

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

LEADER TECHNOLOGIES, INC., a Delaware corporation,)	
)	
Plaintiff-Counterdefendant,)	Civil Action No. 08-862-JJF/LPS
)	
v.)	
)	
FACEBOOK, INC., a Delaware corporation,)	
)	
Defendant-Counterclaimant.)	

**PLAINTIFF LEADER TECHNOLOGIES, INC.'S DAUBERT MOTION TO
EXCLUDE TESTIMONY IN ITS ENTIRETY OF FACEBOOK'S EXPERTS
JAMES HUGHES AND KIMBERLY FELIX**

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I. INTRODUCTION

Leader Technologies, Inc. (“Leader”) hereby moves to exclude the proposed testimony of Defendant Facebook, Inc.’s (“Facebook”) experts James Patrick Hughes and Kimberly J. Felix. The proposed testimony of Mr. Hughes and Ms. Felix should be excluded because they are both seeking to testify on issues that are not directed to any asserted claims in this case and their proposed testimony is based on unreliable methodology and speculation. Mr. Hughes further does not have the appropriate background for his proposed opinion and does not use the correct legal standard in forming his opinion.

II. STATEMENT OF FACTS

A. The Claims In the Case

Leader filed a complaint against Facebook on November 19, 2008 for infringement of U.S. Patent No. 7,139,761 (“’761 Patent”). D.I. 1. Facebook counterclaimed for a declaratory judgment on invalidity and non-infringement. D.I. 5. On December 23, 2009, the Court granted Facebook’s motion to amend to file a Second Amended Answer and Counterclaims. D.I. 190. This amended pleading introduced into the case for the first time Facebook’s allegations of false marking in a counterclaim based on Leader’s marking of its Leader2Leader product with the ‘761 Patent.

Shortly thereafter, on March 25, 2010, Facebook filed a second motion to amend, seeking to file its proposed Third Amended Answer and Counterclaims. D.I. 304. This new proposed pleading seeks to introduce for the first time an inequitable conduct claim and a new false marking claim, which asserts an entirely different theory of false marking from its Second Amended Answer and Counterclaims. Facebook’s second motion to amend has not been granted. Nonetheless, on April 8, 2010, just four days before Leader was obligated to file its opposition to Facebook’s second motion to amend, Facebook served its opening expert reports which included the reports of Mr. Hughes and Ms. Felix. D.I. 331. Depositions of Mr. Hughes

and Ms. Felix were completed on May 1, 2010 and May 5, 2010, respectively before the close of expert discovery. D.I. 319.

B. Mr. Hughes' Proposed Testimony

Facebook is offering Mr. Hughes as essentially a patent law expert, to testify about “whether certain information that was not disclosed to the examiner during the prosecution of [the ‘761 Patent] would have been material to the patentability of the claims.” See Declaration of Lisa Kobiialka in Support of Leader’s Daubert Motion (“Kobiialka Decl.”), ¶ 2, Ex. 1 (Expert Report of James Patrick Hughes (“Hughes Report”), generally, including his conclusions at 1, 9, 10, 14-15). Mr. Hughes, presently a third year law student at George Washington University, was a patent examiner for approximately 6 ½ years. See *id.* (Hughes Report at Ex. A). He has no background as a computer scientist or in examining patents in the computer science field or class 707, the class where the Patent Examiner who actually examined the application of the ‘761 Patent placed the invention of the ‘761 Patent. *Id.*; see also *id.*, ¶ 3, Ex. 2 (Deposition of James Hughes (“Hughes Depo.”) at 157:20-158:4; 159:7-16; 162:3-6; 174:9-177:5. According to Mr. Hughes, his “report is based on [his] knowledge and experience as a patent examiner.” *Id.* at 181:19-20.

His report opens with a seven page discussion of the patent laws, legal standards, and Patent Office procedures. *Id.*, ¶ 2, Ex. 1 (Hughes Report at 1-8). This section discusses (a) the policy underlying the U.S. patent system (pages 4-5), (b) patent examination procedure (page 5), (c) standards for granting patents and prior art (page 6), (d) the duty of candor and standards for materiality (pages 6-8), and (e) the purported “heightened reliance on applicants’ candor” Mr. Hughes claims exists at the Patent Office when assessing software and internet art (page 8), which is based purely on hearsay and speculation. See *id.* at 1-8; see also *id.*, ¶ 3, Ex. 2 (Hughes Depo. at 134:9-19; 135:22-137:12; 141:5-15).

The remainder of Mr. Hughes’ report is conclusory, opining that (1) the “hypothetical” that any alleged offers for sale or public prior demonstrations would have been material to the patentability with the naked conclusion thrown in that “there is a substantial question” as to

whether the provisional application date would be the appropriate priority date for the '761 Patent and (2) four computer science references would have been material to just the independent claims of the '761 Patent. *See* Kobialka Decl., ¶ 2, Ex. 1 (Hughes Report at 8); *see also id.*, ¶ 3, Ex. 2 (Hughes Depo. at 113:9-116:1). Mr. Hughes admitted that he had no information, much less evidence, to suggest there were any alleged offers for sale or prior public demonstrates. *Id.* (Hughes Depo. at 113:9-116. He also concludes that there is a substantial question of whether the '761 Patent can claim priority to Provisional Application No. 60/432,255 (“255 Provisional Application”). *See id.*, ¶ 2, Ex. 1 (Hughes Report at 9).

Further, the four alleged prior art references, some of which purportedly describe products, were products he has never seen or used. *Id.*, ¶ 3, Ex. 2 (Hughes Depo. at 91:7-93:17, 107:7-9; *id.*, ¶ 2, Ex. 1 (Hughes Report at 8-15). Mr. Hughes reached his conclusions regarding the purported materiality of these references by using an abbreviated version of the claim language and not the actual claim language of the '761 Patent. *See id.* (Hughes Report at 9) (“In my opinion, any reference that discloses capturing and storing context information about a) data and b) user interaction with the data, would have been material to the patentability of claim 1 of [the '761 Patent].”).

C. Ms. Felix's Proposed Testimony

Ms. Felix's report is an attempt to quantify damages for Facebook's proposed new theory of false marking, which is not currently the false marking claim that Facebook has alleged against Leader in this case. Ms. Felix's report is premised on a false marking claim whereby Facebook alleges that Leader falsely marked its products, LeaderPhone, Leader Alert, Leader Dialog and Leader Meeting, with the '761 Patent, and explicitly excludes the situation were Leader marked its Leader2Leader product with the '761 Patent. Kobialka Decl., ¶ 4, Ex. 3 (Expert Report of Kimberly J. Felix (“Felix Report”) at 5) (“references to both the '761 Patent and to one or more non-patented [Leader] products may constitute one offense of false marking, unless that page specifically indicates that the patent relates to Leader2Leader and/or Digital Leaderboard.”). Ms. Felix's purported analysis consisted of taking 50 alleged falsely marked

pages from Leader’s website, which she was asked to presume was how the website existed on March 2009, September 2009 and April 2010. *Id.* (Felix Report at 5 at ¶ 15). Ms. Felix then refers to www.statbrain.com (“Statbrain”), a website for which she had no information about the methodology it used to purportedly provide estimates of the number of visits that a particular website receives. *Id.*; *see also id.*, ¶ 5, Ex. 4 (Deposition of Kimberly J. Felix (“Felix Depo.”) at 69:10-71:4; 72:17-78:15; 90:2-92:5). Ms. Felix admitted that she was “not privy to exactly to how the site works” other than the limited information that Statbrain has on its website, did not know when Statbrain was first created or how long it had been allegedly collecting information regarding any websites, had no idea what date Statbrain purportedly used to come up with a claim that Leader’s website is visited 693 times a day, and had no understanding about most of the information available on Statbrain’s website.¹ *Id.* (Felix Depo. at 70:1-71:4; 72:17-78:15; 80:10-21; 81:24-82:16; 85:9-17; 88:11-23; 90:2-16; 91:17-92:14).

Unsure as to the appropriate methodology for calculating damages properly for Facebook’s unasserted false marking claim, Ms. Felix concludes that damages are either \$25,000 or \$130,980,000. The \$130 million figure is solely based on the unreliable information she found on Statbrain regarding the number of visits she believes Leader has to its website. *See id.*, ¶ 4, Ex. 3 (Felix Report at ¶ 17). Ms. Felix’s damages award is based on information that was never requested by Facebook from Leader, namely “the number of hits” on Leader’s website over a specified time period. *Id.* (Felix Report at 5 at ¶ 16). The \$25,000 figure is based on \$500 per offense for the 50 accused falsely marked webpages. *See id.* (Felix Report at ¶ 15).

III. ARGUMENT

A. LEGAL STANDARD FOR ADMITTING EXPERT TESTIMONY

Both Mr. Hughes and Ms. Felix are being offered to provide expert testimony that is neither relevant, given the current allegations in the case, nor reliable. Federal Rule of Evidence

¹ Facebook’s counsel objected to all questions posed to Ms. Felix about the Statbrain website, including what information was provided on the website because questions about Statbrain were allegedly outside the scope of Ms. Felix’s report. *Id.* (Felix Depo. at 87:10-16).

702 entrusts the Court to admit expert testimony that is “not only relevant, but reliable.” *See Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 589 (1993). As discussed below, Mr. Hughes is not a witness who is “qualified as an expert by knowledge, skill, experience, training, or education.” Fed. R. Evid. 702. Both Mr. Hughes’ and Ms. Felix’s proposed testimony is based on “subjective belief” and unsupportable “speculation” and is simply not “based upon sufficient facts or data” and “the product of reliable principles and methods.” *Daubert*, 509 U.S. at 590; Fed. R. Evid. 702. Consequently, Mr. Hughes and Ms. Felix have violated fundamental principles of proposed expert testimony, namely, in reaching their respective expert opinions, they failed to “appl[y] the principles and methods reliably to the facts of the case.” *Id.* Ultimately, the proffered testimony must “assist the trier of fact to understand the evidence or to determine a fact in issue.” *Id.* Their proposed testimony, however, will only confuse and mislead the jury and should be excluded in its entirety.

B. MR. HUGHES’ AND MS. FELIX’S PROPOSED TESTIMONY ARE DIRECTED TO ALLEGATIONS THAT ARE NOT IN THE CASE

Federal Rule of Evidence 702 requires that expert testimony be relevant to the claims or defenses at issue, but Mr. Hughes’ and Ms. Felix’s proposed testimony are not directed to any claims or defenses at issue in the case. *See Kumho Tire Co. v. Carmichael*, 526 U.S. 137, 147-49 (1999). Specifically, Mr. Hughes is being offered to provide testimony regarding the duty of candor and the alleged materiality of certain purported prior art references, which is only relevant to an inequitable conduct claim. Facebook, however, does not presently have a claim for inequitable conduct against Leader in the case.² Therefore, Mr. Hughes should not be permitted to testify at all at trial because his proposed testimony is not relevant and will not assist the jury to determine a fact at issue in the case.

² It is unlikely Facebook will be permitted to file its proposed Third Amended Answer and Counterclaims which attempts to add an inequitable conduct claim in the case, given, *inter alia*, its lack of good faith and good cause to amend at this late date based on information it has had for about a year, as well as the prejudice it would cause Leader. D.I. 304. Leader has opposed Facebook’s second motion to amend. D.I. 331.

Similarly, Ms. Felix's proposed testimony attempts to quantify damages is based on the claim that Leader falsely marked webpages of its website with the '761 Patent for its products, LeaderPhone, Leader Alert, Leader Dialog, and Leader Meeting. This is not the false marking claim, however, that Facebook has alleged against Leader. Facebook explicitly moved the Court to amend its answer and counterclaims to allege that Leader falsely marked Leader2Leader with the '761 Patent. D.I. 127. Facebook was permitted to file its Second Amended Answer and Counterclaims in December of 2009 with those specific allegations. D.I. 190. Ms. Felix, however, attempted to calculate damages for nearly every Leader product *except* Leader2Leader. Thus, the entirety of her proposed testimony is directed to issues that will not assist the jury in determining a fact that is actually at issue in the case. Ms. Felix should not be allowed to offer any opinion at trial. Her proposed testimony is simply not relevant and will only serve to mislead and confuse the jury.

C. MR. HUGHES' PROPOSED TESTIMONY SHOULD BE EXCLUDED IN ITS ENTIRETY

1. Mr. Hughes Is Not Qualified To Give His Proposed Opinion

Facebook is seeking to have Mr. Hughes, a *law student* at The George Washington University Law School, provide *expert* testimony on such legal standards as patent law policy, the process and purpose of patent examination, the legal standards for granting patents, the legal standards regarding prior art, the duty of candor and materiality.³ Facebook is attempting to make a mockery of the role of experts. As an initial matter, Mr. Hughes claims he is an expert on the "materiality" of certain alleged prior art references. He specifically testified at deposition the following:

Q. What are you an expert in?

A. My expert report was directed toward the materiality of various documents in the litigation.

Q. My question to you actually is, what are you an expert in?

³ The first eight pages of Mr. Hughes' fifteen page expert report is dedicated to these patent law issues.

A. In regards to the report I submitted, it's to the materiality of various disclosures to the United States Patent Office during the prosecution of the patent application which matured into the patent at issue in this litigation.

Q. Are you an expert, then, on the issue of materiality?

A. Materiality as it pertains to references presented to the USPTO, to an examiner at the USPTO, during patent prosecution, yes.

Kobialka Decl., ¶ 3, Ex. 2 (Hughes Depo. at 6:24-7:8).

To be an expert on the materiality of certain computer science references, however, Mr. Hughes must be qualified to be an expert in two areas, namely patent law and computer science. Mr. Hughes is unqualified to testify on either of these subjects because he is not a lawyer, and he does not have a background in computer science. It seems inconceivable that Facebook, a large company experiencing great financial success, was unable to find a lawyer qualified to proffer an opinion on patent law and the legal standards, as opposed to a law student. Wholly apart from the fact that patent law expert opinions are generally not permitted in this jurisdiction, as discussed below, it is hard to imagine how a law student who has yet to take a bar exam and practice patent law before any Court, could qualify as an “expert.”

Mr. Hughes also attempts to provide an opinion on the materiality of several references, a highly technical opinion contingent on the disclosure scope of several computer science references. Mr. Hughes has no experience or expertise in computer science. His technical expertise and experience at the Patent Office is limited to material science, biometrics, and medical device hardware. *See id.*, ¶ 2, Ex. 1 (Hughes Report at Ex. A); *see also id.*, ¶ 3, Ex. 2 (Hughes Depo. at 144:5-145:14; 174:9-176:18). When Mr. Hughes was a patent examiner, he never examined a single patent in the same class as the ‘761 Patent, or in any class that the actual examiner of the ‘761 Patent determined was relevant to the ‘761 Patent. *See id.*, ¶ 6, Ex. 5 (the ‘761 Patent); *see also id.*, ¶ 3, Ex. 2 (Hughes Depo. at 157:20-158:4; 159:7-16; 160:17-163:2). Mr. Hughes does not even come close to Facebook’s own definition of a person of ordinary skill in the art of the ‘761 Patent, let alone as an expert. *See id.*, ¶ 7, Ex. 6 (Expert Report of Saul Greenberg at 23)(“In my opinion, the person of ordinary skill in the art at the time of the ‘761 patent would possess the equivalent of a Bachelor’s Degree in Computer Science or in Computer Engineering plus two years of practical experience in software design and development”); *see*

also id., ¶ 8, Ex. 7 (Expert Report of Michael Kearns at 18-19) (“In my opinion, a person possessing ordinary skill would possess at least a Bachelor’s Degree in Computer Science or in Computer Engineering (or an equivalent degree), at least two years of practical experience in software design and development, and familiarity with computer networking and communications technologies, distributed systems and collaborative communications systems such as groupware.”). Mr. Hughes does not have a degree in computer science and he has never worked as a programmer or software engineer. *See id.*, ¶ 2, Ex. 1 (Hughes Report at Ex. A); *see also id.*, ¶ 3, Ex. 2 (Hughes Depo. at 174:9-177:5).

Despite his lack of knowledge or training in the area, Facebook is attempting to have Mr. Hughes provide an opinion on the materiality of references which are exclusively in the field of computer science and computer based systems. To make a materiality determination, however, an expert must be qualified to determine the scope and teachings of the references, which Mr. Hughes is unqualified to do. Courts have determined that admitting testimony from an expert “with no skill in the pertinent art, serves only to cause mischief and confuse the fact finder.” *Sundance, Inc. v. Demonte Fabricating LTD.*, 550 F.3d 1356, 1362 (Fed. Cir. 2008). Mr. Hughes should be excluded from testifying at trial.

2. Mr. Hughes Does Not Apply The Law In His Analysis

A reference is material if “a reasonable examiner *would have* considered such prior art important in deciding whether to allow the patent application.” *Digital Control Inc. v. Charles Machine Works*, 437 F.3d 1309, 1314 (Fed. Cir. 2006) (emphasis added). This is not, however, the standard that Mr. Hughes used for his report. In his report, Mr. Hughes cites 37 C.F.R. §1.56(c) (“Rule 56”). Kobiarka Decl., ¶ 2, Ex. 1 (Hughes Report at 7). Under this rule, a material reference (1) is not cumulative and (2) either created a prima facie case of unpatentability or refutes an argument put forward by the applicant. *Id.* Another definition of “material” he provided is “information is material to the issue of patentability if it might have affected a decision of the examiner.” *Id.* During deposition Mr. Hughes provided a third standard, stating that a reference is material if it “may have been useful for the examiner” to

determine patentability. *Id.*, ¶ 3, Ex. 2 (Hughes Depo. at 60:13-62:6). Notably, under this standard, Mr. Hughes testified that “materiality” is broad enough to include references which do not even disclose a single claim element in a patent application. *See id.* (Hughes Depo. at 110:10-111:14).

None of the three standards used by Mr. Hughes for his expert opinion apply the standard in Rule 56, the actual rule promulgated by the Patent Office, or the actual law regarding materiality. *Digital Control*, 437 F.3d at 1314. Any alleged prior art reference must be one that the examiner *would* have considered important in deciding whether to allow the patent application, as opposed to speculation that the examiner *might* find the references important to patentability. Nonetheless, Mr. Hughes’ analysis for his ultimate opinion is based on unjustifiable speculation of what an examiner *might* find useful and includes the situation where a reference could be material, even if it does not disclose a single claim element in the a patent application. *Id.* (Hughes Depo. at 60:13-62:6; 110:10-111:14) (emphasis added). Courts have determined that expert statements regarding what a reasonable examiner would have done or believed are inadmissible because the expert “cannot know what the examiner believed or would have done.” *American Med. Sys., Inc. v. Laser Peripherals, LLC*, C.A. 08-4798, 2010 WL 1957479, at *12 (D. Minn. May 13, 2010).⁴

Compounding the erroneous analysis is the fact that Mr. Hughes does not use the actual claims found in the patent application (or the ‘761 Patent) for his analysis, which is the appropriate way to assess whether any potential prior art would be material to the claimed invention. In coming to the specious conclusion that certain references would have been material to the patent application of the ‘761 Patent, Mr. Hughes shortcuts his analysis in at least two ways. According to Mr. Hughes, “any reference that discloses capturing and storing context

⁴*Citing Pharmacia Corp. v. Par Pharm., Inc.*, Civ. No. 01-6011, 2004 WL 5614917, at *2 (D. N.J. Feb. 18, 2004)(prohibiting testimony “as to how a ‘reasonable patent examiner’ would have acted in light of the facts of this case”); *Applied Materials, Inc. v. Advanced Semiconductor Materials America, Inc.*, 1995 WL 261407, at *2-3 (N.D. Cal. Apr. 25, 1995)(excluding testimony “about what the examiner would have done if [the expert] had been the examiner, or if the examiner had different information”).

information about a) data and b) user interaction with the data, would have been material to the patentability of claim 1” of the ‘761 Patent and the independent claims of the ‘761 Patent are very similar, such that his analysis limited to claim 1 simply applies to all the independent claims, namely claims 9, 17, 21, 22 and 23. Kobialka Decl., ¶ 2, Ex. 1 (Hughes Report at 9).

Aside from Mr. Hughes’ failure to consider and analyze whether the alleged prior art references in his report are cumulative to the ones disclosed during the prosecution of the ‘761 Patent, he uses claim language of his own creation, rather than what was in the patent application that led to the ‘761 Patent or the actual claims of the ‘761 Patent, to reach his conclusion that the four references in his report would be material. *See Honeywell Int’l Inc. v. Universal Avionics Sys. Corp.*, 488 F.3d 982, 1000 (Fed. Cir. 2007) (“Information cumulative of other information already before the Patent Office is not material.”). He simply ignores many additional elements beyond simply capturing and storing context information related to data and user interaction with the data. Because Mr. Hughes did not consider the actual limitations of the proposed claims in the patent application or the actual claim language of the ‘761 Patent, his opinion is not “the product of reliable principles and methods.” Fed. R. Evid. 702. In light of the flaws in Mr. Hughes’ analysis, any proposed testimony by Mr. Hughes is only likely to confuse and mislead the jury.

3. Mr. Hughes Should Not Be Permitted To Testify About Patent Law

The proposed testimony of Mr. Hughes should be excluded because he is attempting to provide legal conclusions on substantive issues of patent law. The Rules of Evidence do not permit such expert testimony. *Watkins v. New Castle County*, 374 F.Supp. 2d 379, 392-93 (D.Del.2005) (*citing Salas by Salas v. Wang*, 846 F.2d 897, 905 n. 5 (3d Cir.1988)). Furthermore, the District of Delaware specifically “exclude[s] testimony by patent law experts on substantive issues of patent law.” *Proctor & Gamble Co. v. Teva Pharm. USA, Inc.*, 2006 WL 2241018, at *1 (D. Del. Aug. 4, 2006) (*citing Revlon Consumer Prods. Corp. v. L’Oreal S.A.*, 1997 WL 158281 (D. Del. March 26, 1997)).

Apparent from the first eight pages of Mr. Hughes' report, Facebook intends to have Mr. Hughes testify about the patent law, including the scope of the rights associated with a patent grant, the standards for granting a patent, an applicant's duty of candor, the standard for determining if a reference is material, and what constitutes demonstrations or offers for sale of a product. It then wants Mr. Hughes to apply these legal principles to reach the conclusion that several references were "material."⁵ Kobialka Decl., ¶ 2, Ex. 1 (Hughes Report at 8-11). Courts routinely exclude expert testimony related to the applicant's duty to disclose information and materiality "because it simply tells a court what conclusion to reach on the issue of inequitable conduct." *American Med. Sys., Inc.*, 2010 WL 1957479, at *11.⁶ Such proposed testimony is improper and should be excluded.

4. Mr. Hughes' Provides No Basis For His Conclusions

Mr. Hughes fails to provide the basis and reasons for his opinions in violation of Rule 26(a)(2)(B)(i) of the Federal Rules of Civil Procedure. He further failed to "explain how and why he ... reached the conclusion being proffered." *Cryovac Inc. v. Pechiney Plastic Packaging, Inc.*, 430 F.Supp.2d 346, 362 (see *General Elec. Co. v. Joiner*, 522 U.S. 136, 144 (1997) (noting failure of plaintiff's to explain "how and why [they] ... could have extrapolated their opinions"); *Kumho Tire Co. v. Carmichael*, 526 U.S. 137, 152 (1999) (an expert must employ "in the courtroom the same level of intellectual rigor that characterizes the practice of an expert in the relevant field"); *Daubert*, 509 U.S. at 590 (expert's testimony "must be supported

⁵ Notably, Mr. Hughes does not have any evidence to suggest that Leader knew of these references and refused to provide any opinion on whether a patent applicant has to be aware of a reference in order for it to be material. Kobialka Decl., ¶ 3, Ex. 2 (Hughes Depo. at 81:10-85:2; 149:13-150:2).

⁶ Citing *Se-Kure Controls, Inc. v. Diam USA, Inc.*, Civil No. 06-4857, 2009 WL 77463, at *2 (N.D. Ill. Jan. 9, 2009) ("As stated above, Mr. Gerstman's statements that he expects to testify about Se-Kure's failure to comply with its duty of disclosure, resulting in equitable conduct, is simply inadmissible. . . . Testimony by a witness . . . may not include legal conclusions."); *Anagram Int'l, Inc. v. Mayflower Distrib. Co.*, Civil No. 07-1142, 2008 WL 5500764, at *1 (D. Minn. Aug. 21, 2008) ("[A]ny testimony from [the expert] regarding his opinions, legal or otherwise, regarding inequitable conduct, including his opinions regarding materiality or the intent to deceive, are presumptively inadmissible."); *Pharmacia Corp. v. Par Pharm., Inc.*, Civil No. 01-6011, 2004 WL 5614917, at *2 (D.N.J. Feb. 18, 2004) ("[T]he Court will not permit [the expert] to offer testimony regarding alleged inequitable conduct or materiality.").

by appropriate validation”). Specifically, Mr. Hughes provided almost no analysis to support his conclusions that the four references, namely the Bianco Thesis, the Life Streams Project and Office, the CVW Systems, and the iManage DMS, and any alleged demonstrations or purported offers for sale of Leader products were material. He also failed to provide any analysis regarding the reliance of the ‘761 Patent on the priority date of the ‘255 Provisional Application.

i. Materiality of the References

To support his opinion and show that the Bianco Thesis, the Life Streams Project and Office, the CVW Systems, and the iManage DMS were material, Mr. Hughes was required to show that the references would have been important to the examiner’s decision on whether to allow the patent. Or, if Rule 56 is used, that the references were non-cumulative and either created a prima facie case of unpatentability for the ‘761 Patent or were contrary to an argument made by the applicant.

Mr. Hughes, however, does not do any analysis regarding how these references are non-cumulative with the art already considered by the examiner. During prosecution, the examiner considered 13 references, all directly in the field of the invention. Kobialka Decl., ¶ 6, Ex. 5 (the ‘761 Patent). The only statement in Mr. Hughes’ report remotely related to whether these references were cumulative was that “[n]one of the prior art reference considered during the examination of the application that resulted in the U.S. Patent No. 7,139,761 disclose the system taught by the patent” while “the Bianco reference, the Lifestreams project and Lifestreams Office and documents describing them, the CVW system and documents describing it, and iManage DMS (as its existed prior to December 2002) and documents describing it each disclose these features and are highly material to the patentability of the independent claims of U.S. Patent No. 7,139,761.” *Id.*, ¶ 2, Ex. 1 (Hughes Report at 10). Mr. Hughes provided no analysis for how he reached this conclusion, or what he considered to be the “system taught by the patent.” *Id.*

Mr. Hughes also failed to explain how any of the references were important to patentability, or created a prima facie case of unpatentability. He simply provides a few sentences describing the reference without discussing how the patentability of the actual claims

at issue are affected in any way and then concludes that the reference is “material.” Relying on the same shortcuts discussed above, he concludes the references would have been material. Mr. Hughes’ lack of analysis renders his opinion unreliable and is only likely to mislead and confuse the jury.

ii. Materiality of Demonstrations of Leader Products

Mr. Hughes’ opinion includes a “hypothetical” where purported public demonstrations and offers for sale of Leader products would have been material. *See* Kobialka Decl., ¶ 2, Ex. 1 (Hughes Report at 8-9). The reason that Mr. Hughes provided just a “hypothetical” is because he has never seen nor analyzed any Leader products, he has absolutely no knowledge that any actual public demonstrations of these products were made or any offers for sale were made. Nonetheless, he makes the specious legal conclusion that “hypothetical” public demonstrations and offers for sale would be material. Such speculation, without any specific relationship to actual “facts or data” and frankly, specific circumstances surrounding a given alleged demonstration or offer for sale, cannot be the subject of a proper expert opinion that will assist the jury. Without this information, it is impossible for Mr. Hughes to give a well reasoned, reliable opinion.

iii. Reliance on the ‘255 Provisional Application

Mr. Hughes makes the conclusory statement that the application for the ‘761 Patent and the ‘255 Provisional Application were different enough that Leader cannot claim priority back to the Provisional Application. *See id.* (Hughes Report at 9). Mr. Hughes provided no analysis on this subject. His report states nothing more than (1) he reviewed the ‘761 Patent and the ‘255 Provisional Application, and (2) they were different enough that any public disclosures more than a year before the filing date of the patent should have been disclosed. *See id.* He provides no description or analysis in his report to indicate how the ‘761 Patent and the ‘255 Provisional Application were different, despite testifying repeatedly that the entirety of his analysis (and expert opinion) was disclosed within the four corners of his expert report. *Id.*, ¶ 3, Ex. 2 (Hughes

Depo. at 51:6-15, 52:1-14, 88:9-89:4, 116:3-14, 183:4-8). The lack of analysis and mere conclusion is further evidence of the unreliable nature of Mr. Hughes' opinion.

D. MS. FELIX'S PROPOSED TESTIMONY SHOULD BE EXCLUDED IN ITS ENTIRETY

Facebook intends to have Ms. Felix provide expert testimony regarding purported statutory damages resulting from its false marking allegations. In her report, Ms. Felix determined the number of alleged offenses using "publicly available" information. Kobialka Decl., ¶ 4, Ex. 3 (Felix Report at ¶ 7). This information is derived from printouts from the Leader website, archived webpages of the Leader website and website visitor statistics derived from a third party website. Ms. Felix's proposed testimony should be excluded because the methodology used to determine the alleged falsely marked pages and calculation of damages does not meet the requirements of the Federal Rule of Evidence 702.

1. Ms. Felix's Proposed Testimony Does Not Meet Daubert Standards

Under *Daubert*, the factors considered in determining whether the methodology used by an expert is reliable are: (1) whether the theory or technique in question can be and has been tested; (2) whether it has been subjected to peer review and publication; (3) its known or potential error rate; (4) the existence and maintenance of standards controlling its operation; and (5) whether it has attracted widespread acceptance within a relevant scientific community. *See Daubert*, 509 U.S. at 593-594.

i. Identification of Falsely Marked WebPages

Ms. Felix applied an incomplete and inaccurate methodology to determine what constituted a falsely marked webpage. Ms. Felix relied on printouts from the Leader website as it allegedly existed in March 2009, September 2009, and April 1, 2010. *See* Kobialka Decl., ¶ 4, Ex. 3 (Felix Report at ¶ 15). Ms. Felix alleges that 50 webpages on the Leader website were falsely marked and bases her damages calculations on those 50 pages. *See id.* at ¶ 17. Despite determining falsely marked webpages from printouts allegedly from 2009-2010, Ms. Felix calculates damages as early as October 29, 2007 based on internet archives of only 3 of the 50

alleged falsely marked webpages. *See id.* Ms. Felix's report contains printouts of these three archived webpages relied upon to extrapolate damages as of 2007. *See id.* (Felix Report at Tab 7).

Ms. Felix's flawed methodology is evidenced by a simple comparison of the Leader Meeting archived page and April 2010 page referenced by Ms. Felix. *See id.*, ¶¶10-11, Exs. 9-10. All 2009 and 2010 versions of the webpages are different from their archived counterparts. *Id.* Ms. Felix failed to account for changes to the webpages over the 2007-2010 time period. *Id.*, ¶ 5, Ex. 4 (Felix Depo. at 93:18-94:2). Nor, does she reconcile how the internet archives relate to the printouts she reviewed from 2009 and 2010. *Id.* (Felix Depo. at 93:18-94:2;126:3-20).

The following table is exemplary of the changes to the webpages referenced by Ms. Felix:

Table 1

October 2007	March 2009	September 2009	April 2010
3 alleged falsely marked WebPages	45 alleged falsely marked WebPages	26 alleged falsely marked WebPages	26 alleged falsely marked WebPages

See id., ¶ 4, Ex. 3 (Felix Report at Schedule 4.2). Despite the varying number of alleged falsely marked webpages between the October 2007-April 2010 time period, Ms. Felix combines the webpages to give a total of 50.⁷ Furthermore, she testified how she improperly assumed the number of marked webpages on the Leader website for her calculations:

Q. When you looked at the archive page, how many Web pages did you see that you believed were allegedly false marked?...

A. I didn't perform a complete analysis that way. And the reason is because the archive site that I used isn't -- it doesn't provide you a complete version of the Web site. A lot of the links don't work, a lot of the images don't work. And you can kind of navigate through the Web site, but it's not as thorough as the snapshots of the Web site that I was provided for March 2009, September 2009 and April 2010. So I didn't perform a full and complete analysis of how many pages based on any of the archive versions of the Web site from October 2007 or any other time period.

Id., ¶ 5, Ex. 4 (Felix Depo. at 41:25-42:16).

⁷ *Id.* (Felix Depo. at 41:10-24).

Ms. Felix’s reliance on one webpage to determine a false marking date and another webpage to determine what is allegedly falsely marked skews the offenses higher. Notably, Facebook did not request at any time that Leader provide discovery into the number of hits on its website or its webpages dating back to 2007. Consequently, Leader should not have to be faced with Ms. Felix’s incomplete analysis based on an inaccurate representation of the Leader website due to Facebook’s failure to seek proper discovery. Any proposed testimony on such flawed analysis should be excluded as a matter of law.

ii. Use of Unreliable Source

Further discrediting Ms. Felix’s methodology is the reliance on a website www.Statbrain.com (“Statbrain”) to determine the number of visits to the Leader website. See Kobialka Decl., ¶ 4, Ex. 3 (Felix Report at ¶ 16). Statbrain is not a legitimate source for an expert to base their conclusions. First, Statbrain does not identify whether the visits were from a unique user. *Id.*, ¶ 5, Ex. 4 (Felix Depo. at 90:2-9). Second, Statbrain has not been tested for accuracy in determining the number of visits to a website. Indeed, Ms. Felix testified that she has never heard of any other expert relying on Statbrain for their opinion. *Id.* at 89:20-90:1. Third, Statbrain has not been subjected to peer-review and publication by experts. Further throwing Statbrain’s accuracy in doubt are several articles which criticize its accuracy.⁸

Statbrain’s error rate renders it unreliable and not suitable support for an expert opinion in determining the number of visits to any particular website and/or webpage, much less Leader’s. Statbrain lists the following accuracy information “Statbrain is based on visitor feedback. The more feedback we get the better Statbrain becomes. Here are the numbers so far:

Month	Too low	Pretty close	Too high
April	100.0%	100.0%	100.0%

⁸ One article describes Statbrain as “[i]f you want a really quick estimate about the no of visits a site attracts use this. Warning though, I’ve found it over estimates traffic.” Kobialka Decl., ¶ 9, Ex. 8 (*Been told you can’t evaluate social media? Here are 20 (free) ways you can*, April 6, 2010, available at <http://liesdamnedliesstatistics.com/>).

May	100.0%	100.0%	100.0%
June	100.0%	100.0%	100.0%
July	100.0%	100.0%	100.0%
August	100.0%	100.0%	100.0%
September	100.0%	100.0%	100.0%
October	100.0%	100.0%	100.0%
November	100.0%	100.0%	100.0%

There is still a long way to go, but we're getting closer and closer every month thanks to all the feedback.”

See id., ¶ 4, Ex. 3 (Felix Report at Tab 6). It is baffling that an expert would rely on a website that lists its accuracy for too low, pretty close and pretty high approximations to be each 100%. Ms. Felix was also unable to reconcile these approximation numbers.⁹ It is simply impossible to determine the actual accuracy of Statbrain and therefore it is an improper source for an expert to rely on.

iii. Calculation of Damages

The false marking statute allows for damages per offense of false marking. 35 U.S.C. § 292. Nonetheless, Ms. Felix attempts to apply different methodologies for her opinion. She, on one hand, attempts to calculate alleged damages based on the concept that each alleged falsely marked page of Leader’s website constitutes a single offense. She then attempts to calculate alleged damages based on the concept that each *visit* to each alleged falsely marked constitutes a separate offense. Ms. Felix does this based on Facebook’s assertion that the number of offenses may be calculated in more than one way.¹⁰ *See id.* (Felix Report at ¶ 12).

⁹ Kobialka Decl., ¶ 5, Ex. 4 (Felix Depo. at 76:9-77:13).

¹⁰ Ms. Felix also noted that each sale of an alleged falsely marked product can constitute an offense, but did not have sufficient information to determine the sales of what she considered to be falsely marked products. Kobialka Decl., ¶ 4, Ex. 3 (Felix Report at ¶¶ 12 and 19). Notably, Facebook has never requested such information during discovery. *Id.*, ¶ 5, Ex. 4 (Felix Depo. at 126:25-129:8).

There is no law to support either methodology Ms. Felix used to calculate the alleged number of false marking offenses. *Id.*, ¶ 5, Ex. 4 (Felix Depo. at 29:14-23). Furthermore, Ms. Felix's accounting is inaccurate and therefore unreliable. Of the 50 pages Ms. Felix concludes are falsely marked, only three of the pages existed in 2007 and 19 of the pages did not exist throughout the entire time period referenced by Ms. Felix. *See id.* (Felix Report at Table 1). Yet, Ms. Felix combines the pages over 2007-2010 to calculate damages as of 2007, assuming that throughout that time period, Leader's website experienced 693 hits a day. *See id.* (Felix Report at ¶ 19); *see also id.*, ¶ 5, Ex. 4 (Felix Depo. at 36:11-19; 41:10-24). If a webpage did not exist or was not marked with the patent number in 2007, and Leader's website did not experience 693 hits a day, it cannot be included in a damages calculation. Nonetheless, Ms. Felix chose to assume that since three webpages existed in 2007, the other 47 webpages also existed and that Leader's website had 693 hits a day.

Ms. Felix's entire opinion is based on mere guesswork used to come to the conclusions she does with respect to the purported number of visits to the alleged falsely marked webpages. She relies on the number of visits to the entire Leader website, rather than a visit to a specific marked webpage to constitute an offense. *See id.*, ¶ 4, Ex. 3 (Felix Report at ¶ 16). Ms. Felix claims that because 50 out of 117 (42.7%) pages were alleged falsely marked this percentage can be applied to the total (already inaccurate) number of visits to the Leader website to determine number of visits to the alleged falsely marked webpages. *See id.* at ¶17; *see also id.*, ¶ 5, Ex. 4 (Felix Depo. at 35:1-12). Ms. Felix has provided no reason to believe that even if Statbrain provided an accurate approximation of users to a website, that those same users visited the alleged falsely marked webpage. *Id.* (Felix Depo. at 97:23-98:1). In addition, Ms. Felix, has not provided evidence that the Leader website received 693 visits daily as of the start of the damages calculation on October 29, 2007. *See id.*, ¶ 4, Ex. 3 (Felix Report at Tab 6); *see also id.*, ¶ 5, Ex. 4 (Felix Depo. at 92:9-14). Ms. Felix's entire opinion is therefore inaccurate and unreliable because it is based on speculation. Accordingly, Ms. Felix should not be permitted to testify at trial.

IV. CONCLUSION

The proposed expert testimony of Mr. Hughes and Ms. Felix are in violation of the Federal Rules of Evidence and do not meet the minimum standards of *Daubert*. Therefore, they should not be permitted to testify at all at trial.

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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

CERTIFICATE OF SERVICE

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