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March 4, 2014

The Honorable Leonard P. Stark
United States District Court
for the District of Delaware
844 North King Street
Wilmington, DE 19801

VIA ELECTRONIC FILING

Re: *Personalized User Model, L.L.P. v. Google, Inc.*
C.A. No. 09-525 (LPS)

Dear Judge Stark,

As the Court directed in its February 26, 2014 Order (D.I. 606), we enclose herewith the parties' competing proposals for an Order implementing PUM's Motion *in limine* to Preclude Google from Presenting Argument that it is an Owner of the Patents-in-Suit. The parties' proposed Orders are attached hereto as Exhibits A (PUM's) and B (Google's).

PUM's Position:

PUM's proposal properly reflects the Court's rulings and the parties' agreement. As Google agrees, ownership issues are for the Court, not the jury, to decide. Therefore, the jury should not hear evidence or argument that Google is or may become a rightful owner of the patents-in-suit. The only exception discussed at the Pretrial Conference was that Google may be permitted to argue on cross examination that the inventors had an incentive to change position as to the conception date of the invention because of a concern that Google might attempt to assert co-ownership rights in the patents. *See* Pretrial Tr. at 27-29, 31-32; Order, D.I. 606 at 5. PUM's proposal properly reflects this exception. Contrary to Google's assertion below, Google does not "need" to "explain to the jury that PUM may lose sole ownership of the patents-in-suit, or Google might attempt to assert co-ownership rights in the patents." Indeed, that is only an attempt to improperly sway the jury on the breach of contract claim based on issues that are not before it (and run around the Court's rulings). As the Court held at the pretrial Conference (Tr. 27) and in its Order (D.I. 606), the only proper purpose (and the only limited exception the Court drew) was to permit Google to explore on cross examination of the inventors whether they had a motive to change the conception date, as set forth in paragraph 3 of PUM's proposal. Google's argument about the significance of ownership on PUM's standing on its infringement claim goes far beyond this purpose.

Google's proposal, in contrast, is contrary to law and inconsistent with the parties' agreement and the Court's ruling at the pretrial conference. Google does not limit its proposal to cross examination of the inventors or explanation of the interrogatory responses. Instead, it proposes only to refrain from stating with absoluteness that "title *will necessarily transfer* to Google if the jury finds in Google's favor on the breach of contract claim," and proposes to argue to the jury that if Dr. Konig "is found to have breached his employment agreement with SRI, that *PUM may lose ownership* of the patents-in-suit." (emphasis added). But this proposed evidence is no more relevant to the jury issues whether the statements are "absolute" or less than "absolute," or "more qualified." Contrary to Google's statement, there was no agreement that the motion *in limine* is limited to "absolute" statements (and Google cites only to its own counsel's commentary in support thereof).

Google also is wrong that PUM will ever *lose* ownership. First, Google has not asserted any claim to the rights assigned to PUM by the other inventors. *See, e.g.,* Ex. 12 to the Pretrial Order, PUM Reply at 1 n.2. Thus, PUM will retain ownership of the patents regardless of what Google proves at trial. Second, Google must do much more than establish breach of contract for the Court ultimately to find Google might be declared a co-owner. For example, it must show its claims are not time-barred, that Section 2870 does not apply, that Dr. Konig's prior assignment did not cut off his ability to assign to Google, *see Bd. of Trustees v. Roche*, 583 F.3d 832, 841-42 (Fed. Cir. 2009), that PUM is not a good faith purchaser for value, that PUM's defense of laches does not apply, and that the Court should impose a constructive trust. Just as the jury is not apprised of other possible equitable relief the Court may enter post-trial, so Google should be precluded from arguing to the jury any results of proving breach of contract at this trial. *See, e.g., Computer Assocs. Int'l v. Am. Fundware, Inc.*, 831 F. Supp. 1516, 1528 (D. Colo. 1993) (barring data relating to claim for injunctive relief as matter for court not jury). That is because the relief the Court may or may not grant post-trial is a separate question from Google exploring on cross examination whether the inventors were concerned that Google might seek to assert co-ownership rights.

Finally, PUM does not dispute that either party can refer to the SRI/Google agreement for the rights Google purports to purchase, as well as any other relevant purpose, but Google should not be permitted to argue that it actually holds rights in the patents or will obtain them as a consequence of a breach of contract.

Google's Position:

Google proposes that the Court's order on PUM's motion *in limine* No. 1 be limited to what the parties agreed at the Pretrial Conference and what the Court recognized in its written opinion. Specifically, Google proposes the following (adopting PUM's language when possible):

1. Google shall not state at trial that a finding in Google's favor on its breach of contract claim will result in Google owning the patents-in-suit. (2/26/14 Hearing Tr., 28:13-15) In other words, Google shall not state that title will necessarily transfer to Google if the jury finds in Google's favor on the breach of contract claim, and Google shall not argue that it presently holds title to the patents.

2. Notwithstanding the foregoing, Google is not precluded from arguing, or posing questions on cross examination of the inventors, that PUM had an incentive to change position as to the conception date of the invention because of an alleged concern that Google might attempt to assert co-ownership rights in the patents, or that PUM may lose sole ownership of the patents-in-suit.[1] (See D.I. No. 606, 5.)

3. Nothing in this Order shall preclude either party from relying on the SRI/Google Purchase Agreement for any relevant purpose, including but not limited to Google rebutting evidence or argument by PUM that Google does not have standing to assert a breach of contract claim against Konig.[2]

PUM's proposed order on its motion *in limine* goes beyond what the parties agreed and does not clearly delineate what evidence or argument will be precluded, and what evidence is allowed. The parties agreed at the Pretrial Conference that Google could not make absolutist statements stating that upon a finding of breach-of-contract, Google will own the patents. (2/26/14 Hearing Tr. 28:19-21) (MR. SOHN: "And we're fine not making absolute statements that if you find a breach of contract, Google will own the patents, full stop.") This addressed PUM's stated concern that there are certain non-jury issues that could affect whether a breach-of-contract finding would actually lead to Google's ownership of the patents. (Id., 26:23-25 (MR. FRIEDMAN: "But in order to get to the ultimate issue of ownership, there are so many other issues that are beyond the province of the jury.") PUM's proposed order, however, goes beyond this. It seeks to prohibit Google from making less absolutist and more qualified statements saying that PUM may lose sole ownership of the patents (or Google may gain co-ownership) if the jury finds a breach of contract. (2. "Google shall not present evidence or argument to the jury that PUM will or may lose ownership of the patents-in-suit.") The Court's *in limine* order found that Google could make non-absolute statements about how PUM "may" lose sole ownership of the patents. (D.I. 606 at 5 ("At the pretrial conference, PUM agreed that it is appropriate for Google to elicit evidence and make arguments to the effect that PUM's inventors may have had an incentive to change their position as to the date of conception of the inventions due to concern that PUM may otherwise lose ownership of the patents-in-suit.") (emphasis added).

Google raised its concern that PUM's proposed order would swallow the very exception that PUM agrees the Court provided. PUM argued that it did not agree that Google could make such non-absolute statements and that the Court did not say that Google could do so. Preliminarily, PUM's motion was to *preclude* Google from referencing its ownership of the patents-in-suit, and the Court denied this portion of the motion as moot. In doing so, the Court

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[1] This language is identical to PUM's proposal except that it adds "or that PUM may lose sole ownership of the patents-in-suit."

[2] This language is identical to PUM's proposal except that PUM has added additional language as to what is not allowed to be presented. Google submits PUM's suggested addition is unnecessary given what Google has agreed to in its first paragraph. Additionally, Google does not concede or agree that there is any "standing" case, as PUM suggests, that would be appropriate to send to the jury.

did not need to affirmatively state what Google *can* do. Further, PUM's position is inconsistent with the above-quoted language from the Court's order and PUM's own representations at the Pretrial Conference. Indeed, PUM fails to cite to the Court's opinion to support its overbroad proposal—because it cannot. Google does not intend to make arguments as to why it is a rightful co-owner of the patents if it wins on breach of contract. But, if Google cannot explain to the jury that PUM may lose sole ownership of the patents-in-suit, or Google might attempt to assert co-ownership rights in the patents, then it will be impossible for the jury to understand the incentives for PUM and its witnesses to change their position or testimony regarding the date of conception of the patents-in-suit. In other words, Google would not be able to present the very evidence and argument that the parties and the Court agreed it should be permitted to present.

Additionally, PUM objects to Google's proposal on the grounds that it purportedly will allow Google to argue to the jury that PUM will lose *all* ownership of the patents, including lengthy argument about how this is not the case due to, for example, ownership rights that come through inventors other than Konig. This supposed concern seems to have little relevance to the issues in the case given that if Google eventually obtains an ownership right to the patents it will not matter for the purposes of PUM's infringement claim whether PUM also has rights. But in any event, PUM's concern is unfounded. PUM raised this concern in the parties' meet and confer, and Google addressed it in its proposal. Specifically, Google added the word "sole" to item 2 above such that it reads "Notwithstanding the foregoing, Google is not precluded from arguing, or posing questions on cross examination of the inventors, that PUM had an incentive to change position as to the conception date of the invention because … PUM may lose *sole* ownership of the patents-in-suit." This therefore moots PUM's concern.

Further, PUM asserts that Google does not have standing to assert a breach of contract claim against Dr. Konig. (See Pretrial Order, Ex. 2, ¶ 13.) This is another reason why PUM's motion *in limine* should be denied in the first place. If PUM is going to contest Google's standing, Google should be permitted to rebut that argument, including but not limited to by introducing evidence or argument regarding Google's agreement with SRI. Accordingly, the Court should not enter PUM's proposed order, and instead should enter an order on PUM's motion *in limine* No. 1 as Google proposes above.

Respectfully,

/s/ Karen Jacobs

Karen Jacobs (#2881)

cc: Clerk of the Court (by hand)
All Counsel of Record (by e-mail)