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 GOOGLE INC.

14 UNITED STATES DISTRICT COURT FOR THE
 15 NORTHERN DISTRICT OF CALIFORNIA
 16 OAKLAND DIVISION

17 GOOGLE INC.,

18 Plaintiff,

19 v.

20 NETLIST, INC.,

21 Defendant.

Case No. CV08-04144 SBA
 [Related to Case No: CV09-05718 SBA]

**GOOGLE INC.'S REPLY IN SUPPORT
 OF ITS MOTION TO STAY PENDING
 REEXAMINATION OF U.S. PATENT NO.
 7,289,386**

Date: September 21, 2010
 Time: 1:00 p.m.
 Place: Courtroom 3
 Judge: Hon. Sandra Brown Armstrong

1 Plaintiff Google Inc. (“Google”) is in complete agreement with the significant aspect of
2 Netlist, Inc.’s (“Netlist”) Statement of Non-Opposition—that judicial economy dictates that the
3 present case be stayed until the conclusion of the pending reexamination of U.S. Patent No.
4 7,289,386 (“the ‘386 Patent”). As Netlist readily acknowledges in its Statement of Non-
5 Opposition, it is in the best interests of preserving judicial economy to have the present case
6 stayed thereby conserving the valuable resources of this Court, and of course the parties to the
7 action.

8 Google files this Reply merely to correct a misstatement of law from Netlist and to register
9 its disagreement with Netlist’s gratuitous statements concerning the timing of Google’s Motion.
10 Netlist argues incorrectly that once the current reexamination of the ‘386 Patent is concluded,
11 Google will be “collaterally estopped from challenging the validity of the ‘386 Patent based on the
12 prior art... making the trial of the matter simpler and more efficient.” (D.I. 186) (citation
13 omitted).

14 Google agrees that if the ‘386 patent survives reexamination with its claims in a form
15 capable of assertion against Google, then a trial—if any—would be simpler and far more efficient.
16 But Google will not be completely precluded from raising prior art invalidity arguments, as Netlist
17 contends. The *inter partes* reexamination estoppel on use of prior art is limited only to patents or
18 printed publications¹ that could have been raised in the reexamination.² Google will be permitted
19 to raise prior art *sales* and *public uses*, as well as newly discovered printed publications and any
20 non-prior art invalidity arguments.

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24 ¹ “Substantial new questions of patentability must be based on prior art patents or printed publications. Other matters,
25 such as public use or sale [under 35 U.S.C. 102(b)], inventorship, 35 U.S.C. 101, 35 U.S.C. 112, fraud, etc., will not
be considered ... and should not be presented in the request.” U.S. Patent Office Manual of Patent Examining
Procedure 2617.

26 ² “A third-party requester whose request for an inter partes reexamination results in an order under section 313 is
27 estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the
28 invalidity of any claim finally determined to be valid and patentable on any **ground which the third-party requester
raised or could have raised during the inter partes reexamination proceedings**. This subsection does not prevent
the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent
and Trademark Office at the time of the inter partes reexamination proceedings.” 35 U.S.C. § 315(c) (emphasis
added).

1 Google respectfully submits that, in view of the reasoning presented in its opening brief,
2 and in further view of the Netlist's non-opposition paper, a stay is appropriate in this case until the
3 conclusion of the reexamination proceedings for the '386 Patent.

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5 DATED: September 10, 2010

KING & SPALDING LLP

6 By: /s/ Geoffrey Ezgar.
7 Geoffrey Ezgar (SBN 184243)
8 Attorneys for Plaintiff
9 GOOGLE INC.

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