IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

NEC CORPORATION,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No. 22-987-CJB
	)	
PELOTON INTERACTIVE, INC.,	)	Redacted Version
	)	
Defendant.	)	

MEMORANDUM ORDER

In this patent infringement action filed by Plaintiff NEC Corporation ("Plaintiff" or "NEC"), NEC currently asserts that Defendant Peloton Interactive, Inc.'s ("Defendant" or "Peloton") content streaming services (the "accused products") infringe United States Patent No. 8,752,101 (the "'101 patent").[1] (D.I. 372, ex. J at ¶¶ 5-6, 29; *see also* D.I. 387 at 4-5) Presently pending before the Court is Peloton's motion for summary judgment of no pre-suit damages pursuant to 35 U.S.C. § 287(a) ("Section 287(a)" or "the marking statute") and Federal Rule of Civil Procedure 56 ("Motion"). (D.I. 385) NEC opposes the Motion. After briefing was completed, (D.I. 387 at 37-40; D.I. 434 at 27-35; D.I. 498 at 18-21), the Court informed the parties of its inclinations regarding the Motion, (*see* D.I. 567). The Court also sought (and later received) supplemental briefing relating in significant part to one particular issue implicated by

[1] Throughout most of the case, NEC had also asserted United States Patent No. 8,909,809 (the "'809 patent") against Peloton. (D.I. 387 at 1-2; D.I. 16 at ¶ 2) But the Court recently granted summary judgment to Peloton as to all asserted claims of that patent. (D.I. 562; D.I. 627) And so the Court's focus herein will be primarily on the '101 patent. The '101 patent relates to implementing adaptive bit rate ("ABR") streaming of multimedia content over computer networks. (D.I. 372, ex. J at ¶¶ 6, 29, 85; *see also* D.I. 387 at 4-5)

the parties' arguments. (D.I. 595; D.I. 597)[2] Thereafter, the Court heard argument on the Motion during the Pre-trial Conference. (D.I. 616 ('Tr.") at 84-135) For the reasons set forth below, the Motion is GRANTED.[3]

1. Via the Motion, Peloton argues that even if NEC could prove infringement of the '101 patent, NEC "cannot obtain pre-suit damages because it failed to meet its marking obligations for certain licensed products" at issue. (D.I. 387 at 37)

2. The Court has considered the familiar standard of review for summary judgment motions like this one, as set out in *FinancialApps, LLC v. Envestnet, Inc.*, Civil Action No. 19-1337-GBW-CJB, 2023 WL 4744255, at *1-2 (D. Del. July 25, 2023), *report and recommendation adopted*, 2024 WL 4306177 (D. Del. Sept. 26, 2024). To the extent that additional legal standards relating to Peloton's marking arguments are relevant, the Court will identify them below.

3. The marking statute requires that if a patentee makes or sells "any patented article[,]" then in order for the patentee to recover damages for patent infringement in the absence of actual notice, it must provide the alleged infringer with constructive notice by marking the patented articles. *See Arctic Cat Inc. v. Bombardier Recreational Prods. Inc.*, 950 F.3d 860, 864 (Fed. Cir. 2020) ("*Arctic Cat II*"); 35 U.S.C. § 287(a). The patentee bears the

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[2] The Court incorporates by reference the Background section of its June 17, 2026 Memorandum Order resolving Peloton's *Daubert* motion to exclude the testimony of NEC's damages expert, Dr. Christopher A. Vellturo, regarding reasonable royalty damages. (D.I. 551 at 1-3) The Court also assumes familiarity with and incorporates by reference the content of its Oral Order setting out its initial inclinations on the Motion. (D.I. 567)

[3] The parties have jointly consented to the Court's jurisdiction to conduct all proceedings in this case, including trial, the entry of final judgment and all post-trial proceedings. (D.I. 25)

[redacted]

ultimate burden of proving compliance with the marking statute, but the "alleged infringer who challenges the patentee's compliance with [Section] 287 bears an initial burden of production to articulate the products it believes are unmarked 'patented articles' subject to [Section] 287." *Arctic Cat Inc. v. Bombardier Recreational Prods. Inc.*, 876 F.3d 1350, 1368 (Fed. Cir. 2017) ("*Arctic Cat I*"); *see id.* (noting that the reason why this initial burden exists is because "[p]ermitting infringers to allege failure to mark without identifying *any* products could lead to a large scale finishing expedition and gamesmanship") (emphasis added). Once the alleged infringer has met this burden, the patentee must "prov[e] compliance, either by showing that the relevant products were marked or by showing that [the identified products] did not practice the patent." *Innovative Memory Sys., Inc. v. Micron Tech., Inc.*, C.A. No. 14-1480-RGA, 2022 WL 4548644, at *14 (D. Del. Sept. 29, 2022). The obligation to comply with the marking statute also extends to licensees (i.e., persons making or selling any "patented article for or under" the patentee); where third-party licensees are involved, courts consider "whether the patentee made *reasonable efforts* to ensure compliance with the marking requirements." *Arctic Cat I*, 876 F.3d at 1366 (emphasis added, internal quotation marks and citations omitted); 35 U.S.C. § 287(a). Compliance with Section 287 is a question of fact. *Arctic Cat I*, 876 F.3d at 1366.

4. The Court first addresses whether Peloton has met its initial burden here. There can be no reasonable dispute that it did so. The United States Court of Appeals for the Federal Circuit has characterized this burden as a "low bar" to meet, noting that to eclipse it, the "alleged infringer need only put the patentee on notice that he or his authorized licensees sold specific unmarked products which the alleged infringer believes practice the patent." *Lubby Holdings LLC v. Chung*, 11 F.4th 1355, 1359 (Fed. Cir. 2021) (internal quotation marks and citations omitted); *see also* (D.I. 387 at 38; D.I. 434 at 28). In this case, Peloton met this low bar by

providing NEC with an initial marking-related disclosure on January 31, 2024, and (independently) by also serving NEC with a supplemental marking-related disclosure on October 3, 2025. (D.I. 396 at ¶ 12 (citing D.I. 392, exs. Y-Z); Tr. at 85-87) These disclosures specifically identified, by model name, certain smartphone, tablet, and laptop products of two particular licensees of NEC—products that Peloton believed practice the asserted patents (hereafter, the "Licensed Products"). The two licensees at issue are [redacted], a party to a 2015 license agreement with NEC that included, *inter alia*, the '101 patent, and [redacted] and collectively with [redacted], "the two licensees" or "the licensees"), a party to a 2019 license agreement with NEC that also included, *inter alia*, the '101 patent. (D.I. 392, exs. Y-Z) The two disclosures each stated Peloton's belief that the Licensed Products were not marked during the relevant time period; relatedly, the disclosures also noted that the relevant license agreements did not require [redacted] to mark the Licensed Products. (*Id.*) Moreover, both of the disclosures provided further detail as to why or how the Licensed Products were said to read on the asserted patents' claims. To that end: (a) the January 31, 2024 disclosure stated that the products' operating systems supported a "MPEG-DASH adaptive bit rate streaming technique . . . through the ExoPlayer media platform ['ExoPlayer']"—i.e., the same feature of the accused products that NEC has identified as infringing in this litigation; and (b) the October 3, 2025 supplemental disclosure stated that the products "included the YouTube Android application, which in turn used ExoPlayer for video playback." (*Id.*, ex. Y at 1-4; *id.*, ex. Z at 2-7; D.I. 387 at 38)

5. NEC has a two-fold response as to why these disclosures were insufficient. First, it argues that the January 31, 2024 disclosure was wanting because: (a) Peloton's current marking argument rests on its position that the pre-installed YouTube Android Application

[redacted]

(hereafter, the "YouTube application") is what was used by these Licensed Products to practice the asserted patents (in that this application in turn utilizes ExoPlayer, which amounts to infringing functionality); but (b) in the January 31, 2024 disclosure, Defendant didn't specifically mention the YouTube application at all, nor did it there suggest that it was only through the YouTube application that the Licensed Products utilized ExoPlayer; and so (c) the January 31, 2024 disclosure wasn't specific enough to provide NEC with the requisite notice of how or why the Licensed Products amount to "patented article[s.]" (D.I. 434 at 28; D.I. 595 at 1) Second, NEC argues that the October 3, 2025 supplemental disclosure, which was served on the last day of fact discovery, was also not sufficient notice. NEC says this is so because the disclosure was untimely—in that it didn't provide NEC with enough time to seek discovery from the appropriate parties (i.e., from the two licensees, or from Google, the provider of the YouTube application) regarding how an allegedly patent practicing component (ExoPlayer) was configured via the YouTube application. (D.I. 434 at 28-29; D.I. 595 at 1)

6. The Court does not find these arguments to be availing. With regard to the January 31, 2024 disclosure, as was noted above, the law only required Peloton to identify "the *products it believes* are unmarked 'patented articles' subject to [Section] 287." *Arctic Cat I*, 876 F.3d at 1368-69 (emphasis added); (Tr. at 87). And in the January 31, 2024 disclosure, Peloton did just that. Therein, it listed by model name various products made and sold by the licensees, and it explained that those are the "products" *that it believes* should have been marked. *See also Contour IP Holding, LLC v. GoPro, Inc.*, Case No. 3:17-cv-04738-WHO, 2020 WL 5106845, at *6 (N.D. Cal. Aug. 31, 2020) ("As long as *possibly practicing* products have been identified, Contour bears the burden of proving compliance with Section 287(a) or, alternatively, of proving that the marking requirements do not apply to the products in question (for example, because

[redacted]

they do not practice the patented invention") (emphasis added). Peloton also explained *why* it thought this was so—i.e., that those products included ExoPlayer, which was an alleged patent-practicing component. NEC cites no authority for the proposition that under such circumstances, the failure to further identify an application located on the asserted patented article (i.e., an application that in turn utilized a patent practicing component) means that Peloton didn't meet the requisite "low bar" for notice here. Indeed, during oral argument on the Motion, NEC's counsel essentially seemed to concede that the January 31, 2024 disclosure *had been* sufficient to satisfy Peloton's burden. (Tr. at 104 (when asked about the sufficiency of Peloton's January 31, 2024 disclosure, and why it could not amount to what is required by *Arctic Cat I*, NEC's counsel acknowledging that the disclosure "would have been enough at the outset at that time"); *id.* at 105)[4]

7. Moreover, even if the January 31, 2024 disclosure somehow was not sufficient to shift the burden, then the October 3, 2025 supplemental disclosure surely accomplished this (since it *did* identify the YouTube application). (D.I. 441 at ¶ 3; D.I. 392, ex. Z) NEC argues to the contrary, suggesting that the supplemental disclosure should be disregarded because it was untimely. But this type of argument has already been rejected by the Court. In denying NEC's previously-filed motion to strike the October 3, 2025 supplemental disclosure, the Court explained that even if Peloton had filed the disclosure in an untimely fashion, any late filing was substantially justified or harmless, pursuant to Federal Rule of Civil Procedure 37(c). (D.I. 353)

[4] *Arctic Cat I* explains that, in contrast, a scenario where an accused infringer like Peloton would not have satisfied its burden would be if it failed to identify "*any* products" at all. *Arctic Cat I*, 876 F.3d at 1368. But again, here, Peloton *did* identify products that *it thought* were the patented articles at issue: it identified lots of [redacted] products, by model name, that it believed fit that bill.

[redacted]

The Court came to this conclusion in part because NEC had failed to sufficiently address or establish what specific discovery it would have needed to take in light of the disclosure's late filing—or why such discovery would have been significant. (*Id.*) In light of the Court's ruling on the motion to strike, then, the supplemental disclosure remained in the case and has effect. (*Id*; Tr. at 109-11) The Court has no basis to revisit this prior decision here. And its prior decision contravenes NEC's current argument that somehow the supplemental disclosure shouldn't have any effect, or that it shouldn't count for burden-shifting purposes.

8. As a result, the burden shifts to NEC. From there, it is undisputed that the Licensed Products were never marked with reference to the '101 patent. (Tr. at 92 ("[W]e have no marking prior to the lawsuit being filed against Peloton.")) So NEC won't be arguing here that the Licensed Products were actually marked (or that substantial amounts of them were). Instead, NEC first asserts that there is a material dispute of fact about whether the Licensed Products' use of the ExoPlayer feature actually reads on aspects of the '101 patent's asserted claims. (D.I. 434 at 29) In that regard—and even though NEC is alleging that the version of ExoPlayer found on certain of *Peloton's accused products* reads on these asserted claims—NEC's expert, Dr. Aviel Rubin, posits that perhaps the configurations of ExoPlayer that were *actually employed in the Licensed Products* might have been *different* versions (i.e., versions that didn't match the claimed requirements). (*Id.*; *see also* D.I. 446, ex. 2 at ¶¶ 120-22; D.I. 447, ex. 3 at ¶ 295) But as the Court explained in its previous Oral Order, Dr. Rubin's testimony in this regard is entirely conclusory. (D.I. 567) This is so in part because Dr. Rubin never analyzed the specific versions of ExoPlayer that were *actually implemented* in any of the Licensed Products at issue. (*Id.*; *see also* D.I. 498 at 20) Indeed, by the time of argument on the Motion, NEC had essentially conceded this point too. (D.I. 595 at 1 (NEC's supplemental brief, making alternative

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arguments "to the extent the Court finds Dr. Rubin's analysis insufficient[,]" and acknowledging that there might be "perceived gaps in Dr. Rubin's analysis"); Tr. at 111 (NEC's counsel stating, "Your Honor made a valid point in your oral order mentioning that the Dr. Rubin did not seem to develop a sufficient analysis about the You[T]ube app. We take that criticism[.]"))

9. NEC's next argument in defense against the Motion—as was better and more clearly elucidated in its supplemental brief—is that the Licensed Products simply do not count as "patented article[s]" under the meaning of Section 287(a), and so any failure of [redacted] to mark those products (or NEC's lack of effort to try to get them to do so) is of no moment. (D.I. 595 at 2) NEC's argument here focuses on the YouTube application. It asserts, *inter alia*, that "a genuine dispute of material fact exists as to whether YouTube, a software product provided and licensed by a non-licensee[i.e., Google LLC, or "Google"], [is] a distinct product," and as to whether the [redacted] licenses granted "a license to the inclusion of YouTube." (D.I. 434 at 30) In other words, since it is the YouTube application that utilizes the ExoPlayer functionality, NEC's position is that *the YouTube application itself* is the "patented article"—and so, pursuant to Section 287(a), that article cannot be one made or sold "for or under" NEC by [redacted] (such that it required marking). (D.I. 595 at 2 ("Because [redacted] did not make or sell *the YouTube application*, they did not make or sell the 'patented article' that should have been marked, while the party that did make and sell the YouTube application, Google, was not a licensee." (emphasis added)) For its part, Peloton's view is that the Licensed Products *are* rightly considered "patented article[s]" under the meaning of the marking statute. (D.I. 597 at 1) As the Court will explain, it agrees with Peloton.

10. As to this issue, NEC argues that there is at least some authority to suggest that: (a) if a hardware product includes within it a software component; and (b) if the functionality of

[redacted]

the software component *alone* is what reads on the asserted patent claim; then (c) it may be correct to say that only that software component need be marked (i.e., to treat only the software component as the "patented article"). (D.I. 595 at 2 ("Case[law] indicates that the [YouTube] software, not the [redacted] phone, is the patented article that should be marked here, because the software—not the phone hardware—is what practices the patent.") (citing cases); *see also Lichtenstein v. Phipps*, 168 F. 61, 61-62 (2d Cir. 1909) (addressing the predecessor statute to the marking statute, and noting that affixing a mark to the inside of a hat but not to its hatband amounted to insufficient compliance, where the "patented article" was the hatband, not the rest of the hat) (*cited in* D.I. 595 at 2); *but see ContentGuard Holdings, Inc. v. Amazon.com, Inc.*, Case Nos. 2:13-CV-1112-JRG, 2:14-CV-61-JRG, 2015 WL 11089750, at *5 (E.D. Tex. Aug. 10, 2015) (finding a failure to mark in compliance with the marking statute, where the licensees produced unmarked devices that contained "the accused Amazon and Google applications installed") (*cited in* 597 at 1-2). But the Court need not focus on such a scenario here. That's because when it comes to the asserted claims of the '101 patent, there can be no dispute that certain claim limitations would have to be satisfied not solely by functionality utilized by the YouTube application, but also by hardware aspects of the [redacted] Licensed Products (i.e., smartphones, tablets, or laptops) at issue. (Tr. at 99-100) For example—and as exemplified by NEC's own infringement positions in this case—were the Licensed Products to be compared against asserted claim 1 of the '101 patent—those physical hardware devices would be said to amount to the "reception device" that is a part of the claimed distribution system. ('101 patent, col. 24:38-63; Tr. at 96-97; *id.* at 126-27; D.I. 597 at 1; D.I. 389, ex. C at ¶¶ 117, 123 (NEC's expert opining, in this case, that the "reception device" limitation is met by Peloton hardware client devices)) Therefore, the [redacted] Licensed Products at issue have to be properly

[redacted]

considered to be "patented article[s]"—since those hardware devices would literally read on at least a portion of the asserted patent's claim limitations at issue (while other claim limitations would be said to be met by functionality utilized by the embedded YouTube application, which in turn was located on the Licensed Products). *See Egenera, Inc. v. Cisco Sys., Inc.*, 547 F. Supp. 3d 112, 126-27 (D. Mass. 2021) (concluding that the absence of marking precluded the patentee's pre-suit recovery, where it was the combination of third-party hardware and the patentee's software that was asserted to embody the patent-in-suit, and no marking was accomplished on the hardware by the patentee's licensee), *aff'd*, 141 F.4th 1350 (Fed. Cir. 2025); *Eagle Harbor Holdings, LLC v. Ford Motor Co.*, No. C11-5503 BHS, 2015 WL 575002, at *1, *4 (W.D. Wash. Feb. 11, 2015) (finding that where a hardware product and software found thereon were said to together embody the patent-in-suit, and where there was insufficient evidence that the hardware products were marked when produced by the licensee, the patentee's motion for summary judgment regarding a marking defense must be denied). At oral argument, NEC did not sufficiently respond to this point. (Tr. at 126-28) Therefore, because it is undisputed that neither the Licensed Products themselves nor the YouTube application was properly marked, NEC's argument here cannot defeat the Motion.

11. Finally, NEC argues that even if the Licensed Products are deemed to be "patented article[s]" under the marking statute, there is at least a factual dispute as to whether it took "reasonable efforts" to ensure compliance with the statute. (D.I. 434 at 31-33; D.I. 595 at 1-2) Here again, however, the Court cannot agree. One challenge here for NEC is that it is undisputed that—as to NEC's licensing relationship with [redacted]—NEC took *absolutely no efforts* to ensure that either third party marked the Licensed Products with reference to any NEC patent (including the '101 patent). (D.I. 498 at 20-21; Tr. at 115) Said

another way, there is no dispute that the [redacted] licenses do not contain any marking requirements, and there is no other evidence that NEC took any other action to encourage [redacted] to mark the Licensed Products. (Tr. at 115) As the Court has previously noted, it simply "does not see how no efforts could ever equal 'reasonable' efforts." (D.I. 567); *see also U.S. Ethernet Innovations, LLC v. Acer, Inc.*, No. C 10–3724 CW, 2013 WL 4456161, at *7 (N.D. Cal. Aug. 16, 2013) (concluding that the evidence did not support the conclusion that the patentee ("3Com") made reasonable efforts to ensure that its licensee ("IBM") marked any licensed products with the patents-in-suit, where the evidence offered "shows that 3Com took no steps whatsoever to do so"). NEC argues for a contrary conclusion by asserting that it would have been logistically *very difficult* or *impractical* for it to have successfully policed [redacted] marking of the relevant Licensed Products—since the licenses at issue were "portfolio cross-licenses covering all patents of the parties within a certain period of time (subject to certain exclusions)" and implicating large numbers of licensed products. (D.I. 434 at 32) But the law on marking does not appear to contain an exemption for broad portfolio licenses, nor for licenses that implicate quite a lot of possible patented articles. *See U.S. Ethernet Innovations, LLC*, 2013 WL 4456161, at *7 ("USEI provides no authority that supports its contention that the sale of products under a broad portfolio license cannot be imputed to the patent holder.[] The terms of [Section] 287(a) do not contain any such express exemption and instead apply to any 'persons making, offering for sale or selling within the United States any patented article' under a patentee.") (internal quotation marks and citations omitted); *cf. Lambeth Magnetic Structures, LLC v. Seagate Tech. (US) Holdings, Inc*., Civil Action No. 16-538, Civil Action No. 16-541, 2019 WL 2579968, at *17 n.25 (W.D. Pa. June 24, 2019) (rejecting the patentee's argument that there is "no requirement to mark when the patented invention is merely a minor component of a

[redacted]

larger device, particularly when the seller has myriad products, each of which may be covered by many licensed patents, such that determining which products need marking for which patents is impractical[,]" and noting that "[n]o impracticality exception exists in the text of [Section] 287[,]" and that "an exception of that nature would provide carte blanche to sellers wishing to evade marking requirements, defeating the public notice functions of marking"). "[R]easonable efforts" of some type must still be made in those circumstances. *Arctic Cat I*, 876 F.3d at 1366. And yet absolutely zero such efforts were made as to the Licensed Products.

12. NEC additionally pushes back by arguing that: (a) compliance with the marking statute is not assessed on a licensee-by-licensee basis, but instead by looking at the patentee's "overall" efforts towards marking compliance—i.e., taking into account NEC's *collective* efforts as to all of its licensees; (b) the record shows that NEC required its eight other licensees of the patented technology to mark their relevant products (via the provisions of the eight license agreements it entered into with those eight other third parties); so (c) NEC has demonstrated a material dispute of fact as to whether it made reasonable efforts "overall" to get its licensees to mark (even if it didn't do anything specific in that regard with [redacted]). (D.I. 595 at 1-2; Tr. at 113, 120-22; *id.* at 130 (NEC's counsel describing the relevant standard as a "holistic evaluation of overall compliance"))

13. This argument too cannot save NEC. A jury should not be permitted to consider NEC's marking efforts with regard to the other eight of its 10 relevant licensees here (i.e., every licensee other than [redacted]). That's because each of those eight other license agreements were entered into *after* the filing of this lawsuit. (*See, e.g.*, D.I. 372, ex. B at 1, 14) As a result, they could have no bearing on whether NEC had made reasonable efforts to provide Peloton with sufficient constructive notice of the '101 patent's existence *prior to suit being*

filed—i.e., during the contested damages period at issue here. (D.I. 597 at 2; Tr. at 90-91); *see Catilina Nominees Proprietary Ltd. v. Stericycle, Inc.,* No. 15-cv-10734, 2025 WL 2755068, at *15 (N.D. Ill. Sept. 28, 2025) ("For the first document with the labels and notation 'current labels as of April 2022,' Stericycle contends that this document is immaterial because the relevant issue before the Court is marking before November 2015 [when suit was filed against the accused infringer]. The Court concurs, so it will not consider this document as evidence of Plaintiffs' compliance with the marking statute prior to suit."); *Milwaukee Elec. Tool Corp. v. Snap-On Inc.*, 271 F. Supp. 3d 990, 1020 (E.D. Wis. 2017) ("Any post-filing licenses would, of course, have no bearing on constructive notice, since at that time actual notice would have been achieved.").

14. For all of these reasons, the Court GRANTS the Motion.

15. Because this Memorandum Order may contain confidential information, it has been released under seal, pending review by the parties to allow them to submit a single, jointly proposed, redacted version (if necessary) of the Memorandum Order. Any such redacted version shall be submitted no later than **August 4, 2026** for review by the Court. It should be accompanied by a motion for redaction that shows that the presumption of public access to judicial records has been rebutted with respect to the proposed redacted material, by including a factually-detailed explanation as to how that material is the "kind of information that courts will protect and that disclosure will work a clearly defined and serious injury to the party seeking closure." *In re Avandia Mktg., Sales Pracs. & Prods. Liab. Litig.*, 924 F.3d 662, 672 (3d Cir. 2019) (internal quotation marks and citation omitted). The Court will subsequently issue a publicly-available version of its Memorandum Order.

Dated: July 23, 2026

Christopher J. Burke
UNITED STATES MAGISTRATE JUDGE