

Evidentiary obstacles for third-party source code in 'Wi-LAN v. Sharp Electronics'

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When relying on third-party evidence like source code, evidentiary rules for authentication and hearsay present significant hurdles when a third-party witness does not attend trial. In *Wi-LAN v. Sharp Electronics* (Fed. Cir., Apr. 6, 2021), the U.S. Court of Appeals for the Federal Circuit affirmed the exclusion of such evidence and the resultant finding of non-infringement.

In May 2015, Wi-LAN sued Sharp and Vizio in the District of Delaware and accused their television sets of infringing a patent relating to the display of interlaced video on non-interlaced monitors. Case No. 1:15-cv-00379. The accused functionality was found within chips manufactured by third parties. Accordingly, Wi-LAN needed the source code from the third-party chipmakers to establish infringement.

Wi-LAN served a subpoena on the chipmakers in early 2016. By April 2017, the chipmakers indicated that they would not voluntarily produce every version of source code spanning several years and chip models. Wi-LAN filed a complaint against them the following month in the District of Delaware.

Wi-LAN stipulated to the dismissal of the chipmaker lawsuit in exchange for the production of 1) printouts from a single version of code, 2) a declaration that the printouts showed the de-interlacing process for a list of chips and that there were "no material differences" in the various versions since 2009, and 3) a declaration regarding the chip circuitry.

Wi-LAN did not depose the declarants or arrange for them to testify at trial. D.I. 487 at 5–6. Instead, Wi-LAN relied on two declarations from the chipmakers to authenticate the printouts, which required Wi-LAN to show that the declarations were not hearsay.

The district court excluded the declarations and printouts because they were hearsay and did not qualify as business records, and then granted summary judgment of non-infringement.

The district court concluded that this evidence could not be admitted under the business-records exception because (1) the source code was not self-authenticating due to inconsistent metadata and lack of change logs, and (2) the declarations failed to detail the creation and maintenance of the source code and the origin of the printouts.

On appeal, Wi-LAN argued that the printouts were admissible as a business record, that their circumstances showed their authenticity, and that even if inadmissible Wi-LAN's expert could still opine on them. The Federal Circuit rejected all three arguments and, as a result, affirmed the district court's finding of non-infringement.

1. Irregularities in the source-code printout precluded admission as a self-authenticating business record.

Wi-LAN argued that the source-code printout was self-authenticating through its appearance and contents under Fed. R. Evid. 901(b)(4); therefore, there was no need for a witness to authenticate the document. The Federal Circuit affirmed the district court's conclusion that the printout lacked indicia of trustworthiness and the circumstances surrounding its production were "highly dubious."

The printout contained inconsistent dates in the metadata, copyright and revisions histories as well as added commentary on the printed excerpts. Wi-LAN failed to obtain change logs, file comparisons, or other evidence of code revisions that might clear up these inconsistencies. Finally, the chipmakers that produced the printout originally claimed that they could not produce one version of code for all chips at issue.

Practice Tip: In addition to the source code itself, parties should seek documentation regarding the systems and practices used to create, store, maintain, and control access to source code, as well as how to tie source-code versions to particular products. If a party has enlisted the help of a source-code expert, the expert should verify the reliability of the acquired source-code information.

2. The declarations were not business records, so they could not authenticate the source-code printouts.

Wi-LAN argued that the chipmaker declarations were admissible as business records under Rule 803(6), but also that "[t]he lawsuits were necessary to secure production of the source code and declarations." The Federal Circuit concluded that the declarations were not business records because they were created and prepared for the purposes of litigation. While the Third Circuit's 1983 decision, *In re Japanese Elec. Prods. Antitrust Litig.*, allows satisfaction of the

testimonial requirement of Rule 803(6)(D) through “documentary evidence, affidavits, or admissions of the parties,” the Federal Circuit rejected this approach and required testimony or a certification that complies with Rule 902(11) or (12).

In addition, the Federal Circuit affirmed that the declarations and printouts were not trustworthy under Rule 803(6)(E) for the same reasons that they were not self-authenticating under Rule 901(b)(4).

Practice Tip: Parties must ensure that a knowledgeable witness regarding source code is available to testify at trial, and that the witness can explain the nature of the source-code documents and any apparent irregularities. Alternatively, a witness unavailable to testify at trial must be deposed so that the deposition testimony may authenticate the documents under Fed. R. Civ. P. 32(a)(4). A written declaration procured solely for purposes of litigation will likely be insufficient.

3. Rule 703 did not permit Wi-LAN to use its expert to circumvent the hearsay rule.

Wi-LAN argued that its expert should be able to opine on the meaning of the inadmissible source-code printout under Fed. R. Evid. 703. The Federal Circuit separately addressed admissibility of the source-code printout and of the expert’s testimony relying on the printout.

First, the source-code printout was not admissible “on the pretense that it is the basis for expert opinion when, in fact, the expert adds nothing to the [inadmissible evidence] other than transmitting [it] to the jury.” The Court confirmed that Second, Fifth, and Seventh Circuit precedent were in agreement that experts cannot simply function as a conduit for introducing otherwise inadmissible hearsay.

With regard to the testimony itself, the Federal Circuit found that the expert’s testimony was not admissible to establish infringement because Wi-LAN did not establish that experts in the field “reasonably rely on” unauthenticated source code. Simply asserting that experts rely on such documents is insufficient. Wi-LAN failed to provide an independent basis to evaluate reasonableness under Rule 703, and it is unclear what evidence would satisfy this requirement for source code.

Conclusion

When seeking to admit a third party source-code printout, parties must ensure 1) that a knowledgeable witness is either available to testify at trial or is deposed if unavailable, and 2) that the testimony and accompanying documents detail the nature of the source-code documents relied on and their relationship to the products of interest. Written declarations and expert testimony are unlikely to render such documents admissible.

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