

---

## Continually Shifting Theories Costs Patentee Attorney's Fees

*Clinicomp Int'l, Inc. v. Cerner Corp., No. 17-cv-02479 (S.D. Cal. Feb. 3, 2023)*

By: Ifti Zaim & Ariel Katz | February 13, 2023

On February 3, 2023, the Southern District of California found a patent infringement case exceptional under 35 U.S.C. § 285 and awarded the defendant, Cerner Corporation (“Cerner”), its attorney’s fees after the plaintiff, CliniComp International, Inc. (“CliniComp”), pursued ever-shifting infringement theories even after Cerner served it with an *Octane Fitness* letter. As this case demonstrates, a patentee faces substantial risks in pressing a case with shaky infringement theories. The case also underscores the value of *Octane Fitness* letters in forcing patentee-plaintiffs to confront those risks.

In December 2017, CliniComp sued Cerner for infringing its healthcare system patent, which claimed a method for managing the electronic information of multiple hospitals via a partitioned database. The key limitation, “storing,” concerned how the data would be stored and structured in the database. In response to Cerner’s *inter partes* review (“IPR”) challenge, CliniComp distinguished the patent from the prior art based on a narrow construction of the “storing” limitation which required “a very specific type of partitioning.” After prevailing in the IPR, CliniComp argued to the Court that the “storing” term should simply be construed according to its plain and ordinary meaning. However, the Court incorporated numerous disclaimers from the IPR into the claim construction of the term.

This construction created problems for CliniComp’s infringement theory, and CliniComp served Amended Final Infringement Contentions. Cerner not only moved for summary judgment (“MSJ”) of non-infringement, but also sent CliniComp an *Octane Fitness* letter informing CliniComp that its claims were “objectively meritless and inconsistent with the Court’s claim construction rulings,” and that Cerner would seek fees if the lawsuit was not immediately dismissed. CliniComp did not dismiss, and instead responded to the MSJ with a second, different infringement theory unsupported by its contentions. Then, after requesting a sur-reply to the MSJ, CliniComp advanced a brand-new third infringement theory. Finally, in a hearing on the MSJ, it advanced a fourth theory. The Court found three of these theories were improperly advanced, that Cerner did not practice any of them, and thus granted Cerner’s MSJ.

The Court found the case exceptional based on the “objective unreasonableness and substantive weakness of CliniComp’s litigating position following the conclusion of the IPR proceedings and the Court’s claim construction order.” The Court emphasized that a finding of subjective bad faith is not necessary to find a case exceptional, as meritless or baseless claims “may sufficiently set itself apart from mine-run cases to warrant a fee award.”

Cerner originally sought \$925,000 (its fees incurred since the Court’s July 28, 2022, claim construction order) but the Court limited Cerner’s recovery to fees incurred after August 29, 2022, when CliniComp served its Amended Final Infringement Contentions. The Court noted: “By that point in time, CliniComp had ample time to assess the strength (or lack thereof) of its claim for patent infringement in light of the Court’s claim constructions and the relevant discovery. And at the point in time, CliniComp chose to continue with the litigation and assert what became a string of baseless and ever-changing theories of infringement.” The final amount of fees to be awarded has yet to be determined.