

Judge Albright Denies Motion for Leave to Amend Complaint to Add Willfulness Allegations in *Dali Wireless*

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On February 1, 2022, Judge Albright denied Dali Wireless's motion for leave to amend its Complaint to add a new willfulness claim against defendant Corning.

Where plaintiff does not plead sufficient facts to support an allegation of pre-suit knowledge necessary for indirect infringement or willful infringement claims, the Court has employed a "usual practice" of granting a defendant's motion to dismiss such claims without prejudice to refiling, if plaintiff is able to elicit sufficient facts to support such pre-suit knowledge during fact discovery. See *USC IP Partnership, L.P. v. Facebook, Inc.*, Case No. 6:20-cv-555-ADA, 2021 WL 3134260 (W.D. Tex. Jul. 23, 2021) ("[G]iven that it may have been impossible for [plaintiff] to allege any pre-suit knowledge without the benefit of fact discovery, in accordance with the Court's usual practice, the Court permits [plaintiff] to amend its Complaint after the start of fact discovery to include pre-suit indirect and willful infringement claims, if it is able to elicit sufficient facts to support such allegations.")

The *Dali Wireless* decision provides some guidance on the diligence and pleading standards that plaintiffs will need to employ in later attempting to add willfulness allegations (and by extension indirect infringement allegations) to a case during discovery. Although Dali Wireless had initially pled willfulness based on pre-suit meetings between the parties, Dali Wireless sought to amend its Complaint to add new willfulness facts and allegations on December 23, 2021.

In denying Dali Wireless's request to add new allegations, the Court noted that plaintiff possessed evidence integral to its willfulness allegations as early as October 18, 2021, and possessed additional deposition testimony as of November 4, 2021. Despite having such information in advance of the deadline, Dali Wireless, however, did not seek leave to amend its Complaint prior to the Court's November 15, 2021 deadline to amend pleadings. The Court found that this delay favored denying the amendment.

In addition, even if the request were timely, the Court found that the new allegations did not adequately allege that Corning both knew of the patent and "knew, or should have known that its conduct amounts to infringement of the patent." The Court declined to infer that "because Corning was interested in Dali's DAS technology from 2010–2014 and learned of the [patent-in-suit] year later . . . it knew or should have known that it was infringing" the patent. The Court found the inference unreasonable absent any allegations related to Corning's conduct after 2014.

As a result of Dali Wireless's delay and the likely futility of the proposed pleading, and because of potential resulting prejudice to Corning and the Court's reticence to grant a continuance, Judge Albright concluded that all factors weighed against the requested amendment.

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