

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

LEADER TECHNOLOGIES, INC.,	)	
a Delaware corporation,	)	<b>CIVIL ACTION</b>
	)	
Plaintiff and Counterdefendant,	)	<b>No. 1:08-cv-00862-LPS</b>
	)	
v.	)	
	)	
FACEBOOK, INC.,	)	
a Delaware corporation,	)	
	)	
Defendant and Counterclaimant.	)	
	)	

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**REPLY MEMORANDUM IN SUPPORT OF DEFENDANT FACEBOOK, INC'S  
RENEWED MOTION FOR  
JUDGMENT AS A MATTER OF LAW (JMOL) OF INVALIDITY**

**[MOTION NO. 4 OF 4]**

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## **I. INTRODUCTION**

Leader's opposition attempts to paint the invalidity analysis as a classic "battle of the experts" when no such battle exists. The only real battle here is between the plain and undisputed language of the prior art references themselves and the unsupported conclusions of Leader's expert. Because the Federal Circuit has held that those conclusions do not bar entry of judgment as a matter of law on anticipation when anticipation is clear from the underlying reference itself, there is no battle at all and JMOL should be granted. *See Orion IP, LLC v. Hyundai Motor Am.*, 605 F.3d 967, 974-78 (Fed. Cir. 2010) (reversing trial court's denial of motion for judgment as a matter of law on anticipation despite testimony by plaintiff's experts that prior art was not anticipatory); *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1318-20 (Fed. Cir. 2009) (same). Leader's opposition on obviousness is similarly unsupported by the record and misconstrues the law.

Leader's opposition to Facebook's conditional request for a new trial is based on an argument that Leader's counsel acted properly when he misrepresented to the jury that the Swartz reference was considered by the Patent Office during the original prosecution of the '761 patent. This argument has already been rejected by this Court and need not be reexamined here.

## **II. ARGUMENT**

### **A. Swartz Discloses all Elements of the Asserted Claims**

Facebook clearly demonstrated at trial that Swartz discloses each limitation of Leader's asserted claims. *See* Appendix A to Facebook's Opening Brief (D.I. 635). In a tacit admission of how relevant Swartz is, Leader's opposition argues about only two elements it contends are missing: tracking of user movement, and a context "as construed by the Court." D.I. 645 at 13. But rather than present evidence that those elements are lacking, Leader's argument rests on the

naked conclusions of Dr. Herbsleb. Because the plain language of Swartz discloses both elements, Dr. Herbsleb's conclusory testimony to the contrary provides no basis for denying Facebook's motion. *See Orion*, 605 F.3d at 976-77; Fed. R. Evid. 702. Likewise, Dr. Herbsleb's testimony that all the references are document-centric rather than user-centric is immaterial. D.I. 645 at 5. The claims do not require a particular "centricity." The only elements that matter to the invalidity analysis are those in the claims.

Regarding the tracking element, Swartz could not be clearer when in disclosing that "knowledge integration middleware is preferably employed to **identify (including tracking, monitoring, analyzing) the context in which information is employed** so as to enable the use of such context in the management of knowledge." D.I. 636, Ex. 22 at Col. 6:22-26 (emphasis added). This alone refutes all of Leader's arguments that this element is missing.

Leader also argues that this language relates to tracking document use rather than changes in user contexts. D.I. 645 at 13. In *Exergen*, the Federal Circuit reversed a jury verdict and found the asserted claims anticipated, rejecting attempts to distinguish the prior art based on functions "in addition to" those in the claims. 575 F.3d at 1318-19. This is precisely what Leader argues in its opposition – that Swartz is not anticipatory because it tracks document use, while ignoring the fact that Swartz also tracks users. Figure 5 in Swartz states that its system creates a "Record of Transactions" that includes "Context info **from users** & apps..." D.I. 636, Ex. 22 at Fig. 5; *see also id.* at Col. 4:33-35, Col. 8:55-59. Thus, because Swartz clearly tracks user interactions it does not matter that Swartz also tracks document use.

Leader's claim that Swartz does not disclose contexts, environments and workspaces is even more specious. The term "context" appears numerous times throughout Swartz and the discussion of one of the preferred embodiments discloses that the "context" is the environment in which the information is used: "Such a system also preferably captures metadata associated with

the information shared, stored and accessed by the users of the data so as to characterize the ‘context’ in which the information is being used.” D.I. 636, Ex. 22 at Col. 8:56-59. Swartz further discloses that its system “is used to assist in the integration of disparate information sources and their corresponding applications,” *id.* at Col. 6:17-22. This is materially no different from the ’761 patent’s definition of “workspace,” which is “a collection of data and application functionality related to a user-defined topic.” D.I. 636, Ex. 4, ’761 patent, at Col. 7:49-51 (definition of “board”), 3:32-35 (“workspace” and “board” have same meaning). Leader’s expert used the terms “context” and “workspace” interchangeably. *See* D.I. 635 at n.1. Dr. Herbsleb’s conclusory claim that “context” in Swartz means “this regulatory compliance scheme” ignores that Swartz uses “context” to refer to an environment, just like the asserted claims.

In both *Orion* and *Exergen*, the Federal Circuit reversed a jury’s finding that prior art was not anticipatory notwithstanding the existence of conflicting expert testimony. *See Orion*, 605 F.3d at 974-78; *Exergen*, 75 F.3d at 1318-20. The Federal Circuit in both cases looked beyond the experts’ attempts to distinguish the prior art and found anticipation when all elements of the asserted claims were apparent from the face of the prior art itself. *Id.* As in *Orion* and *Exergen*, no reasonable jury could have credited Dr. Herbsleb’s claims that tracking and contexts are missing from Swartz. Judgment as a matter of law is therefore appropriate.

## **B. The iManage User Manual Anticipates All Asserted Claims**

### **1. The iManage User Manual is Enabling Prior Art**

The evidence elicited at trial by Facebook showed that the iManage User Manual (“iManage”) was publicly available before the priority date of the ’761 patent. In order for iManage to qualify as prior art, it needed to be publicly accessible more than one year before the critical date of December 10, 2002. The copy of iManage submitted into evidence established

that the reference was “© COPYRIGHT 1999, 2000, 2001” and “last updated” July 26, 2001 (D.I. 636, Ex. 23 at AUT0020002), which is more than a year prior to the critical date. iManage also includes a statement that the manual is “intended for end users of iManage DeskSite.” *Id.* at AUT0020011. This is sufficient to establish that iManage was a printed publication that was publicly available more than one year prior to the critical date.

Leader’s opposition ignores this evidence and relies on the fact that one of the copies of iManage admitted at trial, DTX1010, was originally stamped “confidential” by the party that produced it in discovery. Leader ignores that a non-confidential version of iManage was also admitted by the Court as Exhibit DTX0925E, and that Dr. Greenberg testified that the document he relied upon bore no confidentiality designation. Declaration of Elizabeth Stameshkin in Support of Reply Memorandum in Support Facebook’s Inc.’s Renewed Motion for Judgment as a Matter of Law (“Stameshkin Supp. Decl.”), Ex. A at 1709:6-20. Leader offered no evidence to rebut the statements in iManage itself, namely that it was available to users of iManage in July of 2001. Absent any rebuttal evidence, no reasonable jury could have concluded that iManage does not qualify as a printed publication under 35 U.S.C. § 102(b).

Leader also failed to offer evidence that the claimed invention was not enabled by iManage. At trial, Dr. Greenberg testified that iManage is an enabling reference as to the asserted claims. Stameshkin Supp. Decl., Ex. A at 1535:5-1536:3. In response, Dr. Herbsleb testified that iManage did not enable someone to build the iManage software. *Id.* at 1792:11-1793:9. But Dr. Herbsleb was applying the wrong test. The test is not whether one of skill in the art could build the iManage product using the manual, or even the Leader product. The test is whether someone could, without undue experimentation, make and use **the claimed invention**. The Federal Circuit, which has held that “Title 35 does not require that a patent disclosure enable one of ordinary skill in the art to make and use a perfected, commercially viable embodiment

absent a claim limitation to that effect.” *CFMT, Inc. v. Yieldup Int’l Corp.*, 349 F.3d 1333, 1338 (Fed. Cir. 2003). The only person who testified to whether or not iManage enabled someone to make and use the claimed invention was Dr. Greenberg, who testified that it did. Because Dr. Herbsleb applied the wrong test, his testimony is not in conflict with Dr. Greenberg’s. No reasonable jury could have found that iManage was not enabling.

## 2. iManage Discloses Tracking and Contexts

As with Swartz, Leader again identifies only two limitations (the tracking component and contexts) as allegedly absent from iManage. D.I 645 at 8-9. However, again, Leader ignores the plain disclosures of iManage and relies on unsupported conclusory statements by its expert that are refuted by the reference itself. *See Orion*, 605 F.3d at 976-77; *Exergen*, 75 F.3d at 1318-20. Leader argues that iManage has “no view shots anywhere in the manual where you can sort of pull up some user and see what a user has done.” D.I 645 at 8 (D.I. 637, Ex. 1 at 1797:8-10). However, nothing in the asserted claims requires the ability to “pull up some user and see what a user has done.” Instead, each of the asserted claims is limited to tracking user movement between contexts, environments and/or workspaces, and storing that information in the metadata associated with the data. As Facebook’s expert testified, iManage tracks user movement in a number of ways, including by automatically recording information about which “User” accessed documents, when they did so, from what location, for how long and using which application:

User	Applicati..	Activity	Date - Time	Duration	Pages Prin...	Location	Comments
BOWEN	WINWORD	Checkin	6/14/2001 2:20:48 PM	26	0	BOWEN	
BOWEN	WINWORD	Modify	6/14/2001 2:20:47 PM	0	0	BOWEN	
BOWEN	MANAGE32	Checkout	6/14/2001 2:20:22 PM	0	0	BOWEN	
BOWEN	MANAGE32	Create Versi	6/14/2001 2:14:39 PM	0	0	BOWEN	Created from version 1

**Figure 3.26:** The *Document History* tab displays the activity record for a document.



D.I. 636, Ex. 23 at Fig. 3.26. No reasonable jury could find that tracking is missing from iManage in light of the above which shows, e.g., user BOWEN (col. 1), checking in a document (col. 3, row 1) with an application (col.2) at a particular time (col. 4), from a particular location (col. 7.) along with tracking various other activities by user BOWEN. Furthermore, the Court at Leader's urging defined "context" as "environment," and thus "context information" necessarily includes information about the user's environment. The location of the user (col. 7 in Fig. 3.26) and the application the user is running (col. 2 in Fig. 3.26) both reflect the user's environment and are therefore "context" information as a matter of law.

### **C. Hubert Discloses All Elements of the Asserted Claims**

As with Swartz and iManage, Leader incorrectly asserts that Hubert does not include the tracking and context elements present in the asserted claims. D.I 645 at 10-11. Leader also claims that Hubert does not disclose a network or web-based system, as is required by the claims. Facebook proved at trial, however, that Hubert does include all three of these elements.

Leader's claim that Hubert does not disclose a network based system borders on the absurd. Paragraph 23 of Hubert discloses that "Meta-document 20 is then transmitted over the Internet 36 to source (or environment) 32." D.I. 636, Ex. 24, ¶ 0023. Whether Hubert claims a network-based system in the claims written at the end of the Hubert patent themselves has absolutely no relevance. In order to show anticipation, Facebook need only show the presence of all elements of the asserted claims in a single reference, not that those elements are claimed in the prior art patent. *Phillips Petroleum Co. v. U.S. Steel Corp.*, 673 F. Supp. 1278, 1288 (D. Del. 1987) ("[T]he question is not the precise scope of the claim in the prior patent, but what is disclosed in the specification and made known to the world.") (citing *Minerals Separation v. Magma Copper Co.*, 280 U.S. 400, 402 (1930)) (internal quotations omitted). No reasonable jury could find that Hubert does not disclose the Internet.

The same paragraph, No. 23, also specifically discloses the required “environment” from the claims: “Meta-document 20 is then transmitted over the Internet 36 to source (**or environment**) 32.” D.I. 636, Ex. 24, ¶ 0023 (emphasis added). This statement directly contradicts Dr. Herbsleb’s claim that “there’s absolutely nothing about a context, or environment ...” in Hubert.

Finally, contrary to Leader’s assertions, the evidence plainly shows that Hubert includes tracking. *See* D.I. 636, Ex. 24 at ¶ 009 (“There is also a need for a system and method of managing documents **that can track** document distribution data. There is a further need for a system and method of managing documents **that can track** a document’s path of distribution and a document’s changes”) (emphasis added). In tracking the path of a document with all the changes made to it, the Hubert system necessarily tracks the users that touch that document. The plain language of Hubert and the testimony adduced from Dr. Greenberg are so clear that no reasonable jury could fail to conclude that Hubert discloses every element of the claims.

#### **D. The Asserted Claims are Obvious**

Leader’s arguments on obviousness must be rejected for the same reasons discussed above. Leader simply argues that because each reference is purportedly lacking the tracking element, no combination can produce this missing element. As discussed above, however, each reference not only uses the word “tracking” but discloses the exact same tracking concept claimed in the asserted claims.

Leader’s arguments also misrepresent the current state of the law and ignores Supreme Court precedent. Leader insists that Facebook failed to provide the necessary evidence of “motivations to combine” the prior art, but Leader is wrong on the law and the facts. Legally, there no longer exists a requirement to find an explicit “motivation to combine” references. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 402 (2007) (“The diversity of inventive pursuits and of

modern technology counsels against confining the obviousness analysis by a formalistic conception of the words teaching, suggestion, and motivation . . .”). To the contrary, a combination of prior art elements performing their known functions is obvious *as a matter of law*. *Id.* at 415-16. And in any event, Facebook provided testimony that in fact did suggest motivations to combine the references. D.I. 637, Ex. 1 at 1564:16-1566:4.

Finally, the secondary considerations proffered by Leader are based on the incorrect and conclusory testimony of Dr. Herbsleb, and therefore do not support the jury’s verdict. Regarding long felt need, Dr. Herbsleb testified that Bell Labs in 2002 was struggling with how teams could share documents. Stameshkin Supp. Decl., Ex. A at 1847:4-17. He does not, however, establish the nexus between this “need” and the claims at issue, for example, by explaining why there was a long-felt need to track user movement from one context to another, and update metadata associated with user-defined data based on that change. Dr. Herbsleb’s testimony on commercial success is similarly unhelpful, as it relies solely on the success of Facebook as an alleged commercial embodiment of the invention without establishing a nexus between that success and the claimed invention. *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1130 (Fed. Cir. 2000) (“A nexus between commercial success and the claimed features is required.”). The commercial failure of Leader2Leader, the only product that both parties agree practices the asserted claims, demonstrates that merely practicing the claimed invention is not enough to create commercial success. No reasonable jury could have found secondary considerations of non-obviousness based on this record.

#### **E. Facebook’s Conditional Request for a New Trial**

In opposing Facebook’s conditional request for a new trial, Leader remarkably continues to argue that it appropriately suggested to the jury that the Swartz reference was considered by the PTO during the original prosecution of the ’761 patent. This Court has already ruled on that

issue and found Leader's comments to be improper. Stameshkin Supp. Decl., Ex. A at 1645:17-23 ("Such questioning by Mr. Andre was inappropriate due to my *in limine* ruling. By contrast, on direct, Facebook stayed appropriately within the narrow scope of my ruling, elicited only disputed [sic] evidence that Swartz is not mentioned on the face of the '761 patent."). The Court has also ruled that Leader's conduct prejudiced Facebook. *Id.* at 1647:1-2. The only issue raised by Facebook's motion is whether the Court's remedy of a curative instruction was sufficient to remedy this prejudice. Facebook believes it was not.

The conduct was egregious—counsel repeatedly pushed the issue despite multiple rulings barring the questions and being told to "move on." The improper line of questions implied to the jury that Facebook had been hiding-the-ball through its entire grueling element by element testimony, and misrepresented the facts and law of the case. D.I. 637, Ex. 1 at 1582:3-1583:14. The fact that this inappropriate behavior occurred immediately before the weekend break only enhanced its deleterious effect on the jury, who were left with a weekend to cogitate how and why Leader was implying that Facebook was hiding something. The curative instruction, while greatly appreciated, was not given until the close of the case, many days after the misconduct occurred, essentially attempting to unring a bell that had sounded long ago. For at least these reasons, the curative instruction was insufficient.

**F. The Non-Method Claims Are Invalid as Indefinite Under *IPXL Holdings***

Leader's opposition provides no analysis in response to Facebook's argument in its opening brief that Facebook is entitled to JMOL of invalidity of claims 1, 4, 7, 21, 23, 25, 31, and 32 because they are indefinite under *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, 430 F.3d 1377 (Fed. Cir. 2005). For the reasons set forth in Facebook's opening brief, Facebook's Motion for Summary Judgment No. 1 (D.I. 384) and Facebook's forthcoming reply in support of Motion for Summary Judgment No. 1 (to be filed by September 30, 2010), this Court should grant

Facebook's motion for judgment as a matter of law that claims 1, 4, 7, 21, 23, 25, 31 and 32 are invalid as indefinite.

### III. CONCLUSION

For the foregoing reasons, Facebook's motion should be granted.

Dated: September 27, 2010

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