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23 UNITED STATES DISTRICT COURT
24 DISTRICT OF ARIZONA

25 Champion Power Equipment, Inc.,
26 Plaintiff,
27 v.
28 Firman Power Equipment Inc.,
Defendant.

No. CV-23-02371-PHX-DWL

**DEFENDANT’S MOTION TO
AMEND INVALIDITY
CONTENTIONS**

Pursuant to the Court’s Order dated January 28, 2025 (Doc. 114), instructing Defendant Firman Power Equipment Inc. (“Firman”) to initiate formal motion practice for the relief sought in the parties’ joint filing (Doc. 113), Firman submits this Motion requesting leave to amend its invalidity contentions to include four new prior art references.

I. INTRODUCTION

1
2 Leave to amend should be granted because this motion presents the textbook
3 example of good cause to amend that the Case Management Order allows for: a party
4 recently locating material prior art, despite having conducted a prior diligent search.
5 Firman has narrowly tailored its proposed amendment to address four newly discovered
6 prior art references produced by a nonparty after Firman served its preliminary invalidity
7 contentions. Firman's discovery of those references came after having conducted nine
8 months of prior art searching that leveraged internal resources, expert witnesses, outside
9 counsel, and one of the nation's leading prior art search firms. Firman provided Champion
10 notice of this proposed amendment before any deadline following service of its original
11 invalidity contentions, preventing any possibility of prejudice to Champion. Because
12 Champion will suffer no undue prejudice and Firman has made a timely showing of good
13 cause, this motion should be granted.

II. STATEMENT OF FACTS

14
15 On November 10, 2023, Champion Power Equipment, Inc. ("Champion") filed the
16 present suit against Firman, alleging infringement of nineteen claims across ten patents.
17 Doc. 1. Despite the complaint not containing any detail as to Champion's infringement
18 allegations, Firman immediately began searching for invalidating prior art. Byer Decl. ¶ 3.
19 More than four months later, on March 29, 2024, Champion amended its complaint—this
20 time asserting 106 claims across thirteen patents—again, not providing any details as to
21 how Champion alleged Firman's products infringed any of its patents. Doc. 24. In fact,
22 Champion did not provide any details of its infringement allegations until June 21, 2024,
23 when it served its infringement contentions—which added another 25 claims, for a total of
24 131 asserted claims. Firman served its invalidity contentions two months later.

25 Over the nine months Firman searched for prior art, Firman engaged its internal
26 personnel, an industry expert, outside counsel, and a professional prior art search firm to
27 scour numerous sources for prior art that would invalidate any or all of Champion's 130
28 asserted claims. Byer Decl. ¶¶ 3-4(f). These efforts identified more than 100 prior art

1 references, including printed publications, patents, and products. *Id.* ¶ 5. Firman’s
2 invalidity contentions included over 5,000 pages of detailed claim charts showing how
3 thirty-nine of the prior art references it located invalidated Champion’s 131 asserted claims.

4 Before serving its invalidity contentions, Firman also subpoenaed five nonparties,
5 including Generac Power Systems, Inc. (“Generac”), that it believed manufactured and/or
6 sold invalidating products before the asserted patents’ priority dates. Doc. 72. Although
7 Generac agreed to conduct a reasonable search for responsive documents, given that
8 Champion is one of its direct competitors, Generac objected to producing any documents
9 before the Court entered a confidentiality protective order. Byer Decl. ¶ 6. Then, in early
10 October, more than a month after Firman had served its invalidity contentions, Champion
11 sued Generac and Harbor Freight Tools USA Inc. (“HFT”), alleging infringement of the
12 same patents asserted against Firman. Complaint, *Champion Power Equip. Inc. v. Generac*
13 *Power Sys. Inc.*, No. 2:24-cv-01281-LA (E.D. Wis. Oct. 9, 2024); Complaint, *Champion*
14 *Power Equip. Inc. v. Harbor Freight Tools USA Inc.*, No. 2:24-cv-01302-PP (E.D. Wis.
15 Oct. 14, 2024).

16 The week after the Court entered the protective order in the present matter, Firman
17 issued another subpoena to Generac and a first subpoena to HFT requesting any prior art
18 those parties had found against the patents recently asserted against them. *Compare* Doc.
19 95 (Protective Order issued Nov. 4, 2024) *with* Doc. 97 (Firman’s Notice of Service on
20 Generac and HFT on Nov. 12, 2024); *see also* Byer Decl. ¶ 8. Between November 19,
21 2024, and November 22, 2024, Generac produced 521 documents, spanning over 2,525
22 pages, and including over fifty prior art references ranging from foreign language patent
23 publications to U.S. patents and publications to purchases of dual fuel generators Generac
24 made from two separate manufactures. Byer Decl. ¶ 9. Within days of these productions,
25 Firman notified Champion it intended to seek leave to amend its invalidity contention to
26 include prior art recently discovered within the documents Generac produced. *Id.* ¶ 10.
27 On December 6, 2024—within two weeks of Generac’s production—Firman provided the
28

1 complete proposed amended invalidity contentions it now seeks leave to add and asked
2 whether Champion would oppose those amendments. *Id.* ¶ 11 & Ex. 1.

3 During a meet and confer on December 12, 2024, Champion asked Firman to draft
4 an unopposed motion to amend its contention, which Firman provided within hours. *Id.*
5 ¶ 12. A week later, Champion stated that it would not agree to Firman’s proposed
6 amendments. *Id.* ¶ 13. The parties then exchanged numerous correspondences and
7 conducted another meet and confer before filing a joint discovery dispute statement on
8 January 17, 2025. *Id.* ¶¶ 14-15; *see also* Doc. 113. On January 28, 2025, the Court invited
9 Firman to file a motion for leave to amend its invalidity contentions. Doc. 114.

10 III. ARGUMENT

11 A. Firman Brings a Timely Request.

12 A party may amend its invalidity contentions upon a “timely” showing of good
13 cause. Doc. 33 ¶ 5(C). The timeliness standard looks for any undue delay “in seeking
14 amendment once the basis for [the] amendment has been discovered.” *Positive Techs., Inc.*
15 *v. Sony Elecs., Inc.*, No. C 11-2226 SI, 2013 WL 322556, at *2 (N.D. Cal. Jan. 28, 2013).
16 Courts therefore distinguish between “good faith effort[s] to meet and confer on the issue,”
17 and unexplained delay in filing a motion. *Illumina Inc. v. BGI Genomics Co.*, No. 20-CV-
18 01465-WHO, 2021 WL 1022865, at *4 (N.D. Cal. Mar. 17, 2021). “[S]everal courts ...
19 have found that time periods of three months and longer can be reasonable for seeking to
20 amend contentions.” *Karl Storz Endoscopy-Am., Inc. v. Stryker Corp.*, No. 14-CV-00876-
21 RS (JSC), 2016 WL 2855260, at *6 (N.D. Cal. May 13, 2016) (collecting cases).

22 Firman brought this motion in a timely manner. Firman notified Champion of its
23 intent to amend within days of receiving Generac’s production—containing hundreds of
24 documents and dozens of prior art references. Byer Decl. ¶¶ 9-10. Firman presented
25 Champion with its complete proposed amendments the following week. *Id.* ¶ 11. Within
26 two business days of Champion confirming it would oppose this motion, Firman provided
27 Champion its portion of a discovery statement. *Id.* ¶¶ 13-14. The parties then exchanged
28 drafts, conferred a second time, and filed that statement on January 17, 2024. *Id.* ¶ 15.

1 Within a week of the Court inviting it to file a full motion on the issue, Firman has done
2 so. Firman’s immediate action each step of the way demonstrates its timeliness. *See*
3 *Illumina*, 2021 WL 1022865, at *4 (holding two-month delay in filing motion was timely
4 when the defendant notified plaintiff of its intent to amend its invalidity contentions “a few
5 weeks after discovering the reference [and] much of the delay in moving for leave was
6 due to the parties’ good faith effort to meet and confer on the issue”); *Stryker*, 2016 WL
7 2855260, at *6-7 (holding two-month delay in notifying opposing counsel and “fourth-plus
8 months” delay in filing motion was timely); *Positive Techs.*, 2013 WL 322556, at *3
9 (holding two-month delay in notifying opposing counsel of intent to seek leave and four-
10 month delay in filing motion was timely).

11 **B. Firman’s Amendment Address Newly Discovery Material Prior Art.**

12 The Court’s Case Management Order states that “recent discovery of material, prior
13 art despite earlier diligent search” is one “example[] of [a] circumstance[] that may, absent
14 undue prejudice to the non-moving party, support a finding of good cause.” Doc. 33 ¶ 5(C).
15 Firman recently discovered four additional prior art references: U.S. Patent No. 1,931,698
16 (“Holzapfel”), Japanese Patent Publication No. H11-190220 (“Miyashita”), and dual fuel
17 generator sales by two manufacturers. Each of these references is material prior art for at
18 least two independently sufficient reasons. *First*, each prior art reference is material
19 because it concerns the same subject matter as the asserted patents: switching between
20 different fuel supplies for generators and engines. *Echologics, LLC v. Orbis Intelligent*
21 *Sys., Inc.*, No. 21-CV-01147-RBM-AHG, 2022 WL 17724142, at *9 n.6 (S.D. Cal. Dec.
22 15, 2022); *see also* Doc. 24 ¶¶ 16, 29, 43, 57, 71, 81, 95, 112(c), 122(a), 129, 139, 149, 159.

23 *Second*, each prior art reference is material because it renders the asserted claims
24 invalid alone or in combination. *Yodlee, Inc. v. CashEdge, Inc.*, No. C05-01550 SI, 2007
25 WL 1454259, at *2 (N.D. Cal. May 17, 2007). Firman’s proposed amendments support
26 this contention with 400 pages of claim charts, replete with citations to specific images and
27 documents, explaining on a claim-by-claim basis how each reference invalidates the
28 asserted claims and another twelve pages detailing the motivation to combine specific

1 references. Byer Decl. Ex. 1. And on their face, each of the four references provide the
2 basis for Firman’s contention that they qualify as prior art.¹

3 Champion opposes Firman’s request for leave to amend on the basis that it believes
4 Firman has not sufficiently evidenced that two of these references qualify as prior art. Doc.
5 113 at 6. But Champion confuses Firman’s burden for proving invalidity at trial, with its
6 contention that a proposed amendment is based on recent discovery of material prior art.
7 The good cause analysis does “not consider the sufficiency of the evidence supporting the
8 proposed new theories of invalidity.” *Echologics, LLC v. Orbis Intelligent Sys., Inc.*, No.
9 21-CV-01147-RBM-AHG, 2022 WL 17724142, at *9 & n.6 (S.D. Cal. Dec. 15, 2022). In
10 other words, even though a Plaintiff “might believe [the defendant] has no chance of
11 prevailing on its arguments, but that does not bar amendment.” *Stryker*, 2016 WL
12 2855260, at *9.

13 C. Firman Conducted a Prior Diligent Search.

14 Before Firman located the prior art at issue in this motion, it had conducted an
15 extensive search that far surpasses the requirement for a diligent search. Indeed, “[t]he
16 good cause requirement does not require perfect diligence.” *Fujifilm Corp. v. Motorola*
17 *Mobility LLC*, No. 12-CV-03587-WHO, 2014 WL 491745, at *4 (N.D. Cal. Feb. 5, 2014).
18 And “[u]nsuccessful prior art searches, standing alone, do not demonstrate an absence of
19 diligence.” *Network Prot. Scis., LLC v. Fortinet, Inc.*, No. C 12-01106 WHA, 2013 WL
20 1949051, at *2 (N.D. Cal. May 9, 2013). “Nor is it always necessary for a party to describe
21 their search process in detail to establish diligence.” *Illumina*, 2021 WL 1022865, at *3.
22 For example, “detailed initial invalidity contentions are evidence that [a Party] conducted
23 a reasonably diligent search for prior art.” *Id.* (citing *Stryker*, 2016 WL 2855260, at *4).

25 ¹ The patents and patent applications each identify their filing date, and the emails
26 Generac produced include the dates of the sales/offers for sale of the two prior art systems.
27 Byer Decl. Ex. 1 at 35 (identifying produced versions of Holzapfel and Miyashita), 48
28 (identifying alleged date of prior art product’s sale or offer for sale), 50 (identifying
documents evidencing the prior art product’s sale or offer for sale and functionality), 367
(same); *see also* Byer Decl. ¶ 9.

1 In other words, there is no litmus test for what constitutes a prior diligent search as
2 diligence will depend on the facts of the case.

3 Firman’s diligent prior art search is evidenced in three separate ways. **First**, the
4 volume and detail of Firman’s initial infringement contentions themselves—which
5 identified over 100 prior art references and included over 5,000 pages of detailed claim
6 charts covering thirty-nine of them—demonstrate diligence. *Illumina*, 2021 WL 1022865,
7 at *3 (“detailed initial invalidity contentions are evidence that [Defendant] conducted a
8 reasonably diligent search for prior art”). As one court explained, “[i]t strains credulity to
9 imagine that [defendant] was not diligent in uncovering and evaluating this many
10 references.” *Stryker*, 2016 WL 2855260, at *4-5 (finding prior diligent search where
11 defendant charted thirty-one references).

12 **Second**, Firman’s pre-contention search efforts also show Firman’s diligence
13 because they included: (1) retaining an industry expert, who conducted eight weeks of
14 independent searching; (2) hiring a mechanical engineering professor, who conducted an
15 additional four weeks of independent searching; (3) engaging a prior art search firm to
16 conduct two separate prior art searches; (4) tasking two patent attorneys with conducting
17 their own searches over several months; and (5) subpoenaing five nonparties seeking
18 documents and testimony related to prior art. Byer Decl. ¶¶ 4-4(f); *see also Fortinet*, 2013
19 WL 1949051, at *2 (finding diligence when defendant allegedly “scoured the earth for
20 prior art and when that failed, [it] began again”) (cleaned up).

21 **Third**, courts often find diligence when, as here, a plaintiff’s infringement
22 contentions create “a bone-crushing burden of conducting a prior art search for more than
23 fifty patent claims” from a single patent. *Fortinet, Inc.*, 2013 WL 1949051, at *2. But at
24 130 patent claims and thirteen patents, Firman’s prior art search burden was more than
25 double that found to be “bone-crushing.” *Id.* Additionally, in *Stryker*, the Court held the
26 defendant’s prior search was diligent—even though the new art was publicly available and
27 cited on the face of a reference previously charted by the defendant—because “given the
28 scope of the prior art search that [the plaintiff’s] infringement contentions required, [the

1 defendant] cannot reasonably have been expected to pick up every last crumb dropped by
2 the ... references it cited.” 2016 WL 2855260, at *4-5. The *Stryker* plaintiff was asserting
3 “93 claims over the five patents-in-suit,” which is still a fraction of the 130 claims and
4 thirteen patents Champion is asserting here. *Id.* at *1.

5 **D. Champion Will Not Suffer Any Undue Prejudice.**

6 Because Firman’s motion concerns an amendment necessitated solely due to the
7 “recent discovery of material, prior art despite earlier diligent search,” absent undue
8 prejudice to Champion, this motion presents the quintessential basis for amendment the
9 Case Management Order identifies. *See* Doc. 33 ¶ 5(C). The existence of undue prejudice
10 is determined in light of when a party was put on notice of the prior art references or new
11 invalidity theories. *Illumina*, 2021 WL 1022865, at *4-5 (holding no prejudice in
12 amendments posed after claim construction was complete because the party was on notice
13 of the reference at least three months earlier)²; *see also Stryker*, 2016 WL 2855260, at *8.
14 Undue prejudice is found where, considering when a party received notice of the art or
15 invalidity theories, “amending contentions [would] stand to disrupt the case schedule or
16 other court orders.” *Stryker*, 2016 WL 2855260, at *3. But the disruption must be real and
17 impactful to bar amendment. For example, even when amended contentions present a
18 concrete claim construction issue that comes after the parties have exchanged claim
19 construction briefs, that is “not ... prejudice worthy of barring the amendments.” *Id.* at *8.

20 Champion will not suffer any undue prejudice because Firman provided Champion
21 complete proposed amendments more than a week before any deadline following Firman’s
22 original invalidity contentions. *Compare* Doc. 80 (Notice of Service of Invalidity
23 Contentions on Aug. 30, 2024) and Doc. 105 (exchange of proposed terms for construction
24 due on Dec. 18, 2024), *with* Byer Decl. ¶ 11 (Amended invalidity contentions provided
25

26 ² Firman cites to the Northern District of California because the Court modeled the
27 docket management order in this case after the that district’s local patent rules. Doc. 47 at
28 10-11 (“So on the amendment issue, ... the approach that I’m proposing here, it seems to
me, is the same thing that the Northern District of California does.... I read their Local
Rule 3.6, as I’m proposing here[.]”); *see also* N.D. Cal. Patent L.R. 3-6; Doc. 33 ¶ 5(C).

1 Dec. 6, 2024). In other words, Champion had the complete proposed amendments before
2 *any* deadline, claim construction or otherwise. Champion will therefore not suffer any
3 undue prejudice, let alone undue prejudice sufficient to bar amendment.

4 **IV. CONCLUSION**

5 For the reasons stated above, Firman therefore respectfully requests the Court grant
6 it leave to amend its invalidity contentions.

7
8 DATED this 4th day of February, 2025.

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10
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