IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

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

PUM'S ANSWERING BRIEF IN OPPOSITION TO GOOGLE'S MOTION FOR SUMMARY JUDGMENT REGARDING SRI AND IN SUPPORT OF PUM'S CROSS-MOTION FOR SUMMARY JUDGMENT

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NATURE AND STAGE OF PROCEEDING

This Court previously denied Google's request for leave to file an early summary judgment motion on the identical ownership issue (D.I. 196), in part because, as the Court stated, "there is a dispute" on conception issues. (6/29/11 Tr. at 21:4-14.) These and other disputed issues of fact remain. For the reasons that follow, Google's motion for summary judgment should be denied and PUM's cross-motion for summary judgment, for which leave to file has been sought (D.I. 444), should be granted.

SUMMARY OF ARGUMENT

Google fails to carry its burden of demonstrating the absence of material facts. As a threshold issue, and as a matter of law, Counts VII-X of Google's Counterclaims relating to patent ownership are time-barred, warranting summary judgment in PUM's favor. But, assuming *arguendo* these claims were timely filed, and with all reasonable inferences drawn in PUM's favor, the evidence establishes that Dr. Konig conceived of the inventions ***after*** he left SRI. And, even if they were conceived while Dr. Konig was at SRI, the inventions relate to an entirely different subject matter (personalized Internet services such as search) than the work Dr. Konig performed at SRI (speech recognition and speaker verification), or any of SRI's then actual existing or demonstrably anticipated projects. Finally, because PUM holds the patent rights of co-inventors Roy Twersky and Michael Berthold, there can be no doubt that it has standing. At a minimum, there are genuine issues of material fact that preclude summary judgment in Google's favor.

STATEMENT OF FACTS

A. Inventors Konig And Twersky.

Dr. Konig received two computer science degrees, including a Ph.D. from Cal-Berkeley

in 1996 where he specialized in statistical machine learning. His Ph.D. thesis discussed the application of machine learning techniques to speech recognition, and he authored several articles on the topic.[1] Dr. Konig was an expert in machine learning before he joined SRI.[2]

Mr. Twersky served in the Israeli Army between 1982 and 1985, where he worked in the computer unit department, supervising the computerization of all HR Systems. (*See* Ex. C at 31:20-32:6). In 1986, Mr. Twersky received a degree in economics from Tel Aviv University where he took several mathematics courses, including statistics and Bayesian statistics. (*Id.* at 28:22-24 and 29:3-15.) He then attended Stanford University's Business School, during which time he met Dr. Konig. (*Id.* at 32:11-33:5.)

B. Dr. Konig's Employment At SRI.

1. Dr. Konig's Work.

[redacted] Rather, he worked on "various speech recognition technology, including human-to-human speech recognition, [and] speaker verification" (Ex. A at

[1] *See* Declaration of Jennifer Bennett ("Bennett Decl."), Ex. A (at 48:18-49:5, 49:12-23, 51:1-3, and 51:19-22. All cited exhibits are to the Bennett Decl. unless otherwise noted.

[2] [redacted]

50:4-7), and over-the-telephone large vocabulary recognition. (*Id*, 50:3-7; *see also* Ex. E, 5-6.) His research did not include search technologies, extracting features from documents or web pages, modeling, information retrieval, or search personalization - essential features of the patents-in-suit. (Ex. B at 57:1-3.)

2. The Invention Was Conceived After Dr. Konig's Employment at SRI.

[redacted] Before UTOPY could begin its research, it needed capital. Mr. Twersky, with Dr. Konig, created marketing slides and other materials to present to potential investors. (*Id.* at 189:20-190:1-17.) For example, in May 1999, they prepared a draft white paper entitled "Providing Your Personal Web" (Ex. F), which discussed the problem of information overload and explained that the goal of UTOPY (not yet formed) was "to develop the underlying technology for personalized services on the web."[3] [redacted] Neither explained how the information overload problem would be solved. [redacted]

[3] Although the white paper states that machine learning tools were developed for "such applications as continuous speech recognition," that was not their only application. As discussed below at page 6, speech recognition is but one of many applications for which machine learning was developed.

[redacted]

[redacted]

[redacted]

[redacted]

3. Dr. Konig Consistently Testified That Conception Occurred After He Left SRI

[redacted]

[redacted] He never changed that testimony, either before or after learning of Google's proposed amended pleading.

[redacted]

[redacted]

[redacted]

[redacted]

4 [redacted]

5 [redacted]

6 [redacted]

[redacted] Thus, at a minimum issues of fact concerning conception continue to exist.

C. The Inventions Were Developed Entirely On Dr. Konig's Own Time And Did Not Relate To His Employment At SRI Or SRI's Actual Or Anticipated Business.

1. The Inventions Did Not Result From Dr. Konig's Speech Recognition And Speaker Verification Work.

[redacted] There also is no dispute that Dr. Konig did no work on the development of personalized user Internet search technology on SRI's behalf. As explained above, Dr. Konig's work at SRI involved speech recognition and speaker verification.

Google contends that the invention "resulted from" Dr. Konig's work at SRI essentially because machine learning techniques can be applied to both speech recognition and personalized Internet searches.[7] (D.I. 413, at 5.) But, the patents do not claim the general concept of machine learning; they claim personalized Internet applications, such as search. [redacted]

[7] Google also contends the patents resulted from Dr. Konig's SRI work because the specification mentions "speech recognition software." However, reference to off-the-shelf software to analyze properties of audio files is not part of the inventive features of the inventions nor does it support the conclusion the patents "resulted from" Dr. Konig's work at SRI. (Ex. G, 511:20-513:10.)

[redacted]

2. SRI Did Not Have Business Or Any Demonstrably Anticipated Research Or Development In Personalized User Search.

Google then contends that the patents-in-suit "related to" SRI's business simply because SRI used "computers and machine learning." (D.I. 413 at 2-3.) However, Google fails to identify any business then being conducted, or demonstrably anticipated research or development, relating to personalized Internet applications. In fact, it is undisputed that no such research or development was conducted or even anticipated before 2002.[8]

3. Google "Rents" SRI's Purported Rights For This Litigation.

[8] [redacted]

[redacted] Yet, Google asks the Court to dismiss the Amended Complaint on the basis of rights that it expressly acknowledged were "speculative."

ARGUMENT[10]

A. SRI's, And Thus Google's, Claims Are Time-Barred, and PUM Has Standing to Bring This Action.

Google's ownership-based claims are time-barred and should be dismissed. The applicable statute of limitations for SRI's breach of contract and ownership claims expired long before Google "purchased" those "speculative rights" from SRI in 2011. Google's affirmative defense of lack of standing also fails and should be dismissed because (1) it entirely depends on SRI being able to enforce its stale claims, and (2) PUM has standing as successor to the patent rights of co-inventors Twersky and Berthold that are undisputed.

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9 [redacted]

10 Although Google points out that Dr. Konig would have the burden ***at trial*** of establishing that the inventions are protected under section 2870 ***if*** conception occurred while Dr. Konig was at SRI, on this motion for summary judgment, Google has the burden of establishing there are no material facts and that it is entitled to judgment as a matter of law. *Enreach Tech., Inc. v. Embedded Internet Solutions,* 403 F. Supp. 2d 968, 974-75 (N.D. Cal. 2005) (summary judgment must be denied where an employee claiming the protection of California Code § 2870 raises issues of fact concerning the date of conception or whether the invention related to the employer's business or resulted from the employee's employment).

Any breach of contract claims SRI may have had against Dr. Konig (as well as claims for conversion and imposition of constructive trust), are time-barred under Delaware's three-year statute of limitations. 10 Del. C. § 8106.[11] Ordinarily this period begins to "run at the time of the alleged wrongful act even if the plaintiff is ignorant of the cause of action." *Medtronic Vascular, Inc. v. Advanced Cardiovascular Sys., Inc.*, 2005 WL 46553 (D. Del. 2005), *aff'd*, 182 Fed. Appx. 994 (Fed. Cir. May 26, 2006) (internal citations omitted) ("Medtronic I"). Thus, under Google's conception-occurred-in-July-1999 theory, SRI's patent rights, if any, lapsed three years later in July 2002. [redacted] If not then, SRI's rights were extinguished no later than December 29, 2002 based on the December 28, 1999 filing date of the provisional patent application, and certainly no later than December 2008, three years after the issuance of the '040 patent issued naming Dr. Konig as an inventor.[13]

Under any of these scenarios, Counts VII-X of the Counterclaims are time barred. *See*

[11] The Delaware statute of limitations applies under the Delaware borrowing statute, 10 *Del. C.* § 8121, which provides that when an action arises outside of Delaware, the Court shall apply the shorter limitations period of the law of this State or the State where the action arose. *See also Grynberg v. Total CompagnieFrancaise des Petroles*, --- F. Supp. 2d ----, 2012 WL 4095186, at *9-10 (D. Del. Sept. 18, 2012). For the reasons explained above, however, this action would still be time-barred even if the California four-year statute of limitations applied. (Cal. Civ. Proc. Code § 337.)

[12] [redacted]

[13] *See Medtronic Vascular, Inc. v. Advanced Cardiovascular Sys., Inc.*, No. Civ. 98-80-SLR, 2005 WL 388592, at *1 fn.4. (D. Del. Feb. 2, 2005), *aff'd*, 182 Fed. Appx. 994 (Fed. Cir. May 26, 2006) (Medtronic II) ("Patents serve to 'put the world on notice' with respect to what the patentee claims to own" and starts the limitations period running).

Board of Trustees of the Leland Stanford Junior University v. Roche Molecular Sys., Inc., 583 F.3d 832, 846-47 (Fed. Cir. 2009), *aff'd o.g.*, 131 S. Ct. 2188 (2011) (affirming that Roche's claim of patent ownership was time-barred).

Google's standing defense likewise fails. First, it entirely depends upon SRI holding rights to the patents-in-suit that it did not, and could not, convey.[14] Second, regardless of any purported defect in Dr. Konig's patent rights, there can be no dispute that PUM has standing as the owner of co-inventors Twersky's and Berthold's undivided patent rights.[15] *See Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1551-52 (Fed. Cir. 1995) ("A conveyance of legal title by the patentee can be made only of the entire patent, ***an undivided part or share of the entire patent,*** or all rights under the patent in a specified geographical region of the United States… A transfer of any of these is an assignment and vests the assignee with title in the patent, ***and a right to sue infringers***.) (emphasis added). Finally, Google cannot credibly argue that as an alleged co-owner of the patents it is an absent indispensable party since it is present in this litigation.

As a result, judgment should be entered in favor of PUM dismissing these claims.

B. Google Cannot Establish As A Matter Of Law That Conception Occurred While Dr. Konig Was Employed At SRI.

Assuming Google's ownership claims were timely-asserted, Google cannot establish as a

[14] Unlike in *Board of Trustees*, where defendant's predecessor, Cetus, by virtue of its agreements, "immediately gained equitable title" to the inventions, leaving plaintiff with defective title to assert (*id.* at 841, 847), here all SRI had at best was a future right to have Dr. Konig take steps "to effect transfer of ownership." [redacted] Because title remained at all relevant times with Dr. Konig and his assignees, SRI's affirmative defense of lack of standing likewise fails. As a result, it is irrelevant whether the statute of limitations applies to Google's affirmative defense of standing.

[15] These assignments are attached as Ex. M.

matter of law, drawing all reasonable inferences in PUM's favor, that conception occurred while Dr. Konig was employed at SRI. The central question regarding conception is whether the inventions in the patents-in-suit were "conceived or made" by Dr. Konig while at SRI. [redacted]

Google tries to avoid this conclusion by arguing that "conception", as used in the Employment Agreement, does not mean "conception" in the patent law sense. Google is wrong. *See, e.g., Board of Trustees of Leland Stanford Junior Univ. v. Roche Molecular Sys., Inc.*, 487 F. Supp. 2d 1099, 1115 (N.D. Cal 2007), *aff'd in part and rev'd in part o.g.*, 583 F.3d 832 (Fed. Cir. 2009) (applying patent law definition of conception to an employment agreement and holding that the invention was conceived in the patent sense while the professor worked there).[17]

[16] Google argues that a supplemental interrogatory response asserting a September 1999 conception date is a "sham" and should be disregarded. (D.I. 413 at 7-8.) That assertion, of course, is disputed and cannot be disposed of on summary judgment, as the Court already noted in denying Google leave to file its motion. Moreover, the cases Google cites are not supportive. They relate to affidavits or other sworn evidence manufactured *after* a summary judgment motion is filed to create a question of fact. Not only does PUM's response *predate* this motion by almost two years, but PUM does not rely on it in contesting summary judgment. Finally, in *EBC, Inc. v. Clark Bldg. Sys.*, 618 F. 3d 253, 268-29 (3rd Cir. 2010), the Court held that even a post-motion affidavit may be credited if there is an adequate explanation for a change in testimony. This Court expressly permitted additional deposition testimony of Dr. Konig and Twersky on the supplemental interrogatory response (*see* 6/29/2011 Tr. at 15:25-17:21) and they testified that the prior response was based on Mr. Twersky's misunderstanding of the term conception. (*See, e.g.* Ex. J at 271:16-272:14.)

[17] *Accord Andreaggi v. Relis*, 171, N.J. Super. 203, 408 A.2d 455, 464 (N.J. Super. Ct. Ch. Div. 1979) ("[T]his court concludes that where an inventor or inventors have conceived the basic ideas, have drawn the schematics for the electrical circuitry, have assembled the hardware to do the work, and have documented the means of executing the idea, there is invention."). The cases Google cites are not to the contrary. *Elec. Electronic Control, Inc. v. L.A. Unified Sch. Dist.*, 126 Cal. App. 4th 601, 612 (2d Dist. 2005), simply holds that rules of contract interpretation apply to surety bonds. Further, in *AT&T v. Integrated Network,* 972 F.2d 1321, 1325 (Fed. Cir. 1992), (Continued . . .)

Conception, in the patent law sense, "is established when the invention is made sufficiently clear to enable one skilled in the art to reduce it to practice without the exercise of extensive experimentation or the exercise of inventive skill." *Hiatt v. Ziegler*, 179 USPQ 757, 763 (Bd. Pat. Inter. 1973); *see also Gunter v. Stream*, 573 F.2d 77, 197 USPQ 482 (CCPA 1978); *Coleman v. Dines*, 754 F.2d 353, 359 (Fed. Cir. 1985) ("It is settled that in establishing conception a party must show possession of every feature recited in the count, and that every limitation of the count must have been known to the inventor at the time of the alleged conception."). A review of the record, and especially Dr. Konig's deposition testimony, at page 10 above, demonstrates that conception of the inventions in the patents-in-suit did not occur until after he left SRI. At a minimum, there are genuine issues of material fact regarding whether conception occurred during or after Dr. Konig's work at SRI.

C. Assuming *Arguendo* That Conception Occurred While Dr. Konig Was At SRI, Summary Judgment Must Be Denied Because There Are Genuine Factual Disputes Concerning Whether The Inventions (1) Resulted From His Work At SRI Or (2) Related To SRI's Existing Business Or Anticipated Research And Development.

1. The Inventions Did Not Result From Dr. Konig's Work.

[redacted]

(. . . continued)
the Court, in determining there was no federal jurisdiction for removal purposes, held only that the word "invention" in an employment agreement did not necessarily mean a patented invention where, for example, it could also refer to unpatented ideas, such as trade secrets. *Hercules Glue Co. v. Littooy*, 25 Cal. App. 2d 182, 76 P. 2d 700 (Ct. App. 1938), provides no helpful guidance. There, the court noted that the employee had discovered the "basic principle" of a neutral spreader but there is no discussion concerning the definition of "conception" to be applied. Google thus has presented no authority that the term "conceive" in the context of a provision in an employment agreement requiring assignment of patents should be given anything other than its patent law meaning.

[redacted] Rather, Dr. Konig worked only on speech recognition and speaker verification. This is undisputed.

Instead, Google relies on the fact that because Dr. Konig used common machine learning techniques and tools both in his speech recognition and speaker verification research and in development of the patents-in-suit, the latter "resulted from" the former. The inventions did not "result from" Dr. Konig's work at SRI simply because he utilized the same standard machine learning techniques and tools, well-known to him before he joined SRI. As previously explained, these common machine learning techniques and tools have many varied applications. Drs. Somnez and Stolcke testified that these techniques and tools were standard techniques and tools found in any machine learning professional's toolkit. This too is undisputed.

2. The Inventions In The Patents-In-Suit Were Not Related To SRI's Business Or Actual Or Demonstrably Anticipated Research And Development[18] As Of August 6, 1999.

Google argues that the patents relate to SRI's business simply because SRI, during Dr. Konig employment, used computers, the Internet and machine learning (D.I. 413 at 5-6.) This is insufficient to remove the patents-in-suit from the protection of section 2870. *See, e.g.*, *Freedom Wireless, Inc. v. Boston Commc'ns Grp., Inc.*, 220 F. Supp. 2d 16, 18 (D. Mass. 2002) (finding that the employee's patent for "wireless telephone billing" was not related to the employer's "satellite-based and space-based services, including personal satellite navigation services and guidance systems for rockets"); *Hirshhorn v. Mine Safety Appliances Co.*, 106 F. Supp. 594, 597, 601-602 (W.D. Pa. 1952) (finding that employee's patent for rebreathers was not related to employer's treating of carbon monoxide from exhaust gases).

[18] Google does not contend that the patents-in-suit related to SRI's demonstrably anticipated research and development, so this prong of section 2870 will not be discussed.

The invention must have a *very close* connection to the employer's business to render section 2870 inapplicable. For example, in *Cubic Corp v. Marty*, the court found that the invention was "related to" the employer's business because the employee: (1) presented it as "something to enhance" the employer's existing product line; (2) designed the warfare simulator to function with the employer's pilot training program; and (3) stated in his patent application that the "preferred embodiment" of the invention was the employer's pilot training program. 229 Cal. Rptr. 828, 185 Cal. App. 3d 438 (Cal. Ct. App. 1986). Thus, the employee, himself, recognized that the invention was related to the employer's business. *Id.* Similarly, in *Cadence Design Sys., Inc. v. Bhandari*, the court found that the invention - covering electronic design automation tools "integral" to his former employer's business of producing complex integrated semiconductor circuits - fell within the employer's "actual or demonstrably anticipated research and development." 2007 WL 3343085, at *5-*6 (N.D. Cal. Nov. 8, 2007) (citing *Cubic Corp. v. Marty*). Additionally, the inventor had presented his manuscript to the employer to enhance its core business capabilities and there was evidence it was within the scope of his employment. The inventor also stated that his invention addressed problems the employer had been looking to add that capacity to its core business for several years. *Id.*

Here, it is undisputed that Dr. Konig did no work on personalized Internet user search technology while at SRI; nor was SRI involved in any demonstrably anticipated research and development in that field. Indeed, that SRI itself did not believe it held any such rights is supported by the fact that it took no steps to assert ownership at any time notwithstanding its knowledge of his work and refused to warrant that it had any patent rights. In any event, whether the patents-in-suit relate to SRI's business or demonstrably anticipated research and development in August 1999 is an intensely factual inquiry that precludes summary judgment.

CONCLUSION

For the foregoing reasons, PUM's cross-motion for summary judgment should be granted and Google's motion for summary judgment should be denied.

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January 14, 2013

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CERTIFICATE OF SERVICE

I hereby certify that on January 14, 2013, 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 January 14, 2013, upon the following individuals in the manner indicated:

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