IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

PERSONALIZED USER MODEL, L.L.P.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	C.A. No. 09-525 (LPS)
	)	
GOOGLE, INC.,	)	**PUBLIC VERSION**
	)	
Defendant.	)	

PERSONALIZED USER MODEL LLP'S OPPOSITION TO GOOGLE INC.'S MOTION FOR LEAVE TO FILE MOTION FOR SUMMARY JUDGMENT

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Although Google agreed to extend the time for discovery on its newly-minted ownership claim, and although Google agreed to a Case Management Order that deferred all case dispositive motions until after the completion of discovery, Google now, under the guise of judicial efficiency, seeks leave to file an early summary judgment motion before discovery is completed on the so-called "threshold" issue of the ownership of the patents-in-suit. The Court should deny Google's Motion for Leave because, as demonstrated below, PUM requires additional discovery on several key issues presented in Google's attached motion for summary judgment—additional discovery that Google previously agreed to permit by stipulation.

Specifically, PUM expects discovery to reveal or further substantiate the following facts, among others, that warrant denial of Google's motion for summary judgment:

- The inventions of the patents-in-suit were conceived after Dr. Yochai Konig ("Dr. Konig") left Stanford Research Institute ("SRI");
- The inventions claimed in the patents-in-suit are unrelated to the work that Dr. Konig performed while he was employed by SRI;
- Dr. Konig did not utilize SRI equipment or any SRI resources in connection with developing the inventions claimed in the patents-in-suit;

- SRI did not assert any rights to the inventions claimed in the patents-in-suit prior to being contacted by Google in connection with this case; and
- REDACTED

To establish these facts, PUM served Google with discovery requests and will take the deposition of Google on the ownership issue on March 17, 2011. PUM is also serving a 30(b)(6) deposition notice and subpoena duces tecum on SRI, a copy of which is attached as Ex. 1. It is expected that, in addition to the above facts, this discovery will demonstrate, among other things, that:

- SRI's Star Lab, the laboratory where Dr. Konig worked, was not involved in the personalization of on-line services (whether over the Internet or elsewhere) in any way;
- None of Dr. Konig's work at SRI involved the personalization of on-line services; and
- REDACTED

REDACTED

REDACTED

In sum, Google's premature filing of summary judgment motion will waste both the parties' and the Court's resources.[2] Google, moreover, stipulated to additional discovery as a condition to obtain PUM's consent for leave for Google to file its amended counterclaims. (D.I. 179.) Now that its amended counterclaims have been filed, however, Google seeks to deprive PUM of the very discovery that it agreed PUM could have. Google's Motion for Leave should be denied.

ARGUMENT

When the evidence is fully developed, it will demonstrate that (i) Dr. Konig was not required to assigned any rights to SRI, (ii) SRI has no ownership interest (and no right to acquire any such interest) in the patents-in-suit, and (iii) as a result, neither SRI nor Google have any claim of ownership to the patents-in-suit. Thus, PUM has standing to assert its patent infringement claims.

REDACTED

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[1] REDACTED

[2] If a motion for summary judgment is filed, PUM expects to file a Rule 56(d) declaration setting forth reasons why such a motion is premature.

REDACTED Consequently, there will be no judicial savings (and only waste) by permitting Google to prematurely file its motion for summary judgment.

A. SRI had no rights to Dr. Konig's inventions.

The attached Declaration of Dr. Konig establishes that:

- Dr. Konig was an expert in machine learning before joining SRI. (Konig Decl., at ¶ 2-3, 9, attached as Ex. 3.);
- Dr. Konig never worked on personalized user search technology while at SRI. (*Id.* at ¶ 4.)
- REDACTED

In addition, the evidence will show that the Speech Technology and Research Laboratory ("Star Lab") in which Dr. Konig worked was not involved in Internet or personalization research. SRI, consequently, had no ownership interest in the patents-in-suit and Dr. Konig did not violate his employment agreement with SRI.

REDACTED

- REDACTED
- REDACTED
- REDACTED

REDACTED

C. Google has not acquired any rights in the patents-in-suit

Because the evidence will demonstrate that SRI had no rights to Dr. Konig's inventions, and thus had no rights to assign, the evidence will demonstrate that Google also does not have any rights to these inventions. In addition, and as stated above, PUM expects that the evidence will show that the SRI-Google agreement is a sham and could not vest any ownership rights in Google, and that Google's contract claims are barred by the statute of limitations.

(1) *The SRI-Google agreement is a sham transaction.*

REDACTED

This is another reason, among many, why Google's Motion to Leave should be denied.[3]

(2) *The statute of limitations has expired on Google's breach of contract claim.*

Google is seeking to enforce Dr. Konig's employment agreement by filing summary judgment on its newly-acquired breach of contract claim. This claim is barred by California's statute of limitations because the alleged breach of contract occurred in 1999, and Google did not assert the claim until 2011.

In California, the statute of limitations for a breach of contract claim is four years. CAL. CODE CIV. PROC. § 337(1). A breach of contract claim accrues on the date that the agreement is

[3] For the reasons discussed earlier, SRI has no rights in the patents-in-suit to transfer to Google. Moreover, Dr. Konig's employment agreement did not effectuate any assignment of any invention that could be transferred to Google. At best, the employment agreement was merely an undertaking to make future assignments, which did not occur. *See Abraxis v. Navinta,* 625 F.3d 1359, 1364-65 (Fed. Cir. 2010).

breached. *Spear v. Cal. State Auto. Ass'n*, 831 P.2d 821, 825 (Cal. 1992). Under Google's own theory, the SRI agreement was allegedly breached in July 1999. The statute of limitations expired in July 2003.

Further, California's discovery rule, which postpones accrual of a cause of action until the breach is discovered, does not apply. The discovery rule only applies to a breach of contract claim if the breach "is committed in secret" and the harm cannot be discovered until the future. *April Enterprises v. KTTV*, 147 Cal. App. 3d 805, 832 (Cal. Ct. App. 2nd Dist. 1983). Google has provided no evidence that Dr. Konig or Utopy were secretive in their work. Indeed, PUM expects to prove through discovery that SRI had actual knowledge of Dr. Konig's and Utopy's work in personalized user search well over four years before Google purchased the alleged rights or asserted this ownership claim.

CONCLUSION

For the above reasons, PUM respectfully requests that this Court deny Google's Motion for Leave. As demonstrated, Google's proposed summary judgment motion is premature. PUM has identified necessary discovery in several areas that are directly applicable to the ownership issues. Permitting Google to file a summary judgment motion before discovery is completed would not only prejudice PUM, but would also result in a waste of judicial resources as there are numerous fact issues for which discovery still is needed. Denying Google's motion would also hold Google accountable to its prior agreement that resulted in the stipulated discovery extension.

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March 10, 2011
4131328

CERTIFICATE OF SERVICE

I hereby certify that on March 16, 2011, I caused the foregoing to be electronically filed with the Clerk of the Court using CM/ECF which will send electronic notification of such filing to all registered participants.

Additionally, I hereby certify that true and correct copies of the foregoing were caused to be served on March 16, 2011, upon the following individuals in the manner indicated:

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