IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

VIDEOSHARE, LLC, Plaintiff, v. GOOGLE, INC. and YOUTUBE, LLC, Defendants.	)	Civil Action No. 13-cv-990 (GMS)

ORDER

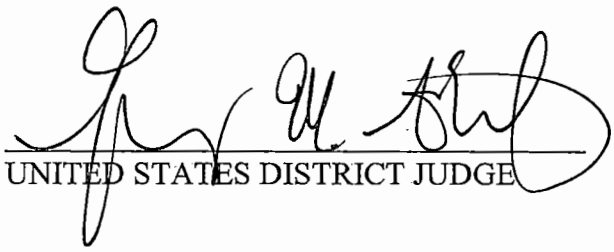
At Wilmington, this 23rd day of June 2016, having reviewed the Defendants' Motion to Amend the Answer (D.I. 88), the parties' contentions and the applicable law;

IT IS HEREBY ORDERED that the Defendants' Motion is DENIED.[1]

[1] Google, Inc. and YouTube, LLC (collectively "Google") seek leave to amend the answer to include an implied license affirmative defense. The court is to "freely give leave" to parties to amend their pleadings "when justice so requires." Fed. R. Civ. P. 15(a)(2). Motions to amend that, in effect, operate to change the scheduling order, are controlled by Fed. R. Civ. P. 16(b)(4), which requires that amendments sought after the deadline must be "for good cause and with the judge's consent." See *Roquette Freres v. SPI Pharma, Inc.*, No. 06-540-GMS-MPT, 2009 WL 1444835, at *4 (D. Del. May 21, 2009) (citing *E. Minerals & Chems. Co. v. Mahan*, 225 F.3d 330, 340 & n.18 (3d Cir. 2000)). The good cause element of Rule 16(b)(4) requires the movant to demonstrate that, despite diligence, the proposed claims could not have been reasonably sought in a timely manner. *Roquette Freres*, 2009 WL 1444835, at *4.

Because Google filed its motion to amend its answer more than two months after the scheduling order's October 9, 2015 deadline to amend the pleadings, Google must show good cause for the court to grant its motion. Google has not met its burden. Google did not file its present motion to amend until December 22, 2015, near the end of the fact discovery deadline of February 26, 2016. The basis of Google's implied license defense is VideoShare's June 21, 2013 covenant not to sue for infringement of U.S. Patent No. 7,987,492. Nonetheless, Google failed to include the implied license defense in its pleadings for a year and a half after VideoShare entered the covenant not to sue. Google has made no attempt to explain its delay in presenting this defense. Google does not contend that it lacked sufficient information to meet the amendment deadline, or that it discovered new information that could not be timely pled. Therefore, Google has not demonstrated why its amended defense could not have been sought in a timely manner.

The court also rejects Google's contention that an implied license is intertwined with, related to, or necessarily encompassed by Google's already pled defenses of exhaustion, estoppel, and "other equitable defenses." Google asserts that it is moving to amend its answer to avoid ambiguity and future disputes over VideoShare's "hyper-



UNITED STATES DISTRICT JUDGE

technical reading" of its defenses. The court is not persuaded. Indeed, a plain reading of the pleadings—not a hyper-technical one—indicates that Google's previously pled defenses do not include an implied license defense. Although an implied license might relate, at least tangentially, to some of Google's already pled defenses, the court finds the incorporation of an implied license defense would represent a substantive change to the scope of Google's defenses. Moreover, Google's reliance on *France Telecom* is misplaced. *See France Telecom S.A. v. Novell, Inc.*, No. 102-437-GMS, 2002 WL 31355255, at *1 (D. Del. Oct. 17, 2002) ("The clearest cases for leave to amend are correction of an insufficient claim or defense and amplification of previously alleged claims or defenses.") In *France Telecom*, the court permitted "amplification" of pleadings to meet the factual specificity or particularity requirements of Federal Rules 8 and 9(b). *Id.* at *1–3. What Google seeks here is not amplification, but represents an attempt to cull together a substantively different defense than those previously pled.

Furthermore, the court finds that granting Google's motion at this time would prejudice VideoShare due to the unfair surprise. Google contends that its previously pled exhaustion and estoppel defenses put Videoshare on notice of the implied license defense. The court disagrees. Because the exhaustion and estoppel defenses are substantively different, Videoshare could not have been on notice of the implied license defense. It appears that Google seeks to include the implied license defense as an afterthought—an attempt to "intertwine" a new defense amongst its already pled defenses. Google admits that VideoShare's interrogatory prompted Google to "clarify" its defenses and file its motion to amend. Although Google couches its proposed amendment in terms of avoiding ambiguity, it is telling that Google had not taken any discovery on the covenant not to sue as of January 22, 2016. This suggests that Google had not intended to assert this defense prior to receiving and considering VideoShare's interrogatory.

Google bears the burden of asserting its defenses in a timely manner. Google has not shown good cause for its proposed amendment, which the court concludes is substantively different from Google's already plead exhaustion and estoppel defenses. Therefore, Google has waived its right to assert this defense.