

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

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

**PLAINTIFF LEADER TECHNOLOGIES, INC.'S OPPOSITION TO
DEFENDANT FACEBOOK, INC.'S RENEWED MOTION FOR
JUDGMENT AS A MATTER OF LAW (JMOL) OF INVALIDITY
[MOTION NO. 4]**

OF COUNSEL:

Paul J. André
Lisa Kobialka
KING & SPALDING LLP
333 Twin Dolphin Drive
Suite 400
Redwood Shores, CA 94065
(650) 590-0700

Philip A. Rovner (#3215)
Jonathan A. Choa (#5319)
POTTER ANDERSON & CORROON LLP
Hercules Plaza
P. O. Box 951
Wilmington, DE 19899
(302) 984-6000
provner@potteranderson.com
jchoa@potteranderson.com

*Attorneys for Plaintiff and Counterdefendant
Leader Technologies, Inc.*

Dated: September 15, 2010

TABLE OF CONTENTS

I. NATURE AND STAGE OF THE PROCEEDINGS1

II. SUMMARY OF THE ARGUMENT1

III. STATEMENT OF FACTS2

IV. ARGUMENT.....3

 A. STANDARD OF REVIEW.....3

 B. FACEBOOK DID NOT ESTABLISH ANTICIPATION BY CLEAR
 AND CONVINCING EVIDENCE.4

 1. Facebook Failed To Show By Clear And Convincing Evidence
 That iManage Anticipates The ‘761 Patent.6

 a) Facebook did not prove that the iManage User Manual is
 enabling prior art.6

 b) The iManage User Manual does not disclose each and
 every element of the asserted claims.7

 2. Facebook Failed To Show By Clear And Convincing Evidence
 That Hubert Anticipates The ‘761 Patent.10

 3. Facebook Failed To Show By Clear And Convincing Evidence
 That Swartz Anticipates The ‘761 Patent.12

 C. FACEBOOK DID NOT ESTABLISH OBVIOUSNESS BY CLEAR
 AND CONVINCING EVIDENCE.15

 D. A NEW TRIAL IS NOT WARRANTED AS A RESULT OF SHOWING
 THE FACE OF SWARTZ AND THE ‘761 PATENT TO THE JURY.16

 E. CLAIMS 1, 4, 7, 21, 23, 25, 31, AND 32 ARE NOT INVALID AS
 INDEFINITE.18

V. CONCLUSION18

TABLE OF AUTHORITIES

CASES

<i>Bullen v. Chaffinch</i> , 336 F. Supp. 2d 342 (D. Del. 2004)	3
<i>Connell v. Sears, Roebuck & Co.</i> , 722 F.2d 1542 (Fed. Cir. 1983)	5
<i>Dippin' Dots, Inc. v. Mosey</i> , 476 F.3d 1337 (Fed. Cir. 2007)	4
<i>Draper v. Airco, Inc.</i> , 580 F.2d 91 (3d Cir. 1978)	17
<i>Fowler v. UPMC Shadyside</i> , 578 F.3d 203 (3d Cir. 2009)	3
<i>Graham v. John Deere Co. of Kansas City</i> , 383 U.S. 1 (1966)	15
<i>Honeywell Int'l Inc. v. Hamilton Sundstrand Corp.</i> , 370 F.3d 1131 (Fed. Cir. 2004)	3-4
<i>Impax Labs., Inc. v. Aventis Pharms., Inc.</i> , 545 F.3d 1312 (Fed. Cir. 2008)	6
<i>IMX, Inc. v. Lendingtree, Inc.</i> , 469 F. Supp. 2d 203 (D. Del. 2007)	3
<i>Pannu v. Iolab Corp.</i> , 155 F.3d 1344 (Fed. Cir. 1998)	3
<i>Salas v. Wang</i> , 846 F.2d 897 (3d Cir. 1988)	17
<i>Telcordia Techs., Inc. v. Lucent Techs., Inc.</i> , 514 F. Supp. 2d 598 (D. Del. 2007)	4
<i>Union Carbide Chems. & Plastics Tech. Corp. v. Shell Oil Co.</i> , 308 F.3d 1167 (Fed. Cir. 2002)	4
<i>Williamson v. Consolidated Rail Corp.</i> , 926 F.2d 1344 (3d Cir. 1991)	3
<i>Z4 Techs., Inc. v. Microsoft Corp.</i> , 507 F.3d 1340 (Fed. Cir. 2007)	4

STATUTES AND RULES

35 U.S.C. § 2823
35 U.S.C. § 102(a).....6
Fed. R. Civ. P. 50(a).....1
Fed. R. Civ. P. 50(b).....2

I. NATURE AND STAGE OF THE PROCEEDINGS

Leader Technologies, Inc. (“Leader”) filed its Complaint against Facebook, Inc. (“Facebook”) on November 19, 2008. The Complaint accused Facebook of infringing U.S. Patent No. 7,139,761 (the “761 Patent”). A jury trial commenced on July 19, 2010, and the jury’s verdict was entered on July 28, 2010. D.I. 610. Facebook moved for judgment as a matter of law pursuant to Fed. R. Civ. P. 50(a) on July 27, 2010. D.I. 606. Facebook filed four separate Renewed Motions for Judgment as a Matter of Law (JMOL) on August 25, 2010. *See* D.I. 628, 629, 630, 631. Leader files this Opposition to Facebook’s Renewed Motion for JMOL of Invalidity [Motion No. 4 of 4] requesting that the motion be denied.

II. SUMMARY OF THE ARGUMENT

Facebook’s Invalidity JMOL should be denied because there was ample evidentiary basis for the jury to reach the conclusion that the claims were valid over the three main references Facebook raised at trial. Each of those references suffered from the same deficiency - no reference to a context or tracking a user as claimed in the patent. At bottom, the question whether the references disclosed those elements boiled down to a battle of the experts, in which the testimony of the parties’ experts covered the better part of two trial days and nearly 500 pages of trial transcript. *See generally*, Tr. 1387-1878.¹ The jury ultimately agreed with Leader’s expert and concluded that the claims were valid over the prior art. D.I. 610 at 4-5. Facebook now requests that this Court wade through those hundreds of pages of testimony and documentary evidence, reweigh that evidence according to its own lights, and overturn the jury’s verdict. There is no reason to invade the province of the jury, however. At a minimum, the jury

¹ All documents cited herein, including citations to PTX trial exhibits, DTX trial exhibits, and trial transcripts, are attached to the Declaration of Ryan Hopkins in Support of Plaintiff Leader Technologies, Inc.’s Oppositions to Facebook, Inc.’s Renewed Motions for Judgment as a Matter of Law (“Hopkins Decl.”).

was entitled to credit Leader's expert's understanding of the asserted references, and judgment as a matter of law is therefore unwarranted.

Facebook's request for a new trial should also be denied. Even if the Court deems it improper that Leader's counsel questioned Facebook's expert about the face of the Swartz and '761 Patent, the harsh remedy of striking the testimony from the record and including a limiting jury instruction is more than adequate to remedy any possible prejudice.

III. STATEMENT OF FACTS

During the seven-day jury trial, Facebook asserted that the claims of the '761 Patent were invalid based on the testimony of its expert Dr. Saul Greenberg. Dr. Greenberg opined that the asserted claims of the '761 Patent were anticipated by three references, the iManage DeskSite 6.0 User Reference Manual ("iManage User Manual"), European Patent Application No. EP 1 087 306A2 ("Hubert"), and U.S. Patent No. 6,236,994 ("Swartz"). Tr. 1571:14-1572:8. Dr. Greenberg further testified that these references, in combination, would have rendered the claims of the '761 Patent obvious. Tr. 1564:16-23. Leader's expert, Dr. James Herbsleb, rebutted Dr. Greenberg's testimony. Dr. Herbsleb testified that the references relied on by Dr. Greenberg did not disclose many of the elements of the claims of the '761 Patent, and in fact, disclosed fundamentally different systems. Tr. 1787:14-1843:14; 1846:15-1848:20. The jury found that none of the asserted claims of the '761 Patent were anticipated or obvious over the prior art references raised by Facebook. D.I. 610 at 4-5. On August 25, 2010, pursuant to Fed. R. Civ. P. 50(b), Facebook moved for JMOL of Invalidity [Motion No. 4 of 4] ("Invalidity JMOL") and requested that the Court overturn the jury's findings regarding the validity of the asserted claims.

IV. ARGUMENT

A. STANDARD OF REVIEW

Judgment as a matter of law is appropriate only if, when viewing the evidence in the light most favorable to the nonmovant, “there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue.” *Bullen v. Chaffinch*, 336 F. Supp. 2d 342, 346 (D. Del. 2004) (quotation and citations omitted). The movant “must show that the jury’s findings, presumed or express, are not supported by substantial evidence or, if they were, that the legal conclusion(s) implied [by] the jury’s verdict cannot in law be supported by those findings.” *Pannu v. Iolab Corp.*, 155 F.3d 1344, 1348 (Fed. Cir. 1998) (quoting *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 893 (Fed. Cir. 1984) (citation omitted)). The Court must give the nonmoving party, “as [the] verdict winner, the benefit of all logical inferences that could be drawn from the evidence presented, resolve all conflicts in the evidence in his favor and, in general, view the record in the light most favorable to him.” *Williamson v. Consolidated Rail Corp.*, 926 F.2d 1344, 1348 (3d Cir. 1991) (citation omitted). The Court “may not weigh the evidence, determine the credibility of witnesses, or substitute its version of the facts for the jury’s version.” *Fowler v. UPMC Shadyside*, 578 F.3d 203, 213 n.8 (3d Cir. 2009) (citation omitted).

An issued patent enjoys a presumption of validity. 35 U.S.C. § 282. A party challenging the validity of a patent has the “heavy burden” of overcoming that presumption by “clear and convincing evidence.” *Honeywell Int’l Inc. v. Hamilton Sundstrand Corp.*, 370 F.3d 1131, 1145 (Fed. Cir. 2004)(citation omitted). Clear and convincing evidence is evidence that “could place in the ultimate factfinder an abiding conviction that the truth of [the] factual contentions [is] ‘highly probable.’” *IMX, Inc. v. Lendingtree, Inc.*, 469 F. Supp. 2d 203, 215 (D. Del. 2007) (quoting *Colorado v. New Mexico*, 467 U.S. 310, 316 (1984)). The Court must assume that all

factual issues underlying the validity verdict were resolved in favor of the verdict winner.

Honeywell, 370 F.3d 1131, 1144-45 (citing *Hewlett-Packard Co. v. Mustek Sys., Inc.*, 340 F.3d 1314, 1325 (Fed. Cir. 2003)).

Anticipation is a question of fact, reviewed for substantial evidence. *Z4 Techs., Inc. v. Microsoft Corp.*, 507 F.3d 1340, 1347 (Fed. Cir. 2007). On a JMOL motion, this Court “reviews a jury’s conclusions on obviousness, a question of law, without deference, and the underlying findings of fact, whether explicit or implicit within the verdict, for substantial evidence.” *Dippin’ Dots, Inc. v. Mosey*, 476 F.3d 1337, 1343 (Fed. Cir. 2007) (quoting *LNP Eng’g Plastics, Inc. v. Miller Waste Mills, Inc.*, 275 F.3d 1347, 1353 (Fed. Cir. 2001)). A party seeking a judgment that a patent is obvious “bears the burden of demonstrating by clear and convincing evidence that the teachings of the prior art would have suggested the claimed subject matter to one of ordinary skill in the art.” *Union Carbide Chems. & Plastics Tech. Corp. v. Shell Oil Co.*, 308 F.3d 1167, 1187 (Fed. Cir. 2002) (citation omitted).

B. FACEBOOK DID NOT ESTABLISH ANTICIPATION BY CLEAR AND CONVINCING EVIDENCE.

The validity issues presented in Facebook’s Invalidity JMOL center on “a classic battle of the experts.” *Telcordia Techs., Inc. v. Lucent Techs., Inc.*, 514 F. Supp. 2d 598, 608 (D. Del. 2007). Facebook’s expert, Dr. Greenberg, testified regarding his understanding of the asserted prior art, and Leader’s expert Dr. Herbsleb provided an element-by-element analysis that rebutted Dr. Greenberg’s testimony. Tr. 1787:14-1838:23. Key passages of Dr. Herbsleb’s testimony are quoted in this memorandum, but for the Court’s convenience, full excerpts of Dr. Herbsleb’s element-by-element testimony are provided in Exhibit 31 to the Hopkins Declaration filed concurrently herewith. That competing testimony raised a quintessential jury issue regarding which expert to credit and how to weigh the evidence. The jury found that Facebook

did not prove by clear and convincing evidence that any of its prior art references invalidated the '761 Patent. D.I. 610 at 4-5.

Substantial evidence supports the verdict because Facebook's references lack key elements of the claims. The Federal Circuit has long held that "[a]nticipation requires the presence in a single prior art disclosure of all elements of a claimed invention arranged as in the claim." *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983) (citation omitted). As Dr. Herbsleb testified, however, not one of Facebook's asserted references discloses a "context" or tracking a user as required by every asserted claim. *See, e.g.*, PTX 1, '761 Patent at col. 21:1 ("a first context") and col. 21:8 ("tracking a change of the user"); *see also infra* at 6, 8, 10-11, 12-14. Dr. Herbsleb's element-by-element analysis highlighted the fundamental differences between the asserted claims and those references—namely, that Facebook's references are *document*-centric. Tr. 1790:6-21; 1793:10-1838:23. The claims of the '761 Patent, however, are fundamentally user-centric. PTX 1; *see also* Tr. 1790:22-1792:1. The jury was free to rely on that fundamental difference and to credit that testimony. As a result, Facebook's references cannot invalidate the '761 Patent either singly or in combination with one another. Furthermore, with respect to the iManage User Manual, Facebook failed even to establish that the reference qualified as prior art.

The Court may not reweigh the jury's factual determinations on a JMOL motion, yet that is exactly what Facebook requests. Indeed, Facebook buries its expert's testimony in a claim chart appendix and asks the Court itself to piece together the anticipation case. D.I. 635, Appendix A. The jury, however, has already weighed the evidence, gauged the credibility of witnesses, determined the scope of each reference's disclosure, and concluded that the references do not disclose each and every element. Especially given its heavy clear and convincing burden

of proof, Facebook's conclusory statements do not provide any basis for this Court to overturn that verdict.

1. **Facebook Failed To Show By Clear And Convincing Evidence That iManage Anticipates The '761 Patent.**
 - a) **Facebook did not prove that the iManage User Manual is enabling prior art.**

Facebook's invalidity defense with respect to iManage fails at the threshold because it did not establish that the iManage User Manual is prior art. To qualify as prior art, the iManage User Manual must have both been publicly available before the priority date of the '761 Patent and enabling. *See* 35 U.S.C. § 102(a); *see also Impax Labs., Inc. v. Aventis Pharms., Inc.*, 545 F.3d 1312, 1314-15 (Fed. Cir. 2008). Facebook did not present clear and convincing evidence that would allow a jury to reach either of these conclusions.

First, the iManage User Manual is not an enabling reference. The iManage User Manual instructs the user on how to interact with the iManage DeskSite 6.0 client.² DTX 1010 at 11. The Manual does not describe how DeskSite itself operates. For example, the iManage User Manual does not include any source code and does not include any description of the operation of "backend" components. *See* Tr. 1793:6-9 ("It doesn't say anything about how it's designed, what the structure looks like. It simply tells us how to use it once it's there."). Dr. Herbsleb testified that the iManage User Manual would not allow a person of ordinary skill in the art to build the system disclosed in the manual. Tr. 1792:11-1793:9. That testimony provided substantial evidence for the jury to conclude that the iManage User Manual was not an enabling reference and was therefore not prior art.

² In its Invalidity JMOL, Facebook continues to contend that it relied on the iManage User Manual and iManage Product. D.I. 635 at 7. The product was not before the jury, and in fact Dr. Greenberg stated that he has never used the product. Greenberg Dep. Tr. at 192:11-12 (Hopkins Decl., Ex. 33).

Second, Facebook did not prove that the iManage User Manual was publicly available before the priority date of the '761 Patent. The exhibit entered into evidence by Facebook at trial was marked "Confidential" on every page and was originally produced during discovery by a third party as a confidential document. DTX 1010; Nov. 20, 2009 Letter re: Autonomy document production (Hopkins Decl., Ex. 34). There is no evidence that the iManage User Manual was ever available to the public, let alone that it was available prior to the '761 Patent's critical date.³ Even Facebook's expert had no knowledge of whether the iManage User Manual at issue was publicly available anytime before it was provided to him by Facebook's counsel. Tr. 1674:12-1675:22. The jury was free to conclude that the reference was not publicly available before the priority date of the '761 Patent. That alone means that iManage cannot support a judgment as a matter of law.

b) The iManage User Manual does not disclose each and every element of the asserted claims.

In all events, the iManage User Manual does not disclose each and every element of the asserted claims. The DeskSite 6.0 client described in the iManage User Manual is the frontend of a traditional document management system used to keep a history of documents stored in a central repository. DTX 1010 at 12. In describing how to use that document management client, the iManage User Manual describes an inherently document-centric system focused on the history of individual documents. DTX 1010 at 12; Tr. 1796:11-18. Noticeably absent from the iManage User Manual is any description of an environment or workspace as described in the asserted claims of the '761 Patent or the tracking of the user's movement.

³ The jury found that the '761 Patent is not entitled to the priority date of provisional patent application No. 60/432255 and, therefore, that the '761 Patent claims priority to its filing date, December 10, 2003. D.I. 610 at 3. Leader argued that this Court should grant judgment as a matter of law reversing that finding and establishing the priority date as December 11, 2002. D.I. 626 at 17-18. Nevertheless, there is no evidence that the confidential iManage Manual was publicly available before either priority date.

The iManage User Manual cannot anticipate the asserted claims at least because it does not disclose tracking a user's movement from contexts or environments. Tr. 1798:6-1799:13; 1799:14-1800:6. As stated by Dr. Herbsleb, the iManage User Manual discloses a system that keeps a document history, meaning "for some particular document, these are the things that happen to that document." Tr. 1796:8-10. Dr. Herbsleb elaborated that "[t]here's no view shots anywhere in the manual where you can sort of pull up some user and see what a user has done." Tr. 1797:8-10.

Facebook's expert, Dr. Greenberg, relied exclusively on Figure 3.26 as supposedly disclosing this element, but the figure does not show or even suggest the tracking of the user. Tr. 1512:9-22; 1513:11-13. Dr. Herbsleb specifically addressed Figure 3.26 and stated that "as you can see here, these are all entries [sic] of documents. So it doesn't track users at all." Tr. 1797:12-14; DTX 1010 at 83, Fig. 3.26. Dr. Herbsleb testified that the figure simply shows a history of a particular document and that only changes to the document are tracked. Tr. 1797:3-20. The Figure itself confirms Dr. Herbsleb's testimony. Figure 3.26 depicts the history of a document, which includes information stored about a document, such as who has checked out a document, if the document has been modified, and the different versions of the document created—thus clearly showing the history of a particular document ("History - Document: 2_2.DOC"), and not a user. DTX 1010 at 83, Fig. 3.26. Accordingly, the jury was entitled to credit Dr. Herbsleb's understanding of the manual and find no anticipation.

The jury also had substantial evidence upon which to conclude that the iManage User Manual did not disclose the concept of a context, user environment, or workspace. *See* Tr. 1798:6-1799:13. Dr. Herbsleb testified that iManage "does not have workspaces as part of the technology. It doesn't provide . . . environments places for people to do work with their tools

and allow people to move from one workspace to another. There is none of that in the technology.” Tr. 1797:24-1798:5. In reference to claim 1, he elaborated that “we have to be very careful what we mean by context here because that’s a word that gets used in many different ways. And . . . we have to use the construction that’s in the claim construction order, which says that context means environment. Okay. So the software to provide a context and have a context component has to provide an environment for a workspace for the user. And the technology described, iManage Manual just does not do that. So it does not have a context component, period.” Tr. 1798:7-1799:13. Dr. Greenberg stated only that these elements were met but did not provide an explanation with which a jury could conclude that these elements were disclosed. For example, Dr. Greenberg stated that the iManage User Manual discloses a context because it refers to a “Manage32” system. Tr. 1500:17-1502:2. However, this cannot be relied upon because the iManage User Manual never even states what the Manage32 system is. Dr. Greenberg simply guesses that “[t]his would probably be an iManage document, the repository system itself.” Tr. 1500:18-19. The testimony of Dr. Herbsleb therefore provided substantial evidence for the jury to find that the iManage User Manual does not disclose a context or user environment.

Furthermore, Facebook did not even attempt to discuss how iManage disclosed each claim on an element-by-element basis for any of the independent claims besides claim 1. Dr. Greenberg only briefly discussed a few chosen elements for claims 9, 21, and 23 and often ignored the clear differences in language between those claims and claim 1. For example, Dr. Greenberg in support of his conclusion that the iManage User Manual discloses a “user workspace,” as in claim 21, stated without support or explanation that “[w]e talked about this before. The only difference is that it’s a user workspace. iManage gives a place for people to do

their work, so by definition it gives them a user workspace, so that's covered." Tr. 1528:2-6.

For this reason and many others, Facebook failed to provide clear and convincing evidence for a jury to conclude that claims 9, 21, and 23, and the claims depending there from were invalid.

Thus, for the reasons discussed above, the Court should deny Facebook's motion.

2. Facebook Failed To Show By Clear And Convincing Evidence That Hubert Anticipates The '761 Patent.

Facebook also relied on the Hubert patent application at trial. Hubert discloses a "meta-document" that keeps track of the actions performed on the document as well as its location.

DTX 922, ¶ 0011. The meta-document is just that—a document. Accordingly, Hubert, just like the iManage User Manual, is also document-centric. Hubert's meta-documents include the data portion of a typical document (*e.g.*, a text document) with added metadata and processing information regarding the location of the document at any particular point in time. *Id.* The purpose of the meta-document is to retain a record of the voyage of a document. *Id.*, ¶¶ 0010-0011. The meta-document is simply a document that records a history of where it has been and the actions that have been performed on it. *Id.*, ¶ 0011.

Hubert does not disclose tracking a user as required by the claims. *See, e.g.*, PTX 1, '761 Patent at col. 21:3 (claim 1). Dr. Herbsleb testified that Hubert is devoid of user movement altogether. Tr. 1814:1-5. Furthermore, Facebook's own expert *agreed* that Hubert does not disclose tracking a user. Dr. Greenberg instead testified that the element is met because Hubert discloses tracking the movement of a *document*. Tr. 1548:12-16 ("And it says a record of the fact that the meta-document 20 was received at Source 32 is stored as processing information and processing information is part of the metadata. So this is tracking the movement."). Likewise, the only evidence presented by Facebook was a figure from Hubert showing *the meta-document* being transferred from one user (source) to another over the Internet. DTX 922, Fig.

2. As Dr. Herbsleb explained, nothing in the figure demonstrates a user moving, let alone tracking this movement: “it’s just a document being sent from one user to the next.” Tr. 1813:23-24. Hubert itself specifically states that the record it creates is a history of the *meta-document*, not the user. DTX 922, ¶ 0011 (“The processing information is recorded on the meta-document each time the meta-document is processed in some manner.”). As a result, a jury could reasonably find, and in fact heard no evidence to the contrary, that Hubert does not disclose tracking a user.

Dr. Herbsleb also testified that Hubert does not disclose a context (*i.e.*, environment), user environment, or user workspace as in the claims of the ‘761 Patent because Hubert discloses only “meta-documents,” and not a platform or system at all. Tr. 1807:24-1808:20; 1814:14-22. Specifically, Dr. Herbsleb testified that “[t]here’s absolutely nothing about a context, or environment or moving from one context to another, tracking users. I mean, it’s just not centered around users. It’s centered around these meta-documents.” Tr. 1811:7-11. Dr. Greenberg only stated that these elements were met by Hubert but gave no further explanation—certainly nothing upon which a jury could conclude that these elements were disclosed. Tr. 1547:17-1549:11. For example, Dr. Greenberg stated that Hubert discloses a context because “it says Source 32 includes a processing program, if we can highlight that, and which processes the document information by copying the document text and storing it in a new document.” Tr. 1548:5-9. Dr. Greenberg never explained why this “Source” is a context/environment, let alone how this is a user environment or user workspace. Dr. Herbsleb’s testimony was more than enough for a reasonable jury to find that Hubert does not disclose the claimed context.

In addition, Hubert does not anticipate the asserted claims because it does not disclose a “network” or “web-based” system as required by all of the asserted claims. *See* Tr. 1815:8-10

(“It’s also not a network-based system. It’s just a document.”). Hubert discloses only a “meta-document”—a normal data document with some further information recorded. A document by itself is not a component of a network-based system just by virtue of being able to be emailed. *See* Tr. 1814:16-22. Facebook did not even address this glaring absence in its Invalidity JMOL, and the jury could have reasonably concluded that Hubert does not disclose a network or web-based system, platform, or server.

Again, Facebook did not even attempt to discuss how Hubert disclosed each claim on an element-by-element basis for any of the independent claims besides claim 1. Dr. Greenberg only briefly discussed a few chosen elements for claims 9, 21, and 23 and often ignored the clear differences in language between those claims and claim 1. For example, and similar to his analysis of the iManage User Manual, Dr. Greenberg concluded that Hubert discloses the claim 21 element of a “user workspace,” without support or explanation, stating “[t]his is a place where people are supposed to do their work. So, by definition, this is a user workspace.” Tr. 1555:21-23. Again, a reasonable jury could have concluded that Facebook did not present clear and convincing evidence that claims 9, 21, and 23, and the claims depending there from were invalid.

3. Facebook Failed To Show By Clear And Convincing Evidence That Swartz Anticipates The ‘761 Patent.

The Swartz patent discloses a system of “middleware” that sits in-between two programs used for clinical studies. DTX 919, Col. 9:5-8. Used for regulatory compliance, this middleware program records steps taken in the flow of information from source documentation to a finished report. *Id.*, Col 3:61-4:58. The Swartz system stores the data and the analysis and plugs it into an audit trail. *Id.*, Col. 9:5-43. Information in the audit trail includes the author of a document, who signed off on a change, or who reviewed the requirements of the regulations, and this system takes the results and integrates them into an audit trail. *Id.* As a result, when the report is

completed, there is not only a report, but it can also be established where the data supporting the report came from. *Id.*, Col. 6:17-26. The system is related to the flow of data into a report, and is not concerned with the users. Again, nothing in the Swartz reference discloses a context, as construed by the Court, or tracking the movement of a user.

Dr. Herbsleb testified that Swartz does not disclose tracking user movement. Dr. Herbsleb contrasted tracking steps going into creating a report, as disclosed by Swartz, and testified that Swartz discloses that the system “keeps track of all those steps that go into the creation of this report documenting exactly how they were taken, so that you can prove at the end that you track them the right way. It doesn’t care about users. There’s no workspace. There’s no moving of a user from one workspace to another workspace. It doesn’t care about users.” Tr. 1824:23-1825:8. The jury was free to credit and rely on that testimony.

Dr. Greenberg supported his opinion by relying on portions of Swartz directed to tracking the steps taken to create a clinical report. Tr. 1452:9-1459:22. For example, Swartz states that “knowledge integration middleware is preferably employed to identify (including tracking, monitoring, analyzing) the context in which information is employed.” DTX 919, col. 6:22-25. This excerpt does not disclose tracking of the user movement but instead discusses tracking *the information*. Dr. Herbsleb specifically addressed that language, testifying that “[Swartz is] talking about tracking what’s going on in this regulatory compliance scheme, what’s being done to the documents, what’s being done to the data. There’s no sense at all of it tracking people, or tracking users or having even workspaces for users. So this is a completely different type of thing.” Tr. 1829:16-23. Any additional sections of Swartz relied on by Facebook are equally clear in that they are not discussing tracking user movement, but recording the history of the

report. *See* Tr. 1452:9-1459:22. Thus, Facebook failed to demonstrate that Hubert discloses tracking the movement of a user.

Swartz also does not disclose the concept of a context, user environment, or user workspace. Dr. Herbsleb stated that, when the term “context” is used in Swartz, it “is the context in this regulatory compliance scheme. . . It’s talking about tracking what’s going on in this regulatory compliance scheme, what’s being done to the documents, what’s being done to the data. There’s no sense at all of it tracking people, or tracking users or having even workspaces for users.” Tr. 1829:8-21. Dr. Greenberg stated only that these elements were met by Swartz but did not provide any further explanation. Tr. 1450:13-1491:11. He stated that because Swartz uses the term “context” it includes the concept of a context. However, he completely glossed over how this is the same as an environment (as context was construed), user environment or user workspace. *Id.* In fact, Swartz uses “context” in a very different manner than the ‘761 Patent. Dr. Greenberg glossed over any distinction stating in a conclusory manner that these elements are met because “Swartz is describing all the stuff people are doing in a system, so that’s their environment for doing their work” Tr. 1477:2-5. Because Swartz does not disclose this key concept of the claims, a jury could reasonably conclude that the asserted claims were not disclosed by Swartz.

Furthermore, Facebook did not even attempt to discuss how Swartz disclosed each claim on an element-by-element basis for any of the independent claims besides claim 1. Dr. Greenberg only briefly discussed a few chosen elements for claims 9, 21, and 23 and often ignored the clear differences in language between the claims and claim 1. For completely different independent claims he would often refer back to his previous analysis, making statements such as “[t]his is very much the same with some minor differences. I know it seems

tedious.” Tr. 1485:6-8. For example, in reference to claim 23, Dr. Greenberg simply ignored the limitation that the system is “for defining a first user workspace” and stated that “we saw how we can access this system via the web, so this would give it the functionality of a web-based server for defining, first, user work space” Tr. 1485:19-22. For this reason alone, Facebook failed to provide sufficient evidence for a jury to conclude that claims 9, 21, and 23, and the claims depending there from were invalid.

C. FACEBOOK DID NOT ESTABLISH OBVIOUSNESS BY CLEAR AND CONVINCING EVIDENCE.

At trial, Facebook put up only a token effort to establish that the references relied upon, if insufficient to anticipate, would still somehow render the claims obvious. *See* Tr. 1564:16-23. The jury found as a factual matter that none of the references anticipate the claims of the ‘761 Patent. Thus, because the references all suffer from similar deficiencies, the *combination* of those same references *a fortiori* could not render the claims obvious.

Dr. Herbsleb also explained that these references could not be combined together in any form at will. Tr. 1838:24-1841:22. Facebook did not provide an element-by-element explanation of which elements would be combined from which reference, and instead resorted to broad statements. Tr. 1564:16-23. As a result, Facebook presented insufficient evidence to establish that any of the asserted claims of the ‘761 Patent were invalid as a result of some hypothetical and undisclosed combination of the references.

Leader’s evidence of secondary considerations of non-obviousness further demonstrate support for the jury’s verdict. *See Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17-18 (1966). Dr. Herbsleb testified that the asserted claims of the ‘761 Patent addressed a long-felt need in the industry and that others taugt away from the solution presented in the claims of the ‘761 Patent. Tr. 1847:4-1848:20. Furthermore, Facebook stipulated an additional secondary

consideration by agreeing that the Facebook website, which was found by the jury to be an embodiment of the '761 Patent, was commercially successful. D.I. 601 at 47, No. 4.10. Thus, the jury had sufficient evidence to find that Facebook failed to offer clear and convincing evidence that the claims of the '761 Patent would have been obvious.

Facebook attempted to cure any lapse in these references in regard to claim 16 by adding U.S. Patent No. 6,434,403 ("Ausems"). However, Facebook provided no reason to combine this reference with iManage, Hubert, or Swartz. Tr. 1566:5-1567:10; 1568:8-1570:15. Dr. Greenberg merely stated in a conclusory fashion that Ausems would be obvious to combine with the other references because "if you had an end user who was just using their wireless computer at the time, they would just do that as a matter of consequence of using a wireless computer." Tr. 1567:3-7. The jury could have also reasonably concluded that Ausems could not be combined with any of the other references in light of the secondary considerations of non-obviousness, as discussed above.

D. A NEW TRIAL IS NOT WARRANTED AS A RESULT OF SHOWING THE FACE OF SWARTZ AND THE '761 PATENT TO THE JURY.

Facebook's request for a new trial should be denied. During his direct examination, Dr. Greenberg was directed several times by Facebook's counsel to the references listed on the face of the '761 Patent. *See* Tr. 1491:16-21; 1536:1-11; 1561:24-1562:8; 1571:2-13. In fact, Facebook's counsel enlarged on a projector the patent's face to underscore the references not relied upon by the examiner. Once Facebook opened the door by its line of questioning and by providing the jury with an unredacted copy of Swartz, Leader was within its rights to cross-examine Dr. Greenberg. Accordingly, Leader was free to direct the jury to the fact that the same examiner appears on both the '761 Patent and Swartz. *See* PTX 1; DTX 919; *see also* Tr. 1581:13-1583:12.

Even if the questioning by Leader's counsel was improper, Facebook was not prejudiced. A new trial is warranted only if it was "reasonably probable" that the verdict was influenced by improper statements. *Draper v. Airco, Inc.*, 580 F.2d 91, 96-97 (3d Cir. 1978). An isolated improper remark will not support the grant of a new trial. *Salas v. Wang*, 846 F.2d 897, 908 (3d Cir. 1988). It is not "reasonably probable" that the jury considered this in their verdict because the Court took harsh measures to make sure that the jury disregarded the comments. Tr. 1648:8-15. The Court struck that testimony (Tr. 1583:13-14) and gave a stern limiting instruction. D.I. 601 at 33, No. 4.2. Those remedies more than adequately apprised the jury that they were not to consider this information.

In light of these measures, Facebook's statement that the questions were "highly prejudicial false statements" falls flat. D.I. 635 at 18. Furthermore, it was *Facebook's* questioning that took unfair advantage of the Court's ruling limiting arguments on what was considered by the Examiner by highlighting the information on the front of the '761 Patent. The only party prejudiced by the situation was Leader because it was unable to discuss the undisputed facts on the cover of the '761 Patent and Swartz and put in issue by Facebook. Counsel simply directed Dr. Greenberg to the name of the examiner on the face of the patent and asked if it would be reasonable to conclude that the examiner was aware of both patents. Tr. 1581:13-1583:12. It is clear that not only was this a question and not a statement, but that it was accurate given that the same examiner examined the applications for both patents. Under the circumstances, it was appropriate for Leader to point out information that was *on the face* of both Swartz and the '761 Patent. Therefore, a new trial on Swartz is completely inappropriate.

The Court's remedial measures here were fully sufficient to protect Facebook. Indeed, the Court also used a limiting instruction to address improper statements by Facebook's counsel

in opening statements regarding the possibility of an injunction. Tr. 244:2-6; D.I. 601 at 50, No. 4.12. A limiting instruction was sufficient to enforce the Court's order not to raise the potential for an injunction against the Facebook Website. *Id.* The same reasoning holds true here. Facebook cannot be heard to complain that a different remedy is needed for Leader's cross-examination of Dr. Greenberg.⁴

E. CLAIMS 1, 4, 7, 21, 23, 25, 31, AND 32 ARE NOT INVALID AS INDEFINITE.

Facebook also reprises its pending summary judgment motion and argues that claims 1, 4, 7, 21, 23, 25, 31, and 32 are invalid as indefinite. D.I. 635 at 16-17 (citing *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, 430 F.3d 1377 (Fed. Cir. 2005)). Leader will demonstrate why that argument is wrong when it responds to these arguments on September 20, 2010 as set by the Court's post-trial briefing schedule. D.I. 613. In short, the system and computer-readable media claims do not include method steps to be performed by a user. Rather, those claims set forth functional language that describes the functionality of the claimed system. Furthermore, there is no ambiguity in the claims because both parties' experts understood the scope of the claims in forming and providing their opinions at trial. Accordingly, Facebook's motion should also be denied with respect to indefiniteness.

V. CONCLUSION

For the foregoing reasons, Leader respectfully requests that the Court deny Facebook's JMOL Motion for Invalidity and for a new trial.

⁴ Swartz is no longer at issue in the pending reexamination of the '761 Patent. In its first office action, the USPTO has declined to adopt the rejection based on Swartz suggested by Facebook. USPTO May 21, 2010 Office Action (Hopkins Decl., Ex. 35). The USPTO's action also undermines Facebook's rationale for a new trial.

POTTER ANDERSON & CORROON LLP

OF COUNSEL:

Paul J. André
Lisa Kobialka
King & Spalding, LLP
333 Twin Dolphin Drive
Suite 400
Redwood Shores, California 94065-6109
(650) 590-7100

Dated: September 15, 2010
982359

By: /s/ Philip A. Rovner

Philip A. Rovner (#3215)
Jonathan A. Choa (#5319)
Hercules Plaza
P.O. Box 951
Wilmington, DE 19899
(302) 984-6000
provner@potteranderson.com
jchoa@potteranderson.com

*Attorneys for Plaintiff and Counterdefendant
Leader Technologies, Inc.*

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

CERTIFICATE OF SERVICE

I, Philip A. Rovner, hereby certify that on September 15, 2010, the within document was filed with the Clerk of the Court using CM/ECF which will send notification of such filing(s) to the following; that the document was served on the following counsel as indicated; and that the document is available for viewing and downloading from CM/ECF.

BY CM-ECF AND E-MAIL

Thomas P. Preston, Esq.
Steven L. Caponi, Esq.
Blank Rome LLP
1201 Market Street
Wilmington, DE 19801
Preston-T@blankrome.com
caponi@blankrome.com

I hereby certify that on September 15, 2010 I have sent by E-mail the foregoing document to the following non-registered participants:

Heidi L. Keefe, Esq.
Mark R. Weinstein, Esq.
Jeffrey Norberg, Esq.
Melissa H. Keyes, Esq.
Cooley LLP
Five Palo Alto Square
3000 El Camino Real
Palo Alto, CA 94306-2155
hkeefe@cooley.com
mweinstein@cooley.com
jnorberg@cooley.com
mkeyes@cooley.com

/s/ Philip A. Rovner
Philip A. Rovner (#3215)
Potter Anderson & Corroon LLP
Hercules Plaza
P. O. Box 951
Wilmington, DE 19899
(302) 984-6000
provner@potteranderson.com