most favorable to the non-moving party and draw all reasonable inferences in that party’s favor. *Scott v. Harris*, 550 U.S. 372, 380 (2007); *Wishkin v. Potter*, 476 F.3d 180, 184 (3d Cir. 2007). A dispute is “genuine” only if the evidence is such that a reasonable jury could return a verdict for the non-moving party. *Anderson*, 477 U.S. at 247–49. If the non-moving 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. *See Celotex Corp.*, 477 U.S. at 322.

B. *Daubert* Motion

Federal Rule of Evidence 702 sets out the requirements for expert witness testimony and states:

A witness who is qualified as an expert by knowledge, skill, experience, training, or education may testify in the form of an opinion or otherwise 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 and methods; and (d) the expert has reliably applied the principles and methods to the facts of the case.

Fed. R. Evid. 702. The trial court has the “task of ensuring that an expert’s testimony both rests on a reliable foundation and is relevant to the task at hand.” *Daubert v. Merrell Dow Pharms. Inc.*, 509 U.S. 579, 594, 597 (1993).

The Third Circuit has explained:

Rule 702 embodies a trilogy of restrictions on expert testimony: qualification, reliability and fit. Qualification refers to the requirement that the witness possess specialized expertise. We have

interpreted this requirement liberally, holding that “a broad range of knowledge, skills, and training qualify an expert.” Secondly, the testimony must be reliable; it “must be based on the ‘methods and procedures of science’ rather than on ‘subjective belief or unsupported speculation’; the expert must have ‘good grounds’ for his o[r] her belief. In sum, *Daubert* holds that an inquiry into the reliability of scientific evidence under Rule 702 requires a determination as to its scientific validity.” Finally, Rule 702 requires that the expert testimony must fit the issues in the case. In other words, the expert’s testimony must be relevant for the purposes of the case and must assist the trier of fact. The Supreme Court explained in *Daubert* that “Rule 702’s ‘helpfulness’ standard requires a valid scientific connection to the pertinent inquiry as a precondition to admissibility.”

By means of a so-called “*Daubert* hearing,” the district court acts as a gatekeeper, preventing opinion testimony that does not meet the requirements of qualification, reliability and fit from reaching the jury.

Schneider ex rel. Estate of Schneider v. Fried, 320 F.3d 396, 404–05 (3d Cir. 2003) (footnote and internal citations omitted).⁸ At base, “the question of whether the expert is credible or the opinion is correct is generally a question for the fact finder, not the court.” *Summit 6, LLC v. Samsung Elecs. Co., Ltd.*, 802 F.3d 1283, 1296 (Fed. Cir. 2015). Indeed, “[v]igorous cross-examination, presentation of contrary evidence, and careful instruction on the burden of proof are the traditional and appropriate means of attacking shaky but admissible evidence.” *Daubert*, 509 U.S. at 596.

III. SUMMARY JUDGMENT

A. Motion for Summary Judgment of Noninfringement of the ATM Patents

⁸ The Court of Appeals wrote under an earlier version of Rule 702, but the subsequent amendments to it were not intended to make any substantive change.

Defendants argue that they are entitled to summary judgment of noninfringement of the ATM patents (the '084 Patent, the '429 Patent, and the '064 Patent). (D.I. 468 at 3). As an example, Claim 1 of the '084 Patent recites:

1. A method of operating an interworking unit to handle a plurality of calls, the method comprising:

receiving messages into the interworking unit on a call-by-call basis where each one of the messages indicates one of a plurality of synchronous connections and a corresponding one of a plurality of identifiers;

receiving user communications for the calls from the synchronous connections indicated in the messages into the interworking unit;

in response to the messages, converting the user communications from the synchronous connections into asynchronous communications including the corresponding identifiers; and

transferring the asynchronous communications from the interworking unit for subsequent routing based on the identifiers.

'084 Patent at col. 23:20-36.

Defendants contend that summary judgment in their favor is warranted as they do not use ATM interworking multiplexers and do not use ATM technology. (D.I. 468 at 3). Defendants assert that Plaintiff's doctrine of equivalents argument "unwinds the claim-construction process as if it never happened," as Plaintiff argues that an ATM interworking multiplexer "covers any packet based interworking unit." (*Id.*). Essentially, Defendants contend that Plaintiff vitiates the "ATM limitation" from the claim. (*Id.* at 9). Defendants also argue that Plaintiff has described the invention as limited to ATM and has distinguished its invention from other types of packet networking. (*Id.* at 3).

Plaintiff argues that its expert, Dr. Stephen Wicker, identified the accused media gateways in Defendants' Internet Protocol ("IP") networks that are equivalent to an ATM

interworking multiplexer and analyzed the equivalence between these media gateways and an ATM interworking multiplexer. (D.I. 497 at 1). Plaintiff contends that Dr. Wicker’s analysis was specific to IP and ATM protocols, and that he provided a “detailed function-way-result and interchangeability analysis between the proposed equivalent IP gateways and the claimed ATM interworking multiplexers.” (*Id.* at 4).

“The proper inquiry for the court is to apply the doctrine of equivalents, asking whether an asserted equivalent represents an ‘insubstantial difference’ from the claimed element, or ‘whether the substitute element matches the function, way, and result of the claimed element.’” *Deere & Co. v. Bush Hog, LLC*, 703 F.3d 1349, 1356 (Fed. Cir. 2012). “If no reasonable jury could find equivalence, then the court must grant summary judgment of no infringement under the doctrine of equivalents.” *Id.* The Federal Circuit has held that a patentee’s expert’s “detailed application of the function-way-result test to the claim element and the allegedly equivalent feature of the accused product is sufficient to create a genuine issue of material fact for the jury to resolve.” *Brilliant Instruments, Inc. v. GuideTech, LLC*, 707 F.3d 1342, 1348 (Fed. Cir. 2013).

“[I]f a theory of equivalence would entirely vitiate a particular claim element, partial or complete judgment should be rendered by the court, as there would be no further *material* issue for the jury to resolve.” *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 39 n. 8 (1997). “A holding that the doctrine of equivalents cannot be applied to an accused device because it ‘vitiates’ a claim limitation is nothing more than a conclusion that the evidence is such that no reasonable jury could conclude that an element of an accused device is equivalent to an element called for in the claim, or that the theory of equivalence to support the conclusion of infringement otherwise lacks legal sufficiency.” *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 469 F.3d 1005, 1018-19 (Fed. Cir. 2006).

At claim construction, the Court construed “interworking unit” to mean “ATM interworking multiplexer.” (D.I. 296 at 3). Based on Plaintiff’s evidence, a reasonable jury could find equivalence between Defendants’ accused media gateways and an “ATM interworking multiplexer.” Dr. Wicker has provided a detailed function-way-result analysis, in addition to a thorough interchangeability analysis. (D.I. 500-1, Exh. 1 at 2-84 of 1423). Much like in *Brilliant Instruments*, the “detailed application of the function-way-result test to the claim element [the ATM interworking multiplexer] and the allegedly equivalent feature of the accused product [the accused media gateways] is sufficient to create a genuine issue of material fact for the jury to resolve.” *Brilliant Instruments*, 707 F.3d at 1348.

Plaintiff’s doctrine of equivalents theories, supported by Dr. Wicker’s report, create a genuine issue of material fact from which a reasonable jury could find equivalence. *See Deere & Co.*, 703 F.3d at 1356. I am informed in reaching this conclusion by a similar case where “interworking unit” was also construed to mean “ATM interworking multiplexer,” and the Federal Circuit held that there was sufficient evidence, including Dr. Wicker’s testimony on the function-way-result test, to support the jury’s verdict of infringement under the doctrine of equivalents. *Sprint Commc’ns Co. v. Time Warner Cable, Inc.* 760 F. App’x 977, 987-88 (Fed. Cir. 2018), *cert. den.*, 140 S. Ct. 467 (2019).

As Plaintiff’s theory of infringement under the doctrine of equivalents is legally sufficient and a reasonable jury could find equivalence, Defendants’ vitiation argument fails. *See DePuy Spine*, 469 F.3d at 1018-19. There is a genuine issue of material fact as to whether Defendants infringed Plaintiff’s patents under the doctrine of equivalents; Defendants’ motion for summary judgment on this ground is denied.

B. Motion for Summary Judgment that the Service Platform System Claim is Invalid for Lack of Written Description

Claim 17 of the '340 Patent involves a “service platform system.” (D.I. 1-8, Exh. H at cols. 28:47-56, 29:7-8). Defendants argue that this claim is invalid as it does not specifically require ATM conversion and has been construed broadly, exceeding the scope of its disclosure. (D.I. 468 at 11). Defendants contend that there is no material dispute that the specification only describes a service platform that includes an interworking unit. (*Id.* at 12). Defendants also assert that there is no genuine dispute that Plaintiff’s claims are broader than the disclosure because the claims do not require that the service platform system have an ATM interworking unit, while the specification does not describe a service platform system without an ATM interworking unit. (*Id.*).

Plaintiff argues that Defendants are trying to limit the term to a preferred embodiment, and that this argument was rejected at the *Markman* stage. (D.I. 497 at 14). Plaintiff contends that a person having ordinary skill in the art (“PHOSITA”) would understand that the specification’s disclosure of a “service platform system” is not limited to one that includes an ATM interworking unit. (*Id.* at 15). Whether a PHOSITA would know this is asserted to be a genuine issue of material fact. (*Id.*).

After the *Markman* hearing, the Court construed “service platform system” to have its plain and ordinary meaning and rejected Defendants’ proposed construction of “a system containing a signaling processor, a service platform, and an ATM interworking multiplexer.” (D.I. 296 at 10). The Court noted that Defendants’ proposed construction appeared in a section of the specification called “preferred embodiment,” and did not limit the invention itself. (*Id.*). The Court stated that its construction limiting the interworking unit [in the no-longer asserted ‘224 patent] to ATM “does not mean every component of the ’340 and ’224 patents is limited to ATM” and that while the “language of the Enhanced Services specification is ATM-centric, it

does not clearly limit the entire ‘service platform system’ described in the ’340 claims to ATM technology.” (*Id.*).

The Court gave “service platform system” a broad construction. The specification is ATM-centric. The parties dispute whether a PHOSITA reading the specification would understand whether a service platform system could be non-ATM-centric. Plaintiff’s expert, Dr. Wicker, states “that a person of ordinary skill in the art would understand [] the ’340 Patent as describing a service platform system that is not limited to an ATM interworking unit.” (D.I. 500-1, Exh. 5 at 1057 of 1423). Defendants’ expert, Dr. Kevin Almeroth, opines that a PHOSITA “would not understand a [service platform system] to have a specific meaning” and “would have to look to the ’340 patent in order to understand the term.” (D.I. 503-1, Exh. 15 at 457 of 752). Dr. Almeroth concludes that the “disclosure in the specification of the ’340 patent, however, is limited to a[] [service platform system] that includes an ATM interworking multiplexer,” and “that the ’340 patent is invalid for lack of written description.” (*Id.* at 458 of 752).

The parties’ experts dispute how a PHOSITA would understand the specification. This genuine issue of material fact precludes summary judgment on Defendants’ motion that the ’340 Patent is invalid for lack of written description.

C. Motion for Summary Judgment of No Lost Profits

To recover lost profits, a patentee must show a “reasonable probability that, ‘but for’ infringement, it would have made the sales that were made by the infringer.” *Presidio Components, Inc. v. Am. Tech. Ceramics Corp.*, 875 F.3d 1369, 1380 (Fed. Cir. 2017) (quoting *Crystal Semiconductor Corp. v. TriTech Microelects. Int’l, Inc.*, 246 F.3d 1336, 1353 (Fed. Cir. 2001)). A patentee can show ‘but for’ causation using the *Panduit* factors. *Panduit Corp. v. Stahl Bros. Fibre Works, Inc.*, 575 F.2d 1152 (6th Cir. 1978). Following *Panduit*, the patentee

must prove four elements: “(1) demand for the patented product; (2) an absence of acceptable, non-infringing substitutes; (3) manufacturing and marketing capability to exploit the demand; and (4) the amount of profit that would have been made.” *Presidio Components*, 875 F.3d at 1380 (citing *Panduit*, 575 F.2d at 1156). Once the patentee “establishes a reasonable probability of ‘but for’ causation, ‘the burden shifts to the accused infringer to show that [the patent owner’s ‘but for’ causation claim] is unreasonable for some or all of the lost sales.” *Grain Processing Corp. v. Am. Maize-Prods Co.*, 185 F.3d 1341, 1349 (Fed. Cir. 1999) (quoting *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1545 (Fed. Cir. 1995) (en banc)).

The main dispute in this case centers on *Panduit* factor two. Does Plaintiff have sufficient evidence to prove the absence of an acceptable, non-infringing alternative for its VoIP service? (D.I. 468 at 13-14). “To prove the absence of acceptable, non-infringing alternatives, the patentee may prove either that the potential alternative was not acceptable to potential customers or was not available at the time.” *Presidio Components*, 875 F.3d at 1380 (citing *Grain Processing Corp.*, 185 F.3d at 1353-55). The proper inquiry under *Panduit* is “whether a non-infringing alternative would be acceptable compared to the patent owner’s product, not whether it is a substitute for the infringing product.” *Presidio Components*, 875 F.3d at 1381.

Defendants argue that there are three acceptable non-infringing alternatives: (1) using circuit-switched networks instead of VoIP networks; (2) entering into paid referral agreements with existing licensees of Plaintiff’s products; and (3) not entering the telephony business at all. (D.I. 468 at 13-14). Defendants assert that Plaintiff’s expert, Dr. Russell Mangum, III, concedes that using a circuit-switched network was an available, non-infringing alternative that would have been acceptable. (*Id.*). And, Defendants argue, Dr. Mangum does not analyze the cost of that alternative. (*Id.*). Defendants also contend that Dr. Mangum’s responses to the other

alternatives are insufficient, as he simply opines that Plaintiff's licensees are prohibited from entering into referral agreements with Defendants and he does not support his conclusion that Defendants would not have stayed out of the telephony business for economic reasons. (*Id.*). Defendants argue that Plaintiff is not entitled to lost profits as it has not carried its burden to show that "but for" Defendants' alleged infringement, Defendants would have purchased Plaintiff's VoIP service. (*Id.* at 13).

Plaintiff argues that none of the Defendants' three alternatives are commercially acceptable. (D.I. 497 at 15). Plaintiff asserts that there is no evidence that a circuit-switched network was available to Defendants and maintains that each company that Defendants reference did not use a traditional circuit-switched network across all its markets. (*Id.* at 17). Plaintiff also argues that Defendants do not put forth any evidence that Defendants would have been able to partner with one of Plaintiff's licensees and that such arrangements would infringe under the license agreements. (*Id.* at 20). Lastly, Plaintiff contends that "doing nothing" is not an acceptable substitute as there is no evidence that Defendants viewed this as a viable option. (*Id.* at 21).

With the *Panduit* test, Plaintiff has shown a reasonable probability that "but for" Defendants' infringement, it would have made Defendants' sales. *See Presidio Components*, 875 F.3d at 1380. While Dr. Mangum concedes, "Traditional circuit-switched telephony is a non-infringing alternative for the provision of wireline telephone service," he states that the "provision of such service is significantly more expensive than VoIP." (D.I. 471, Exh. 22 at 279 of 742). Dr. Mangum opines, "The fact that circuit-switched telephony was an existing technology yet was not adopted broadly by cable companies until after the Telecommunications Act of 1996 – which allowed for competition in wireline telephone service – and prior to the

widespread use of VoIP is evidence that it was not an acceptable alternative from the perspective of cable companies.” (*Id.*). Dr. Mangum states that this alternative was not “economically feasible for cable companies to implement” and that this is shown by “the fact that cable companies did not generally implement this solution prior to the advent of VoIP technology despite recognizing the advantages to offering wireline telephony as part of a bundle.” (*Id.* at 285 of 742). Dr. Mangum also points to Charter’s objections and responses to Sprint’s second set of individual interrogatories and states that Defendant Charter owned some circuit-switched infrastructure, but did not expand those offerings and instead focused on VoIP, whereas Defendant Bright House (now a subsidiary of Charter) did not consider offering circuit-switched and/or Time Division Multiplexing (“TDM”) telephony services instead of VoIP services. (*Id.* at 279 of 742).

Dr. Mangum opines that “using a wholesale provider other than Sprint was not an available, acceptable non-infringing alternative for Defendant” and that it is his “understanding that using an unlicensed provider like Level 3 would still infringe Sprint’s patents under Dr. Wicker’s analysis, and that Sprint’s licenses excluded such services from the scope of its license.” (*Id.* at 279-80 of 742).

Through Dr. Mangum’s report, Plaintiff has offered evidence to show the absence of acceptable, non-infringing alternatives and therefore, for summary judgment purposes, has established a reasonable probability that, but for infringement, it would have provided the VoIP services and made the profit. As Plaintiff has made this showing, the burden shifts to Defendants to establish that Plaintiff’s “but for” causation claim is unreasonable for all or some of the lost sales. *See Grain Processing Corp.*, 185 F.3d at 1349. Defendants have not made that showing, as they have not established that Plaintiff’s analysis of the lack of available, acceptable non-

infringing alternatives is unreasonable. Plaintiff has shown a reasonable probability of “but for” causation through the *Panduit* test, which is sufficient to create a genuine issue of material fact for the jury. Summary judgment of no lost profits is denied.

D. Motion for Summary Judgment of No Pre-Suit Damages

Defendants maintain that they are entitled to summary judgment of no pre-suit damages, as there was no pre-suit marking or notice for seven of the nine asserted patents, to wit, the ’340, ’429, ’084, ’064, ’932, ’6,561, and ’454 Patents. (D.I. 468 at 21 & n.14). Defendants argue that Plaintiff initially asserted both apparatus and method claims against Defendants and that Plaintiff claimed to practice these patents without marking or providing pre-suit notice. (*Id.*). Defendants contend that Plaintiff asserted an apparatus claim in each of the patents, as Plaintiff alleged that Defendants infringed via “making” products. (*Id.* at 23). Defendants further assert that Plaintiff accused products that were “capable of receiving” or “capable of placing” certain types of calls and that such allegations apply to apparatus claims. (*Id.*). Defendants then argue that they were not on notice regarding the alleged infringement. (*Id.* at 23-24).

Plaintiff argues that it only asserted method claims and did not assert apparatus claims, so the marking statute does not apply. (D.I. 497 at 23). Plaintiff contends that Defendants cannot point to any apparatus claims in the complaints, identifications of asserted claims, or infringement contentions, as there are none. (*Id.* at 24). Plaintiff also states that it has never accused any Defendant of “making” an apparatus. (*Id.*). Plaintiff further argues that even if the marking statute applied, there were no tangible items to mark and that Defendants had actual notice of their potential infringement prior to the suit being filed. (*Id.* at 25-26).

35 U.S.C. § 287 sets forth limitations on damages in patent cases. *See* 35 U.S.C. § 287. Under this provision, patentees may give notice to the public by marking their patented article,

but where the patentee fails to mark, “no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter.” *Id.* at § 287(a). In other words, “A party that does not mark a patented article is not entitled to damages for infringement prior to actual notice.” *Crown Packaging Tech., Inc. v. Rexam Beverage Can Co.*, 559 F.3d 1308, 1316 (Fed. Cir. 2009). “[T]he purpose of the actual notice requirement is met when the recipient is notified, with sufficient specificity, that the patent holder believes that the recipient of the notice may be an infringer.” *SRI Int’l, Inc. v. Advanced Tech. Labs., Inc.*, 127 F.3d 1462, 1470 (Fed. Cir. 1997).

However, “the notice provisions of section 287 do not apply where the patent is directed to a process or method.” *Am. Med. Systems, Inc. v. Medical Engineering Corp.*, 6 F.3d 1523, 1538 (Fed. Cir. 1993). When the patent contains both method and apparatus claims, but only the method claims are asserted, the section 287 marking requirement does not apply. *Crown Packaging Tech.*, 559 F.3d at 1317.

In this case, Plaintiff has asserted only method claims. (*See* D.I. 500, Gray Decl. at 2). The patents themselves confirm that each of the asserted claims in the seven patents at issue are method claims. (The ’340 Patent, Claim 11; the ’429 Patent, Claim 1; ’084 Patent, Claim 1; the ’064 Patent, Claim 1; the ’932 Patent, Claim 1; the ’6,561 Patent, Claim 11; the ’454 Patent, Claim 1). Defendants point to nothing other than vague and general language in the complaints to argue that Plaintiff ever asserted apparatus claims from any of the seven patents. That is not enough. As only method claims are asserted, and have ever been asserted, there is no requirement of marking under section 287. *See Crown Packaging Tech.*, 559 F.3d at 1317. For that reason, Defendants’ motion for summary judgment of no pre-suit damages due to Plaintiff’s failure to mark is denied.

IV. DAUBERT MOTIONS

A. Dr. Mangum's Damages Opinion

Defendants move to exclude the opinions of Dr. Mangum on several grounds. (D.I. 468 at 25). Defendants argue for the exclusion of Dr. Mangum's *Georgia-Pacific* royalty opinion for its reliance on incomparable verdicts and settlement agreements. (*Id.* at 26-31). Defendants contend that Dr. Mangum's lost profits opinion, analytical analysis, royalty approach, and Enhanced Services Patent damages analysis should be excluded for use of unreliable methodology. (*Id.* at 32-34). Lastly, Defendants move to exclude all of Dr. Mangum's damages opinions for failure to apportion the damages to reflect the alleged contribution of the asserted patents. (*Id.* at 35-40).

i. Georgia-Pacific Royalty Opinion

In his analysis of the *Georgia-Pacific* factors, Dr. Mangum relies on information from prior jury verdicts and settlements to calculate a reasonable royalty. (D.I. 471, Exh. 22 at 326-27, 332-33, 338-40 of 742). Dr. Mangum opines that the hypothetical negotiation would "heavily consider" the Vonage jury verdict, the Time Warner Cable jury verdict, the Voiceglo settlement, and the Metrocast settlement. (*Id.* at 326 of 742). He concludes that this hypothetical negotiation would result in a royalty of at least \$1.37 per subscriber per month. (*Id.* at 332 of 742). The parties' dispute centers on whether these jury verdicts and settlements can be permissibly used to calculate the result of a hypothetical negotiation between Plaintiff and Defendants.

Defendants argue that the jury verdicts and settlement agreements ("Litigation Materials") on which Dr. Mangum relies are incomparable to a hypothetical negotiation in this case. (D.I. 468 at 25). Defendants assert that Dr. Mangum's reliance on the jury verdicts rests on an improper assumption "that jurors engage in something akin to a damages expert's analysis." (*Id.* at 27). Defendants also contend that that the jury verdicts are incomparable as the other

juries considered different accused products and services, expert opinions, licenses, claim constructions, and types of asserted claims. (*Id.* at 28). Defendants further argue that Dr. Mangum did not address economic factors that render the Litigation Materials incomparable, as he did not address (1) the economic and technical changes in the years after the hypothetical negotiation; (2) economic differences between past defendants and present Defendants; and (3) how the settlements differ from hypothetical licenses. (*Id.* at 30-31).

Plaintiff argues that Dr. Mangum's reliance on these materials was proper. (D.I. 497 at 27). Plaintiff relies on the Federal Circuit's affirmance of the jury verdict in *Sprint Commc 'ns Co. v. Time Warner Cable, Inc.*, 760 F. App'x 977 (Fed. Cir. 2019), and rejection of the argument that the 2007 Vonage verdict should have been excluded from consideration in calculating a reasonable royalty. (*Id.* at 27). Plaintiff asserts that Dr. Mangum's use of past jury verdicts and settlements is reliable as Defendants do not point to anything in prior decisions that suggests timing is important, the Voiceglo settlements and Vonage verdict happened prior to the hypothetical negotiation for several defendants, and Defendants have not shown any change in the marketplace to suggest passage of time would make a difference in the hypothetical negotiation. (*Id.* at 29). Lastly, Plaintiff argues that Dr. Mangum did consider economic differences between the different defendants. (*Id.* at 32).

The Federal Circuit has permitted evidence of prior verdicts to be used to inform a reasonable royalty determination. *See Sprint Commc 'ns*, 760 F. App'x at 981; *Applied Med. Res. Corp. v. U.S. Surgical Corp.*, 435 F.3d 1356, 1366 (Fed. Cir. 2006). For evidence of prior litigation to be admissible, it "must pass muster, like any other evidence, as relevant and probative of an issue in the second case." *Mendenhall v. Cedarapids, Inc.*, 5 F.3d 1557, 1573

(Fed. Cir. 1993). The Federal Circuit has indicated that the timing of prior verdicts can impact their relevancy.

In *Applied Medical Resources*, the Federal Circuit affirmed admission of evidence of a prior verdict as the prior litigation was “relevant to the reasonable royalty analysis because the hypothetical negotiation...took place on the heels of the *Applied I* jury verdict.” *Applied Med. Res. Corp.*, 435 F.3d at 1366. Similarly, in *Sprint Communications*, the Federal Circuit affirmed admission of the Vonage verdict, as the lower court determined that the “verdict would be a factor of which the parties would have been aware at the time of their hypothetical negotiation” and that a reasonable jury could conclude that the “verdict and the amount of damages awarded in a similar prior litigation would have influenced the outcome of a hypothetical negotiation in the case at bar.” *Sprint Commc’ns*, 760 F. App’x at 981. In both cases, the prior verdict was admissible as it occurred before the date of the hypothetical negotiation.

Here, Plaintiff and many of the Defendants would not have been aware of the verdicts or settlements at the time of their respective hypothetical negotiations. The Vonage jury verdict was in 2007, the Time Warner Cable jury verdict was in 2017, the Metrocast settlement agreement was in 2019, and the VoiceGlo settlement was in 2006. (D.I. 499-1, Exh. 1 at 32-33, 40-41, 49 of 1128). Both parties agree that Plaintiff’s hypothetical negotiation with Defendant Charter would have happened in 2002 and the hypothetical negotiation with Defendant Bright House (a co-defendant in the Charter case, No. 17-1734) would have happened in 2003. (D.I. 554 at 74:1-4; 76:20-22). The hypothetical negotiation with Defendant RCN (a co-defendant in the Grande case, No. 18-363) was in 2004, with Defendant Grande in 2005, and with Defendant Atlantic Broadband in 2005/2006. (D.I. 471, Exh. 28 at 445 of 742). The hypothetical negotiation date was in 2008 for Defendants WideOpenWest and Wave (a co-defendant in the Grande case, No.

18-363) and in 2010 for Defendant Mediacom. (*Id.* at Exh. 26 at 422 of 742; Exh. 29 at 457 of 742).

Thus, for Defendants Charter, Bright House, RCN, Grande, and Atlantic Broadband, none of the settlement agreements or verdicts would have been “a factor of which the parties would have been aware at the time of their hypothetical negotiation.” *Sprint Commc’ns*, 760 F. App’x at 981. Defendants WideOpenWest, Wave, and Mediacom would not have been aware of the Time Warner Cable jury verdict or the Metrocast settlement agreement. The prior settlement agreements and jury verdicts are not relevant when they occurred after the date of the hypothetical negotiation, as the hypothetical negotiation occurred not “on the heels” of the settlement agreements and jury verdicts, but before them. *See Applied Medical Resources Corp.*, 435 F.3d at 1366. As such materials are irrelevant to the hypothetical negotiation at hand, they should not have been considered in Dr. Mangum’s reasonable royalty calculation. The jury verdicts and settlements are excluded as irrelevant from Dr. Mangum’s opinions for all Defendants whose dates of a hypothetical negotiation preceded the respective dates of the prior jury verdicts and settlement agreements.

The jury verdicts and settlements will also be excluded for all Defendants as they are not evidence from which a hypothetical negotiation can be reliably determined. As this Court has held, “A jury verdict does not represent evidence from which a hypothetical negotiation can be reliably determined. A jury verdict represents the considered judgment of twelve (or maybe fewer) random non-experts as to what a hypothetical negotiation would have resulted in for the patent(s) at issue. It is, at best, an informed lay opinion.” *Acceleration Bay LLC v. Activision Blizzard, Inc.*, 324 F. Supp. 3d 470, 489 (D. Del. 2018). An informed lay opinion is not a reliable

basis for determining the reasonable royalty rate that a hypothetical negotiation would reach.⁹ Therefore, Dr. Mangum's report and testimony will be excluded to the extent that it relies on prior jury verdicts.

Similarly, evidence of Plaintiff's prior settlement agreements will also be excluded. While "there is no per se rule barring reference to settlements simply because they arise from litigation," *AstraZeneca AB v. Apotex*, 782 F.3d 1324, 1336 (Fed. Cir. 2016), the Federal Circuit has noted the "longstanding disapproval of relying on settlement agreements to establish reasonable royalty damages." *LaserDynamics, Inc.*, 694 F.3d at 77. Similarly, this Court has observed that "Federal Circuit precedent is hostile toward using litigation settlement agreements in proving a reasonable royalty, except in limited circumstances." *M2M Sols. LLC v. Enfora, Inc.*, 167 F. Supp. 3d 665, 678 (D. Del. 2016). There is minimal probative value in using litigation settlement agreements to calculate a reasonable royalty, as the settlement agreement is not comparable to a negotiation between two willing parties. *See Sprint Commc'ns Co. v.*

⁹ I am not ignoring or contradicting what the Court held in the non-precedential decision in the *Sprint Communications* appeal. The District Court there had admitted the Vonage verdict for three purposes – willfulness, TWC's equitable defenses, and "to the extent that it informs Sprint's executives concerning what [they] might expect as a reasonable royalty." *Sprint Commc'ns*, 760 F. App'x at 981 (quoting the District Court). Leaving aside the attenuated nature of the argument that a trial verdict is an event that would reliably indicate something about what a negotiation would produce, the argument would then also support the proposition that any litigation-inspired settlement agreement should also be admissible. But that is not the law. *See LaserDynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 77 (Fed. Cir. 2012). The third purpose is the only one at all related to a reasonable royalty negotiation, but that is not the purpose for which Dr. Mangum uses it. In his expert report, Dr. Mangum states that the jury in the Time Warner Cable case awarded Sprint the "full amount it requested at the \$1.37 per subscriber per month rate, which was calculated off of the *Vonage* verdict." (D.I. 478-1, Exh. 9 at 99 of 143). Dr. Mangum uses the Vonage jury verdict as the starting point for what a reasonable royalty would be. (D.I. 471, Exh. 22 at 332, 338 of 742; Exh. 21 at 237-38 of 742). That is, Plaintiff wants to get the jury verdict before the jury for a clearly improper purpose (which is why, I am fairly certain, I would exclude it under Rule 403 if I were not excluding it for the reasons stated in the text).

Comcast IP Holdings, LLC, 2015 WL 456154, at *2 (D. Del. Jan. 30, 2015) (excluding license agreements resulting from litigation for lack of comparability). And, as is the case for certain Defendants, the minimal probative value “is even less, where, as here, the settlement agreements occurred years after the hypothetical negotiation.” *ePlus, Inc. v. Lawson Software*, 764 F. Supp. 2d 807, 813 (E.D. Va. 2011), *aff’d*, 700 F.3d 509 (Fed. Cir. 2012). As there is little probative value in the settlement agreements in informing a hypothetical negotiation, Dr. Mangum’s report and testimony will be excluded to the extent that it relies on such evidence.

Defendants’ motion to exclude Dr. Mangum’s *Georgia-Pacific* reasonable royalty calculation is granted to the extent that it relies on prior settlement agreements and jury verdicts. The Parties should meet and confer about which portions of and the extent to which Dr. Mangum’s report is excluded and whether any supplementation to the report is necessary.

ii. Dr. Mangum’s Lost Profits Opinions Rely on Dr. Wicker’s “Blocking Patents” Opinion

Defendants argue that Dr. Mangum’s lost profits opinion relies on Dr. Wicker’s improper “blocking patent” opinion. (D.I. 468 at 32). Plaintiff argues that Dr. Mangum properly relies on Dr. Wicker’s “blocking patent” opinion. (D.I. 497 at 32). As Dr. Wicker’s “blocking patent” opinion is reliable, *see* Section IV.B.i *infra*, Dr. Mangum’s lost profits opinion will not be excluded based on its reliance on Dr. Wicker’s “blocking patent opinion.”

iii. Dr. Mangum’s Analysis Under Panduit Factor 3

Defendants argue that Dr. Mangum’s analysis of manufacturing capacity under *Panduit* Factor 3 is unsupported as he does not do any calculation to show that Plaintiff had the capacity to handle a massive increase in subscribers if all VoIP subscribers were required to use

Plaintiff's services. (D.I. 468 at 32). Plaintiff argues that such calculations are unnecessary, as Dr. Mangum has sufficiently shown that Plaintiff had the requisite capacity. (D.I. 497 at 33).

In *TEK Global, S.R.L.*, the Federal Circuit affirmed the district court's conclusion that the "jury could reasonably infer manufacturing capacity from [the plaintiff's] prior activities." *TEK Global, S.R.L. v. Sealant Systems Internat'l, Inc.*, 920 F.3d 777, 790 (Fed. Cir. 2019). For his conclusion that Plaintiff had the capacity to supply the accused services, Dr. Mangum relies on deposition testimony and interviews with Plaintiff's executives, as well as Plaintiff's internal financial documents. (D.I. 499-1, Exh. 1 at 3, 25-26, App'x 2). The sources on which Dr. Mangum relies are similar in nature to the supporting evidence used in *TEK Global* that the Federal Circuit concluded a reasonable jury could rely on to infer manufacturing capacity. *See TEK Global*, 920 F.3d at 790-91 (referring to inventor testimony and damages expert testimony based on deposition transcripts, reports, financial documents, and conversations with plaintiff's executives). As Dr. Mangum appropriately relied on evidence other than calculations to conclude that Plaintiff had the manufacturing capacity under *Panduit* Factor 3, his damages opinion is not excluded on this ground.

iv. Dr. Mangum's Analytical Approach

As a part of Dr. Mangum's analytical approach analysis, he calculates the cost savings to Defendants from their use of VoIP technology. In deciding on a reasonable royalty, he says the parties would agree that Plaintiff gets 100% of the cost savings. Defendants contend that Dr. Mangum's allocation of all the alleged VoIP cost savings to Plaintiff is arbitrary. (D.I. 468 at 33). Defendants argue that the Federal Circuit has consistently held that allocation of a royalty value to one party requires analysis that is specific to the facts of the case. (*Id.*). Defendants compare Dr. Mangum's assignment of all the alleged cost savings to the "25 percent rule of

thumb” which the Federal Circuit determined to be a flawed premise for calculating damages. (*Id.*). Plaintiff counters that Dr. Mangum’s analytical approach is an alternative to the hypothetical negotiation and follows the approach described and approved by the Federal Circuit. (D.I. 497 at 37).

I agree with Plaintiff. The Federal Circuit has affirmed use of the analytical approach where the infringer’s usual net profit is subtracted from its anticipated net profit realized from sales of infringing products. *TWM Mfg. Co. v. Dura Corp.*, 789 F.2d 895, 899 (Fed. Cir. 1986); *see also Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1324 (Fed. Cir. 2009). Dr. Mangum did exactly that, as he subtracted the “normal” industry profits from the expected VoIP profits, resulting in a VoIP profit premium. (D.I. 499-1, Exh. 1 at 75-83 of 1128). This analysis follows the approach affirmed by the Federal Circuit in *TWM*. *See TWM Mfg. Co.*, 789 F.2d at 899 (awarding a 30% royalty not an abuse of discretion when the difference between anticipated net profit and “industry standard net profit” was about 30%). Whether it makes sense to award 100% to Plaintiff in these particular cases may be challenged by cross-examination and an opposing expert’s opinion. *See Lucent*, 580 F.3d at 1324 (quoting John Skenyon, *Patent Damages Law & Practice* § 3.4, at 3-9 to 3-10 (2008) (the analytical method involves “calculating damages based on the infringer’s own internal profit projections for the infringing item at the time the infringement began, and then apportioning the projected profits between the patent owner and the infringer.”)) (dicta). Thus, Defendants’ motion to exclude on this ground is denied.

v. Dr. Mangum’s Royalty Rate for the Enhanced Service Patent

Defendants assert that Dr. Mangum’s royalty rate for the Enhanced Services Patent is unreliable as it is not connected to the alleged value of the patent. (D.I. 468 at 34). Defendants argue that Dr. Mangum relies on non-party Time Warner Cable’s pricing and the per subscriber

per month rate he calculated using the Vonage verdict (which does not include the Enhanced Services Patent) to calculate the \$0.12 per subscriber per month rate for the Enhanced Services Patent. (*Id.*). Defendants cite to prior litigation between Plaintiff and Comcast where the district court excluded a similar theory that attempted to assign a royalty to the same patents by comparing Plaintiff's revenues for wholesale VoIP with its revenue for voicemail services. (*Id.*). Plaintiff argues that Dr. Mangum's analysis is properly tied to the facts of the case as his opinion does not have the same fatal flaws as the expert opinion in the Time Warner Cable litigation. (D.I. 497 at 34).

I agree with Plaintiff that the exclusion of the expert opinion in Plaintiff's prior litigation with Comcast is not persuasive here. The two cases are different. In the Comcast case, the court excluded the expert's damages opinion as the expert used unreliable methods in comparing general VoIP revenues to revenues for other associated patents, inexplicably rounded up the calculated royalty rate, and based his calculations on data for voicemail services which were not at issue in the case. *Sprint Commc 'ns Co. v. Comcast Cable Commc 'ns LLC*, 225 F. Supp. 3d 1233, 1252-53 (D. Kan. 2016). This case differs as Dr. Mangum explained the financial materials on which he relied to calculate the Enhanced Services Patent royalty rate, he did not round up his calculations, and voicemail services are at issue here. (*See* D.I. 471, Exh. 22 at 333 of 742; D.I. 499-1, Exh. 1 at 75-76 of 1128).

Dr. Mangum opined that if the Enhanced Services Patent (but none of the Christie Patents) is found to infringe, a reasonable royalty of \$0.12 per subscriber per month would be appropriate to account for the benefits provided by voicemail under the Enhanced Services Patent. (D.I. 471, Exh. 22 at 333 of 742). This royalty is 9% of the \$1.37 royalty rate calculated for all asserted patents. (*Id.*). Dr. Mangum used 9% based on pricing from Time Warner Cable,

which Dr. Mangum states was publicly available information that service providers relied on in analyzing financial performance. (*Id.*).

Dr. Mangum states that it was not uncommon for service companies to prepare financial reports and predictions based on figures from competing companies. (*Id.*; D.I. 499-1, Exh. 1 at 75-76 of 1128). Therefore, relying on Time Warner Cable's pricing to assess the value of the services covered by the Enhanced Services Patent is reliable. Defendants can challenge the persuasiveness of Dr. Mangum's use of Time Warner Cable's pricing on cross-examination and by opposing expert testimony. However, Dr. Mangum's Enhanced Services Patent reasonable royalty is excluded to the extent that it relies on prior settlement agreements and jury verdicts. *See* Section IV.A.i *supra*. The Parties should meet and confer to determine the extent to which Dr. Mangum's Enhanced Services Patent royalty opinion is excluded due to its reliance on prior settlement agreements and jury verdicts.

vi. Dr. Mangum's Approach to Apportionment

Defendants move to exclude all of Dr. Mangum's damages opinions for failure to apportion the damages. (D.I. 468 at 35-40).

Defendants argue that Dr. Mangum failed to apportion his lost profits analysis. (*Id.* at 35). Defendants contend that since wholesale VoIP includes services beyond the patented technology, Dr. Mangum needed to apportion the value of the other technology out of his total lost profits calculation. (*Id.* at 36). Defendants also argue that Dr. Mangum failed to apportion out non-infringing calls from his lost profits model. (*Id.*)

Plaintiff counters that Dr. Mangum properly apportioned his lost profits analysis. (D.I. 497 at 34-36). Plaintiff contends that Dr. Mangum properly analyzed the first two *Panduit* factors, which satisfies lost profit apportionment analysis under Federal Circuit precedent. (*Id.* at

34). Plaintiff further argues that if there is an additional apportionment step after meeting the *Panduit* factors, the record establishes that Plaintiff's wholesale VoIP service is "synonymous" with the patented methods and that there is no evidence that other features have a separate value that can or should be apportioned from Dr. Mangum's lost profits analysis. (*Id.* at 35). Lastly, Plaintiff argues that Dr. Mangum "adequately apportion[ed] out valuable unpatented aspects of VoIP technology." (*Id.* at 36). Plaintiff notes that apportionment was not needed for VoIP services that do not allow calls with the PSTN, as they are a free service. Plaintiff argues that other methods of apportioning out VoIP technology "improperly apportion out IP-related technology for which the cable company Defendants never paid Plaintiff." (*Id.*).¹⁰

In *Mentor Graphics*, the Federal Circuit stated that requiring patentees to prove the first two *Panduit* factors "ties lost profit damages to specific claim limitations and ensures that damages are commensurate with the value of the patented features." *Mentor Graphics Corp. v. EVE-USA, Inc.*, 851 F.3d 1275, 1285 (Fed. Cir. 2017), *reh'g en banc denied*, 870 F.3d 1298 (Fed. Cir.), *cert. den.*, 139 S. Ct. 44 (2018). The Court stated that the two factors together "consider[] demand for the patented product as a whole" and "consider[] demand for particular limitations or features of the claimed invention." *Id.* In denying rehearing *en banc*, the concurrence did not "read the panel's decision to apply broadly to all lost profits analysis," and,

¹⁰ The sentence as written by Plaintiff is difficult to understand. It cites to four paragraphs of Dr. Mangum's report, one of which does not exist. (D.I. 497 at 36, citing Ex. 2, ¶¶ 180-183; *see* D.I. 499-1, Ex. 2, ¶¶ 180-182). After reviewing the three existing paragraphs, I note that they appear to be in response to what Dr. Mangum takes as a critique of his analytical approach. Thus, I am not sure what the purported relevance is to apportionment in regard to lost profits, which is what Plaintiff cites it for. There is some similar discussion in connection with lost profits (*see id.*, Ex. 1, ¶ 90), which may be what Plaintiff had in mind. If that is so, then I understand the argument to be that the other method of apportioning out technology involves apportioning out technology that not charged for by subscribing to Sprint's VoIP service, which means that it would not need to be apportioned out.

under the “narrow facts” of the case, “the panel determined that because the *Panduit* factors are satisfied, the damages award properly accounted for apportionment.” *Mentor Graphics*, 870 F.3d at 1300. Apportionment is necessary where the “application of the *Panduit* factors does not result in the separation of profits attributable to the patented device and the profits attributable” to the other aspects of the product. *WesternGeco LLC v. ION Geophysical Corp.*, 913 F.3d 1067, 1073 (Fed. Cir. 2019).

In this case, Dr. Mangum has apportioned his lost profits analysis, as he tied his calculated lost profits damages to the claim limitations and the damages are proportional to the value of the patented features. *See Mentor Graphics Corp.*, 851 F.3d at 1285. Dr. Mangum established the demand for the patented product through the number of Plaintiff’s subscribers and Defendants’ sales of VoIP telephony services. (D.I. 499-1, Exh. 1 at 25-27 of 1128). Dr. Mangum also opined on the absence of non-infringing alternatives, showing that the demand for the product was tied to the patented features. (*Id.* at 27-29 of 1128). Lastly, Dr. Mangum states that ancillary services, such as directory assistance and voicemail, qualify as part of the lost profits calculation, as they are “convoyed sales” that were “systematically tied to wholesale VoIP service.” (*Id.* at 33 of 1128). Dr. Mangum’s lost profit analysis is properly apportioned and tied to the value of the patented methods.

Further, Dr. Mangum opines that apportioning further “is not economically logical” as lost profits are meant to “put the plaintiff in the same position it would have been absent the wrongdoing,” and “Sprint cannot lose a portion of a sale.” (*Id.*, Exh. 2 at 178 of 1128). Dr. Mangum’s opinion is that no further apportionment is necessary, as Plaintiff would have profited from the entire sale of its wholesale VoIP services. (*Id.* at 178-79 of 1128). The parties dispute

how much the lost profit award should be apportioned, *see id.* at 178-80, and all parties will have the opportunity to address the opposing party's experts through cross examination.

Defendants also argue that Dr. Mangum's analytical approach should be excluded as he failed to apportion cost savings attributable to technology Plaintiff did not invent and did not provide an explanation as to why all of the cost savings associated with VoIP are due to Plaintiff's asserted patents. (D.I. 468 at 47-49).

Plaintiff counters that under Federal Circuit precedent there is no second apportionment step in the analytical approach, as the approach consists of subtracting the infringer's usual net profit from its anticipated net profit from the sales of the infringing product. (D.I. 497 at 37). I do not think Plaintiff is right here. "[A]pportionment is required even for non-royalty forms of damages." *Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201, 1226 (Fed. Cir. 2014). Assume a new product comes in a basic form and a deluxe form, they both have the same infringing feature, but the deluxe form has a number of other innovative features, and the profit margin for the deluxe is twice that of the basic, would it make sense to attribute the double profit margin on the deluxe to the one infringing feature? I don't think so. Plaintiff further argues that even if there is a need for a second apportionment step, Dr. Mangum explains how his analytical approach apportions out unpatented VoIP technology. (D.I. 497 at 37).

Dr. Mangum appropriately apportioned his analytical approach. Dr. Mangum's opinion includes an explanation of his apportionment, as he describes how the "profit analysis compares margins on circuit-switched and VoIP services with comparable features, where one (i.e., VoIP) is cheaper to deploy." (D.I. 499-1, Exh. 1 at 81-82 of 1128). The major difference between the two systems is that one, VoIP, is cheaper to deploy. (*Id.*). Dr. Mangum also opines that other differences in features, like the power source, are "largely irrelevant...as apparent through

industrywide acceptance.” (*Id.*, Exh. 4 at 428-29 of 1128). Therefore, the comparison between the two systems apportions out other differences, as the only meaningful difference between the two compared systems is the profit margin of the VoIP system specifically, which Dr. Mangum is analyzing to determine a reasonable royalty for the asserted patents. (*See id.*, Exh. 1 at 81-83 of 1128).

Dr. Mangum’s analytical approach reasonable royalty analysis appropriately apportions the cost savings. Defendants can address the credibility of Dr. Mangum’s opinions through cross-examination and opposing expert testimony. Defendants’ motion to exclude for failure to apportion the analytical approach is denied.

Lastly, Defendants contend that Dr. Mangum’s *Georgia-Pacific* analysis of a reasonable royalty fails for lack of apportionment. (D.I. 468 at 39). Defendants argue that Dr. Mangum does not explain why his calculated royalty of \$1.37 per subscriber per month satisfies the entire market value rule or why the settlements and verdicts upon which he relies are attributable to the asserted patents in this case. (*Id.*). Defendants also assert that Dr. Mangum’s analysis does not apportion the royalty base, as his damages analysis does not exclude activities that are not infringing. (*Id.* at 40).

Plaintiff argues that Dr. Mangum’s opinion is properly apportioned as, like in the Time Warner Cable litigation, his royalty rate reflects the incremental value of the inventions. (D.I. 497 at 39). Further, Plaintiff asserts that Dr. Mangum’s opinion is reliable, as he was not required to subtract out non-infringing calls, as Defendants’ subscribers could make those calls and Defendants did not refund any money to subscribers if they did not make those calls. (*Id.* at 39-40). Plaintiff contends that it is simply a disagreement between the parties’ experts as to whether additional subtractions should be made to the reasonable royalty. (*Id.* at 39).

I agree with Plaintiff. In *Sprint Communications*, the Federal Circuit affirmed the damages verdict based on Dr. Mangum's opinions over an apportionment challenge, stating that "the objective of apportionment can be achieved in different ways, one of which is through the jury's determination of an appropriate royalty by applying the so-called *Georgia-Pacific* factors, under proper instructions embodying apportionment principles." *Sprint Comm'ns*, 760 F. App'x at 983. Dr. Mangum provided a thorough analysis of the *Georgia-Pacific* factors and the specific value of the asserted patents. (D.I. 499-1, Exh.1 at 83-98). While Dr. Mangum's opinions will be excluded to the extent that they rely on prior settlement agreements and jury verdicts, the remainder of Dr. Mangum's analysis of the hypothetical negotiation properly discusses the value of the patents-in-suit to a hypothetical negotiation. (*See id.*). Further, while the parties' experts disagree as to the amount of apportionment that should occur, that disagreement can be addressed by both sides during cross-examination.

All Dr. Mangum's damages opinions have what Dr. Mangum describes as appropriate apportionment. Any disputes as to the persuasiveness of his apportionment opinions can be addressed in cross-examination. Defendants' motion to exclude Dr. Mangum's opinions for failure to apportion is denied.

B. Dr. Wicker's Opinions

i. Blocking Patent Opinion

Defendants argue for exclusion of Dr. Wicker's expert opinion on whether Plaintiff's patents are "blocking patents." (D.I. 468 at 41). Defendants contend that Dr. Wicker does not provide a methodological basis for his opinion that it is impossible to provide a packet-PSTN telephony service without practicing the Christie Patents. (*Id.*). Defendants argue that Dr. Wicker's opinion is unreliable as he does not analyze alternate packet-PSTN systems, including

AT&T and Verizon services, which Defendants identified as available, non-infringing alternatives. (D.I. 522 at 23).

Plaintiff argues that Dr. Wicker used reliable methods and addressed every available, non-infringing alternative, as required under Federal Circuit precedent. (D.I. 497 at 40-41). Based on this, Plaintiff contends that Dr. Wicker's "blocking patents" opinion is admissible. (*Id.* at 41-42).

Dr. Wicker opined that the Christie patents are "blocking patents," as providing VoIP telephony service necessarily practices the Christie patents and there are no non-infringing alternatives that Defendants could have used in place of Plaintiff's patent practicing VoIP technology to connect to the PSTN. (D.I. 471, Exh. 15 at 1267:19-1270:17). Dr. Wicker addressed all the alternatives that Defendants put forth as available, acceptable non-infringing alternatives and explained why, in his opinion, these alternatives were not available or acceptable. (D.I. 500-1, Exh. 1 at 72-84 of 1423; *Id.*, Exh. 3 at 854- of 1423).

Defendants argue that Dr. Wicker "failed to compare alternative packet-PSTN systems, including the acknowledged AT&T and Verizon services, to the claims of the Christie Patents." (D.I. 522 at 23). Defendant Charter's expert, Dr. Kevin Almeroth, discussed AT&T and Verizon services as a non-infringing alternative using IP-IP peering. (D.I. 471, Exh. 17 at 133-38 of 742). Dr. Wicker, however, discussed why IP-IP peering was not an available alternative. (D.I. 500-1, Exh. 3 at 854-62 of 1423). Dr. Wicker opined that IP-IP Peering was not an available non-infringing alternative due to restrictions on the service because of regulatory requirements. (*Id.* at 855-57 of 1423). Dr. Wicker also opined that the IP interconnections were not available, as they did not support "lifeline" capabilities, such as 911, which is a requirement in some areas. (*Id.* at 859-60 of 1423). While Dr. Wicker did not address AT&T or Verizon by name, his opinions

included conclusions on why such systems were not available, acceptable non-infringing alternatives. Defendants do not have to agree with Dr. Wicker's opinions on the non-infringing alternatives and whether the Christie Patents are "blocking patents," and can address the persuasiveness of Dr. Wicker's opinions through cross-examination and opposing expert testimony.

ii. Direction and Control Opinion

Defendants assert that Dr. Wicker's "direction or control" opinions should be excluded as such opinion is outside his expertise, the opinion is not reliable, and it is unhelpful under Rule 702. (D.I. 468 at 43-44). Defendants argue that Dr. Wicker opines, based on his interpretation of a contract, that Defendant Atlantic Broadband ("ABB") "directs and controls" a third party, Net2Phone ("N2P"), to provide interconnection between VoIP and the PSTN. (*Id.* at 42). Plaintiff contends that Dr. Wicker did not offer legal opinions, but instead offered technical opinions using the technical parts of the contract and witness testimony as a basis to analyze actions of the parties involved. (D.I. 497 at 42).

Dr. Wicker opined, "N2P was contractually bound to provide PSTN interconnectivity on behalf of ABB" (D.I. 471, Exh. 19 at 158 of 742), and "N2P chose the equipment necessary to provide the contractually bound obligation of PSTN interconnection." (*Id.* at 160 of 742). Dr. Wicker also stated, "The contract explicitly directed N2P to provide ABB's VoIP subscribers connectivity to the PSTN for both inbound and outbound calls, and maintain all facets of ABB's PSTN connectivity, including certain enhanced services, under the binding contract." (*Id.* at 159 of 742). In support of these statements, Dr. Wicker cited provisions of the contract, as well as deposition testimony of ABB and N2P employees. (*Id.* at 158-62 of 472).

Experts are prohibited from testifying “as to the legal duties, standards or ramifications arising from a contract.” *Dow Chem. Canada, Inc. v. HRD Corp.*, 656 F. Supp. 2d 427, 435 (D. Del. 2009) (quoting *North Am. Philips Corp. v. Aetna Casualty & Sur.*, 1995 WL 628447, at *3 (Del. Super. Ct. Apr. 22, 1995)). This Court has admitted expert testimony on an agreement where “it did not constitute a legal opinion” and the expert “did not offer opinions as to the scope and meaning of the Agreement and its terms.” *Roche Diagnostics Ops., Inc. v. Abbott Diabetes Care*, 756 F. Supp. 2d 598, 606 (D. Del. 2010). Here, Dr. Wicker opined as to the parties being “contractually bound” and how the “contract explicitly directed” the parties to take an action. (See D.I. 471, Exh. 19 at 158-59 of 742). Dr. Wicker improperly opined on the “legal duties” arising from the contract between ABB and N2P. He offered “opinions as to the scope and meaning of the [contract] and its terms,” which are impermissible opinions from an expert witness. *See Roche Diagnostics Ops., Inc.*, 756 F. Supp. 2d at 606. In addition, to the extent the contract is not self-explanatory, Dr. Wicker is a technical expert. He is not a contract expert. Therefore, Dr. Wicker’s “direction and control” opinions are excluded.

iii. Economic Feasibility Opinion

Lastly, Defendants move for exclusion of Dr. Wicker’s economic feasibility opinions as the opinions are outside his expertise and they are inadmissible *ipse dixit*. (D.I. 468 at 44-45). Plaintiff argues that Dr. Wicker’s economic feasibility opinions are admissible as the opinions were based on Dr. Wicker’s expertise working with cellular networks and did not require any specialized economic knowledge. (D.I. 497 at 43).

Dr. Wicker discussed the economic feasibility of deploying certain cellular networks. (*See, e.g.*, D.I. 471, Exh. 14 at 71, 74-75 of 742). He stated that “the use of a non-descript ‘cellular network’ does not provide a technically or economically feasible alternative to Sprint’s

patented inventions that is non-infringing or acceptable.” (*Id.* at 71 of 742). He further opined that “deploying and operating a circuit-switched telephone network at the time of first infringement would be unacceptable and not viable given the prohibitive costs associated with such a network.” (*Id.* at 75 of 742).

Dr. Wicker’s opinion on economic feasibility were based on his technical knowledge and expertise, as well as documents in the record. Dr. Wicker has extensive experience working and consulting in the telecommunication industry. (D.I. 471, Exh. 20 at 167-69 of 742; D.I. 500-1, Exh. 1 at 9-10 of 1423). In addition, his research currently focuses on wireless and wired information networks. (D.I. 500-1, Exh. 1 at 10 of 1423). Such experience can properly serve as a foundation for his opinions on telecommunication network options and their relative costs. Dr. Wicker does not use exact numbers in his statements on relative cost, instead comparing the networks’ costs relative to other network options. (*See* D.I. 471, Exh. 14 at 71, 75 of 742). Dr. Wicker’s technical knowledge and expertise regarding telecommunication networks extends to his opinions on the economic feasibility of different network options. The motion to exclude Dr. Wicker’s economic feasibility opinions is denied without prejudice. At trial Defendants may object to questions that seek answers outside Dr. Wicker’s expertise.

V. CONCLUSION

Defendants’ motion for summary judgment (D.I. 466; No. 17-1736, D.I. 323; No. 18-361, D.I. 271; No. 18-362; D.I. 293; No. 18-363, D.I. 269) is denied on all grounds. Defendants’ motion to exclude (D.I. 467; No. 17-1736, D.I. 320; No. 18-361, D.I. 268; No. 18-362, D.I. 292; No. 18-363, D.I. 268) Dr. Mangum’s report is granted to the extent that his hypothetical negotiation royalty analysis relies on prior settlement agreements and jury verdicts. Defendants’

motion to exclude Dr. Wicker's "direction and control" opinions is granted. All Defendants' other grounds to exclude Plaintiff's expert opinions are denied.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

CHARTER COMMUNICATIONS, INC., et al.,
Defendants.

C.A. No. 17-1734-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

MEDIACOM COMMUNICATIONS CORP.,
Defendant.

C.A. No. 17-1736-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

WIDEOPENWEST, INC., et al.,
Defendants.

C.A. No. 18-361-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

ATLANTIC BROADBAND FINANCE, LLC, et al.,
Defendants.

C.A. No. 18-362-RGA

SPRINT COMMUNICATIONS COMPANY LP,
Plaintiff,

v.

GRANDE COMMUNICATIONS NETWORKS, LLC,
et al.,
Defendants.

C.A. No. 18-363-RGA

ORDER

For the reasons stated in the accompanying memorandum opinion, Defendants' motion for summary judgment (D.I. 466; No. 17-1736, D.I. 323; No. 18-361, D.I. 271; No. 18-362; D.I. 293; No. 18-363, D.I. 269) is **DENIED**.

Defendants' motion to exclude under *Daubert* (D.I. 467; No. 17-1736, D.I. 320; No. 18-361, D.I. 268; No. 18-362, D.I. 292; No. 18-363, D.I. 268) is **GRANTED in-part** and **DENIED in-part**. Defendants' motion to exclude Dr. Mangum's report is **GRANTED** to the extent that his hypothetical negotiation royalty analysis relies on prior settlement agreements and jury verdicts. Defendants' motion to exclude Dr. Wicker's "direction and control" opinions is **GRANTED**. All of Defendants' other grounds to exclude Plaintiff's expert opinions are **DENIED**.

IT IS SO ORDERED this 16th day of March 2021.

/s/ Richard G. Andrews
United States District Judge