

I.

In the Court's May 22, 2009, opinion granting defendant's motion to stay, the Court informed the parties that it "would look favorably upon a motion for relief from order under Delaware Superior Court Civil Rule 60(b) (with respect to the Court's decision on the parties' cross motions for summary judgment) should either party file such a motion."¹ In response, plaintiff, Rembrandt Technologies, L.P. ("Rembrandt"), filed the motion *sub judice* for relief from judgment pursuant to Rule 60(b)(6).² For the following reasons, many of which formed the bases of the Court's stay opinion, Rembrandt's motion for relief from judgment is **GRANTED**, and the opinion and order, dated October 31, 2008, on the parties' cross motions for summary judgment is hereby **VACATED**.

II.

It is not necessary once again to chronicle the procedural and factual background of this case; the Court has done so on several occasions in prior

¹*Rembrandt Techs. v. Harris Corp.*, 2009 WL 1509103, at *5 n.45 (Del. Super.) (hereinafter "*Rembrandt III*") (noting that the Court was reluctant to grant relief from judgment *sua sponte*). See *Sammons v. Doctors for Emergency Services*, 913 A.2d 519, 542 (Del. 2006) (stating that "Rule 60(b) contemplates relief only upon a party's motion by permitting a party to seek relief from a final judgment, order, or proceeding.").

² Rembrandt has also moved, in the alternative, to dismiss this action without prejudice pursuant to DEL. SUPER. CT. CIV. R. 41(b). Since the Court has stayed this action and is now granting Rembrandt's motion for relief from judgment pursuant to Rule 60(b)(6), its alternative motion is moot and will not be addressed.

opinions.³ Suffice it to say, based on the parties' posturing in this litigation, the Court has been left with the strong impression that this litigation is nothing more than a strategic device to be used by the parties in a manner they perceive most likely to produce a desired outcome in related multi-district federal patent litigation ("the MDL)."⁴ Nothing the parties have said since the Court first expressed its concerns in this regard has disabused the Court of this impression.

As the Court observed in its stay opinion, the net effect of the parties' posturing is that defendant, Harris Corporation ("Harris"), has obtained, with this Court's unwitting assistance, an "option contract" for a license to the '627 patent from Rembrandt.⁵ Harris has arrived at this position by: (1) obtaining from this Court a determination that it is entitled to a license to the '627 patent with a commitment that it would abide by its terms;⁶ (2) thereafter obtaining from the MDL court a favorable *Markman* ruling suggesting either that the '627 patent is invalid or is not being infringed by Harris and/or its customers; and (3) in response to this apparent change in the tide of the MDL, abruptly changing its position in this litigation regarding the extent of its obligations to pay royalties to Rembrandt

³ See *Rembrandt III*, 2009 WL 1509103, at **1-5 (detailing the procedural and factual history); *Rembrandt Techs. v. Harris Corp.*, 2009 WL 402332 (Del. Super. Ct.) (hereinafter "*Rembrandt II*") (same); *Rembrandt Techs. v. Harris Corp.*, 2008 WL 4824066 (Del. Super. Ct.) (hereinafter "*Rembrandt I*") (same).

⁴ See *Rembrandt III*, 2009 WL 1509103, at **1-7 (describing the parties' "abrupt and remarkable about-face" changes in position and litigation "gaming").

⁵ See *id* at *5 n.45.

⁶ See *Rembrandt I*, 2008 WL 4824066.

under any license it would obtain as a result of this litigation.⁷ As a result of the “option contract” Harris has secured from this Court, it is now is protected from all possible outcomes in both this litigation and the MDL, to Rembrandt’s obvious detriment. Now that this Court has determined that Rembrandt owes Harris a license,⁸ in the event that the *Markman* ruling in the MDL is reversed,⁹ it is likely Harris will return to this litigation, avail itself of the Court’s summary judgment order, and again push for an order setting the terms of the license.¹⁰ If the *Markman* ruling is upheld, Harris will likely continue to argue in this Court that “determining license terms is pointless because neither Harris nor its customers require a license to the ‘627 patent.” In either event, Harris is protected and Rembrandt is exposed.

The creation of this “option contract,” an unintended consequence of the Court’s opinion on the cross motions for summary judgment, was one of two factors that prompted the Court to invite a motion for relief from judgment pursuant to Rule 60(b)(6).¹¹ The other factor arose from the fluidity of the parties’ positions and the fact that, as a result of the MDL *Markman* ruling and Harris’

⁷ This change of tide came after Chief Judge Sleet issued his *Markman* ruling in the MDL. *In re Rembrandt Techs, LP Patent Litigation*, 2008 WL 5773627 (D. Del.). Contrary to a prior Texas ruling, the MDL *Markman* ruling construed the ‘627 patent in a manner that suggested either invalidity or non-infringement. *Rembrandt III*, 2009 WL 1509103, at *3.

⁸ See *Rembrandt I*, 2008 WL 4824066.

⁹ Rembrandt has appealed the MDL *Markman* ruling to the Federal Circuit Court of Appeals.

¹⁰ See *Rembrandt III*, 2009 WL 1509103, at *5 n.45.

¹¹ *Id.* at *5 n.45.

response thereto in this litigation, the Court no longer is satisfied that it may presume essentiality as a basis to determine that Rembrandt owes Harris a license.¹²

III.

Delaware Superior Court Civil Rule 60(b) permits the Court “[o]n motion and upon such terms that are just, [to] relieve a party or a party’s legal representative from a final judgment, order, or proceeding....”¹³ In addition to the five specifically enumerated reasons for granting such relief, the Court may relieve a party from judgment for “any other reason justifying relief from the operation of the judgment.”¹⁴ Rule 60(b)(6) is a “grand reservoir of equitable power to do justice in a particular case,”¹⁵ and the language of Rule 60(b)(6) “vests power in courts adequate to enable them to vacate judgments whenever such action is appropriate to accomplish justice.”¹⁶ Despite the broad power inherent in the provision, the Court must, of course, identify a *valid* reason to grant relief from a

¹² In its opinion on the cross motions for summary judgment, the Court accepted Harris’ argument that the Court could presume, without actually determining, that the ‘627 patent was “essential” to the implementation of an industry standard practiced by Harris and others in the high definition television industry. *See Rembrandt, II*, 2008 WL 4824066, at *7. The Court made this determination, in part, after observing that neither party was disputing essentiality in this litigation. This is no longer the case.

¹³ DEL. SUPER. CT. CIV. R. 60(b).

¹⁴ DEL. SUPER. CT. CIV. R. 60(b)(6). The “any other reason” clause of Rule 60(b)(6) is a “catch-all” provision which allows the Court to vacate a judgment for reasons not specially enumerated in Rule 60(b)(1-5). *See* 12 MOORE’S FEDERAL PRACTICE 3d § 60.48[1] (3d ed. 2009).

¹⁵ *Compton v. Alton Steamship Co.*, 608 F.2d 96, 106 (4th Cir. 1979).

¹⁶ *Jewell v. Div. of Soc. Servs.*, 401 A.2d 88, 90 (Del. 1979) (quoting *Klapprott v. United States*, 335 U.S. 601, 615 (1949)).

judgment, and must recognize that such reasons exist only in “extraordinary situation[s] or circumstances.”¹⁷

Here, the Court is presented with an “extraordinary situation” which justifies granting Rembrandt’s motion for relief from judgment. In its summary judgment opinion, the Court determined that Harris was entitled to a license to the ‘627 patent based, in large part, on Harris’ assurances that it would comply with the license terms set by the Court.¹⁸ Now, Harris contends that “determining license terms is pointless because neither Harris nor its customers require a license to the ‘627 patent.”¹⁹ This change of position, combined with the recent developments in the MDL litigation, has created such an asymmetrical alignment of rights and obligations as between the parties in this litigation, flowing directly from the Court’s summary judgment decision, that the interests of justice require the Court to relieve the parties from that judgment.²⁰

¹⁷ *Jewell*, 401 A.2d at 90 (adopting the “extraordinary circumstances” test of the federal courts).

¹⁸ “Give us the terms of the license, Your Honor, and we will comply with them.” D.I. 148, at 22 (Tr. of Summ. J. Hr’g) (Aug. 13, 2003).

¹⁹ D.I. 168 (Def. Harris Corp.’s Mot. To Stay) (December 23, 2008).

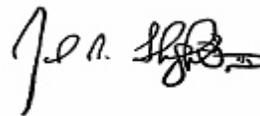
²⁰ *See Jewell*, 401 A.2d at 90-91 (finding “extraordinary circumstances” where action by a party “frustrated or vitiated” the underlying basis for the judgment). Of course, Harris is not the only party to this litigation to change its position. Indeed, both parties appear to have abandoned the positions they were advancing less than a year ago in their cross motions for summary judgment. As the Court already has observed, the fluidity of the parties’ positions has so frustrated the underlying basis for the summary judgment decision that the Court sees little choice but to vacate that judgment. If and when appropriate, the Court will address the cross motions on a clean slate.

Moreover, the Court is no longer convinced that it may presume essentiality as a basis to determine that Rembrandt owes Harris a license. At the time the summary judgment motion was presented to the Court, Rembrandt argued that the '627 patent was essential and Harris, albeit by acquiescence (not admission), did not disagree. Harris has now significantly altered its position in this regard. Given Harris' posturing here in response to the MDL, the purportedly undisputed factual and legal predicates upon which the Court's summary judgment opinion rests no longer appear to be settled. Under the circumstances, the parties must be permitted to argue their cross motions for summary judgment anew should the Court lift the stay of this litigation.

IV.

Based on the foregoing, Rembrandt's Motion for Relief From Judgment Pursuant to Rule 60(b)(6) is hereby **GRANTED** and the Court's October 31, 2008 decision granting Harris' motion for summary judgment, and denying Rembrandt's motion for summary judgment, is hereby **VACATED**.

IT IS SO ORDERED.

A handwritten signature in black ink, appearing to read "Joe R. Slights, III". The signature is written in a cursive, somewhat stylized font.

Judge Joseph R. Slights, III

Original to Prothonotary