

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.)

**PERSONALIZED USER MODEL, L.L.P. AND DR. YOCHAI KONIG'S
MOTION FOR JUDGMENT AS A MATTER OF LAW ON
GOOGLE'S BREACH OF CONTRACT COUNTERCLAIM**

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TABLE OF CONTENTS

	<u>Page</u>
NATURE AND STAGE OF PROCEEDING	1
SUMMARY OF ARGUMENT	1
STATEMENT OF FACTS	1
ARGUMENT	1
I. LEGAL STANDARD.....	1
II. JMOL SHOULD BE GRANTED TO PUM AND DR. KONIG ON GOOGLE’S BREACH OF CONTRACT COUNTERCLAIM.....	2
A. Google Did Not Present Sufficient Evidence To Prove That The Statute Of Limitations Was Tolloed.....	2
1. SRI’s Alleged Injury Was Not Inherently Unknowable.	2
2. Delaware’s Nonresident Tolling Statute (10 Del. C. § 8117) Has No Application To This Dispute.....	6
B. Google Did Not Acquire SRI’s Right To Bring A Breach Of Contract Claim.....	9
1. The Plain Language Of The Purchase Agreement Did Not Convey Any Breach of Contract Claim SRI May Have Had To Google.....	10
2. The Assignment Of A Cause Of Action Must Be Express.	11
C. Google Failed To Prove That Dr. Konig “Conceived” Of The Invention While Working At SRI.	13
CONCLUSION.....	16

TABLE OF AUTHORITIES

	<u>Page(s)</u>
CASES	
<i>Arachnid, Inc. v. Merit Indus., Inc.</i> , 939 F.2d 1574 (Fed. Cir. 1991).....	11
<i>Bd. of Trs. of the Leland Stanford Jr. Univ. v. Roche Molecular Sys., Inc.</i> , 583 F.3d 832 (Fed. Cir. 2009).....	12
<i>Brandwein v. Butler</i> , 218 Cal. App. 4th 1485 (Cal. App. 4th Dist. 2013)	9, 10
<i>Britton v. Co-op Banking Grp.</i> , 4 F.3d 742 (9th Cir. 1993)	9
<i>Cent. Mortg. Co. v. Morgan Stanley Mortg. Capital Holdings LLC</i> , No. 5140-CS, 2012 WL 3201139 (Del. Ch. Aug. 7, 2012)	2, 3, 4, 5
<i>Co-opportunities, Inc. v. Nat’l Broad. Co., Inc.</i> , 510 F. Supp. 43 (N.D. Cal. 1981)	11
<i>Dawn Equip. Co. v. Kentucky Farms, Inc.</i> , 140 F.3d 1009 (Fed. Cir. 1998).....	2
<i>Dyna–Med, Inc. v. Fair Employment & Housing Comm’n</i> 43 Cal. 3d 1379 (Cal. App. 1987).....	12
<i>Hurwitch v. Adams</i> , 151 A.2d 286 (Del. Super. Ct. 1959)	8
<i>Hurwitch v. Adams</i> , 155 A.2d 591 (Del. 1959)	6
<i>In re Jeannette Corp.</i> , 130 B.R. 460 (Bankr. W.D. Pa. 1991)	11
<i>Jones v. Cooper Indus., Inc.</i> , 938 S.W.2d 118 (Tex. App. 1996).....	11
<i>Medtronic Vascular, Inc. v. Advanced Cardiovascular Sys., Inc.</i> , No. 98-80-SLR, 2005 WL 46553 (D. Del. Jan. 5, 2005).....	3
<i>Medtronic Vascular, Inc. v. Advanced Cardiovascular Sys., Inc.</i> , No. 98-80-SLR, 2005 WL 388592 (D. Del Feb. 2, 2005)	3

<i>Norman v. Elkin</i> , 726 F. Supp. 2d 464 (D. Del. 2010).....	2
<i>Pannu v. Iolab Corp.</i> , 155 F.3d 1344 (Fed. Cir. 1998).....	1
<i>Perkin-Elmer Corp. v. Computervision Corp.</i> , 732 F.2d 888 (Fed. Cir. 1984).....	2
<i>Pomeranz v. Museum Partners, L.P.</i> , No. 20211, 2005 WL 217039 (Del. Ch. Jan. 24, 2005).....	4, 5
<i>Portfolio Recovery Assocs., LLC v. King</i> , 927 N.E.2d 1059 (E.D.N.Y. 2010)	7
<i>Saudi Basic Indus. Corp. v. Mobil Yanbu Petrochemical Co., Inc.</i> , 866 A.2d 1, 16 (Del. 2005)	7, 8
<i>Schmidt v. Polish People’s Republic</i> , 742 F.2d 67 (2d Cir. 1984).....	8
<i>Univ. of W. Va., Bd. of Trs. v. VanVoorhies</i> , 342 F.3d 1290 (Fed. Cir. 2003).....	11
OTHER AUTHORITIES	
11 Williston on Contracts (4th ed.1999) § 30.2.....	9
RULES AND STATUTES	
10 Del. C. § 8106	6
10 <i>Del. C.</i> § 8116	6
10 Del. C. § 8117	6, 7, 8
10 Del. C. § 8121	6, 7
Fed. R. Civ. P. 50.....	1, 2, 4

NATURE AND STAGE OF PROCEEDING

A jury trial was held beginning on March 10, 2014. The Court entered judgment on the verdict on April 17, 2014. (D.I. 689). Pursuant to Rule 50(b) of the Federal Rules of Civil Procedure, Personalized User Model, L.L.P. (“PUM”) and Dr. Yochai Konig move the Court to grant judgment as a matter of law (“JMOL”) in their favor on Google’s breach of contract counterclaim.¹

SUMMARY OF ARGUMENT

JMOL should be entered on Google’s breach of contract claim because: (1) no reasonable jury could find that SRI’s alleged harm was inherently unknowable so as to toll the statute of limitations; (2) Google failed to prove it acquired the right to bring SRI’s purported breach of contract claim; and (3) Google failed to prove that Dr. Konig conceived of the invention in the patent law sense while he was employed at SRI.

STATEMENT OF FACTS

The relevant facts are addressed in the Argument section below.

ARGUMENT

I. LEGAL STANDARD

To prevail on a renewed motion for judgment as a matter of law (“JMOL”) following a jury trial, the moving party “must show that the jury’s findings, presumed or express, are not supported by substantial evidence or, if they were, that the legal conclusions 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) (internal quotation marks omitted). “Substantial evidence is such relevant evidence from the record taken as a whole as might be accepted by a reasonable mind as

¹ Google’s claims for declaration of ownership, constructive trust and conversion also fail for the same reasons because they rely on the same operative facts. Judgment should be entered for PUM and Dr. Konig on these claims as well.

adequate to support the finding under review.” *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 893 (Fed. Cir. 1984). A court may grant a JMOL motion if it finds “that a reasonable jury would not have a legally sufficient evidentiary basis to find for the party on that issue.” Fed. R. Civ. P. 50(a)(1); *see also Dawn Equip. Co. v. Kentucky Farms, Inc.*, 140 F.3d 1009, 1014 (Fed. Cir. 1998) (“the inquiry is whether a reasonable jury, given the record before it viewed as a whole, could have arrived at the conclusion it did.”).

II. JMOL SHOULD BE GRANTED TO PUM AND DR. KONIG ON GOOGLE’S BREACH OF CONTRACT COUNTERCLAIM.

A. Google Did Not Present Sufficient Evidence To Prove That The Statute Of Limitations Was Tolled.

It is undisputed that Delaware’s borrowing statute applies such that the breach of contract claim is subject to Delaware’s three-year statute of limitations. 10 Del. C. §§ 8106, 8121. Google contends that Dr. Konig breached the contract when he assigned the ’040 patent application to Utopy in June 2000, nearly eleven years before Google brought its claims in February 2011. Thus, unless the statute of limitations was tolled, the breach of contract claim expired long ago. The burden to prove tolling falls on Google. *See Norman v. Elkin*, 726 F. Supp. 2d 464, 470 (D. Del. 2010) (“Plaintiff maintains the burden of proving that the statute of limitations is tolled.”).

1. SRI’s Alleged Injury Was Not Inherently Unknowable.

Google did not put forth sufficient evidence to prove that the statute should be tolled because SRI’s alleged injury was purportedly “inherently unknowable.” The inherently unknowable injury doctrine is a “narrowly confined exception” that tolls the statute of limitations only “where it would be *practically impossible* for a plaintiff to discover the existence of a cause of action.” *Cent. Mortg. Co. v. Morgan Stanley Mortg. Capital Holdings LLC*, No. 5140-CS,

2012 WL 3201139, at *22 (Del. Ch. Aug. 7, 2012) (emphasis added). It therefore is not sufficient for Google to prove merely that SRI did not know of the existence of a cause of action. *Medtronic Vascular, Inc. v. Advanced Cardiovascular Sys., Inc.*, No. 98-80-SLR, 2005 WL 46553, at *4 (D. Del. Jan. 5, 2005) (“Medtronic I”) (period typically begins to “run at the time of the alleged wrongful act even if the plaintiff is ignorant of the cause of action”). As the Court noted in its April 8, 2014 letter opinion, “[t]he pertinent inquiry is not whether the claimant would know to a certainty that it had a claim, but rather at what point it had (or through reasonable diligence, would have had) a basis to begin to investigate whether it had a claim.” D.I. 677 at 7 (citing *Cent. Mortg. Co.*, 2012 WL 3201139, at *22-23).

As the Court noted, SRI was on actual notice of Dr. Konig’s invention at least as of the date that Dr. Sonmez, an SRI engineer, conducted a beta test of the patented product in 2000-2001. (D.I. 677 at 7-8). Dr. Sonmez further knew at that time that Dr. Konig had formed Utopy, a new, Internet research technology company. Tr. 1079:21-1084:4; 1657:22-1658:12; PTX 275.

In addition to having actual notice of Dr. Konig’s invention in 2000-2001, as the Court also noted, “[t]he ‘040 patent’s application was filed in December 1999, just months after Dr. Konig left SRI; the close proximity of these events - which SRI could have known by December 2005, when the patent was published - gave SRI, in the exercise of reasonable diligence, a basis to investigate when Dr. Konig conceived of the inventions.” (D.I. 677 at 7-8). *See* PTX 1; *Medtronic Vascular, Inc. v. Advanced Cardiovascular Sys., Inc.*, No. 98-80-SLR, 2005 WL 388592, at *1 n.4 (D. Del. Feb. 2, 2005) (“Medtronic II”) (patents constitute constructive notice because they “‘put the world on notice’ with respect to what the patentee claims to own” and starts the limitations period running). Thus, as the Court stated, “SRI, through reasonable diligence, would have had a basis to begin to investigate whether Dr. Konig

breached his SRI employment agreement well before February 2008 and any injury to it was far from inherently unknowable.” (D.I. 677 at 7). For these reasons, no reasonable jury could find that these facts were “practically impossible” to discover prior to February 2008. *Cent. Mortg.*, 2012 WL 3201139, at *22.

Google presented no evidence to rebut these undisputed facts. Instead, Google advanced two arguments, neither of which provided a basis for the jury verdict. First, Google devoted much of its brief in opposition to PUM’s Rule 50(a) motion to arguing that Dr. Konig purportedly hid his invention when he left SRI in 1999. (D.I. 679 at 4-6). Whether or not Dr. Konig disclosed his invention in 1999, however, is entirely irrelevant to whether SRI was later aware of facts in 2001 and 2005 (indeed any time prior to February 2008) that would have provided a basis to investigate whether it had a breach of contract claim.

Next Google took the position that the injury to SRI was inherently unknowable because SRI purportedly had no means of knowing the conception date of Dr. Konig’s invention. *See, e.g.*, D.I. 679 at 5-6. That is not the correct test. Rather, the relevant inquiry is whether there were facts available to put a diligent plaintiff on notice to inquire whether there was a cause of action. *See Pomeranz v. Museum Partners, L.P.*, No. 20211, 2005 WL 217039, at *13 (Del. Ch. Jan. 24, 2005) (“Once a plaintiff is on notice of facts that ought to make her suspect wrongdoing, she is obliged to diligently investigate and to file within the limitations period as measured from that time.”). Google sidesteps the fact that SRI failed to conduct any inquiry at all and misstates the nature of its cause of action. To have “inquiry notice,” SRI did not have to know when Dr. Konig conceived the invention, but merely needed to have enough information to warrant investigation as to whether it had a breach of contract claim. *See id.*; D.I. 677 at 7 (claimant

need not know with “certainty that it had a claim, but rather . . . [whether] it had . . . a basis to investigate”).

Indeed, the Court specifically addressed Google’s argument in its April 8, 2014 letter opinion, including Google’s assertion that “the only evidence of [date of conception] was in confidential Utopy documents.” (D.I. 677 at 7). As the Court correctly noted (*id.* at 7-8):

SRI could have inquired (of Dr. Konig, for example) about the date of conception at any time after Dr. Sonmez (or anyone else at SRI) beta tested the embodiment of the patented technology. The ‘040 patent’s application was filed in December 1999, just months after Dr. Konig left SRI; the close proximity of these events - which SRI could have known by December 2005, when the patent was published - gave SRI, in the exercise of reasonable diligence, a basis to investigate when Dr. Konig conceived of the inventions.

The undisputed evidence at trial established that SRI had actual and constructive notice of Dr. Konig’s invention well before February 2008 and *could* have investigated had it wanted to do so. That is all that is required to start the limitations period running. *Cent. Mortg.*, 2012 WL 3201139, at *22. Google has the burden to prove the statute of limitations is tolled, yet Google offered no evidence to suggest that SRI investigated at all. The only evidence came from Mr. Montes, who testified that even after Google advised SRI of the purported claim in 2011, SRI refused to warrant that it had any rights, stating instead that any such rights were “speculative.” Tr. at 1669: 2-21; DTX 412 at § 8.5.

As a result, JMOL should be entered on Google’s breach of contract counterclaim because no reasonable jury could find that it was practically impossible for SRI to have learned of facts prior to February 2008 that would lead a reasonable plaintiff “to diligently investigate and to file within the limitations period as measured from that time.” *Pomeranz*, 2005 WL 217039, at *13.

2. Delaware’s Nonresident Tolling Statute (10 Del. C. § 8117) Has No Application To This Dispute.

Google also contends that the three-year statute of limitation should be tolled pursuant to 10 Del. C. § 8117, which provides (emphasis added):

If at the time when a cause of action accrues against any person, such person is out of the State, the action may be commenced, within the time limited therefor in this chapter, after such person comes into the State *in such manner that by reasonable diligence, such person may be served with process. If, after a cause of action shall have accrued against any person, such person departs from and resides or remains out of the State*, the time of such person’s absence until such person shall have returned into the State in the manner provided in this section, shall not be taken as any part of the time limited for the commencement of the action.

As the Court correctly noted in its April 8, 2014 letter, Section 8117 “does not extend the statute of limitations (10 Del. C. § 8106) for Google’s breach of contract claim beyond three years.” (D.I. 677 at 6). First, Google’s strained interpretation of § 8117 is inconsistent with Delaware’s borrowing statute, § 8121, and would eviscerate it in actions against nonresidents. It further would encourage exactly the type of forum shopping that the borrowing statute was intended to avoid. Second, § 8117 does not apply because SRI and Google cannot demonstrate unavailability. Had SRI sought to bring its California ownership claims in Delaware, it could have done so years ago by bringing an action against PUM’s predecessor-in-interest, Utopy, which is a Delaware corporation.²

Google’s proposed application of § 8117 would toll the Delaware statute of limitation for all claims against defendants who do not reside in the State, a proposition the Delaware Supreme Court expressly rejected. *Hurwitch v. Adams*, 155 A.2d 591, 593-94 (Del. 1959) (“[I]t is said that 10 *Del. C.* § 8116 [now § 8117] is plain on its face and that it applies in any action in which

² Of course, it is undisputed that SRI could have filed suit at any time in California, where SRI, Utopy and Dr. Konig all were and still are located.

the defendant is a non-resident. We think this argument, if accepted, would result in the abolition of the defense of statutes of limitation in actions involving non-residents.”).

That is precisely what Google is attempting to do here. As Google acknowledges, “the Agreement was between two California citizens, was signed in California, and governed an employment relationship taking place in California.” (D.I. 531 Ex. 1 at 1 n.1). Further, Google’s claims are time barred by California’s four-year statute of limitations. *See* Cal. Civ. Proc. Code § 337. Nonetheless Google seeks to take advantage of a purportedly longer statute of limitation in Delaware by asking the Court to apply section 8117 to revive this California based-dispute because Dr. Konig—who was not a party to this patent suit—agreed to accept service in Delaware simply to avoid duplicative and needlessly costly litigation. (*See* D.I. 486 at 6-8).

Were Google correct, any party could revive a stale claim merely by bringing it in Delaware the moment a party became subject to personal jurisdiction in the State, even where Delaware has nothing to do with the parties’ dispute. This would eviscerate the statute of limitation. For example, a business that opens a location in Delaware (thereby submitting itself to personal jurisdiction in the State) would suddenly be vulnerable in Delaware to legal claims that accrued all across the country and were otherwise time-barred decades ago, even where that matter had no connection to Delaware.³ This interpretation would make Delaware a haven for otherwise time-barred claims, which is exactly the result the Delaware legislature sought to *avoid* in enacting the Delaware borrowing statute. *See* 10 Del. C. § 8121; *Saudi Basic Indus. Corp. v.*

Mobil Yanbu Petrochemical Co., Inc., 866 A.2d 1, 16 (Del. 2005) (“Borrowing statutes . . . are

³ At least one court has construed § 8117 as applying “only in a circumstance where the defendant had a prior connection to Delaware, meaning that the tolling provision envisioned that there would be some point where the defendant would return to the state or where plaintiff could effect service on the defendant to obtain jurisdiction.” *Portfolio Recovery Assocs., LLC v. King*, 927 N.E.2d 1059, 1062 (E.D.N.Y. 2010) (applying Delaware law). It is undisputed that Dr. Konig had no prior connection with Delaware. Nor is there any suggestion that Dr. Konig ever tried to evade process in Delaware.

typically designed to address a specific kind of forum shopping scenario—cases where a plaintiff brings a claim in a Delaware court that (i) arises under the law of a jurisdiction other than Delaware and (ii) is barred by that jurisdiction’s statute of limitations but would not be time-barred in Delaware, which has a longer statute of limitations.”⁴ Google is engaging in classic forum shopping by bringing its claim in Delaware, where it hopes to take advantage of a purportedly longer statute of limitations by application of § 8117.⁵

Section 8117 also does not apply because Google cannot demonstrate unavailability. As the court explained in *Hurwitch v. Adams*, 151 A.2d 286, 288 (Del. Super. Ct. 1959), *aff’d*, 155 A.2d 591 (Del. 1959), “the obvious purpose and the only purpose” of Section 8117 “is to allow reasonably diligent plaintiffs the statutory period within which to obtain service upon an absent or once absent and later elusive defendant.” *Id.* at 288. *See also Schmidt v. Polish People’s Republic*, 742 F.2d 67, 71 (2d Cir. 1984) (“[T]olling a statute of limitations because of defendant’s absence from a jurisdiction is largely intended to diminish the incentive to avoid service of process.”).

⁴ Google’s attempt to rely on *Saudi Basic* fails. That case involved the unusual circumstance where the plaintiff filed suit in Delaware, rather than in Saudi Arabia where the action arose, and attempted to invoke Delaware’s *shorter* statute of limitations to bar defendants’ counterclaim, which was not time-barred in Saudi Arabia. The Delaware Supreme Court found that § 8117 should apply rather than the borrowing statute – for reasons *consistent with* the borrowing statute – to prevent forum shopping *by plaintiff*, because “literal construction of the borrowing statute, if adopted, would subvert the statute’s underlying purpose.” 866 A.2d at 16. Here, SRI/Google’s breach of contract counterclaim, which arose, if at all, in California, expired long ago in California.

⁵ Google has argued that it somehow did not engage in forum shopping because it filed its counterclaim in this infringement action in Delaware. What Google ignores, however, is that Google stands in the shoes of SRI, which could have filed this California-based action in California long ago, had it chosen to do so. Google cannot now rely on § 8117 to revive a stale claim simply because it chose to bring the breach of contract claim in Delaware rather than in California.

Dr. Konig was not an absent or later elusive defendant. He voluntarily consented to jurisdiction in Delaware when requested to do so. Nor was SRI diligent. It could have brought suit in Delaware against Utopy, a Delaware corporation, which was at all times amenable to suit in Delaware.⁶ SRI, in fact, could have brought the same conversion, declaration of ownership, and constructive trust claims against Utopy that Google currently brings against Utopy's successor, PUM, and could have sought the same relief Google seeks here.⁷ Yet, SRI never pursued any claim, despite having had actual and constructive notice of Dr. Konig's invention.

B. Google Did Not Acquire SRI's Right To Bring A Breach Of Contract Claim.

There is no record evidence to support Google's claim that the Purchase Agreement conveyed a right to bring a breach of contract claim against Dr. Konig. Google has the burden to prove that it has standing to bring this claim. *See Britton v. Co-op Banking Grp.*, 4 F.3d 742, 746 (9th Cir. 1993) ("An assignee of a contractual right must prove the validity of his ownership claims."). The Purchase Agreement must be interpreted under California law. DTX 412 § 9.6. "Whenever possible," courts "attempt to discern the parties' intent first from the plain language of the contract." *Brandwein v. Butler*, 218 Cal. App. 4th 1485, 1505 (Cal. App. 4th Dist. 2013) (quoting 11 Williston on Contracts (4th ed.1999) § 30.2, p. 16).

A year and a half after PUM filed this lawsuit, Google paid SRI \$40,000 to buy certain purported patent rights. DTX 412. Google now claims that these rights included any breach of

⁶ Utopy was an assignee of the patent rights from June 2000 until March 2, 2006, when it assigned those rights to Levino Ltd. *See* PTX 499. That assignment was 4-5 years after SRI engineer Dr. Mustafa Sonmez was given the invention for testing in 2000-2001, and after the issuance of the '040 patent in December 2005, during which time SRI was on notice and could have sued Utopy in Delaware.

⁷ SRI could have sought ownership relief against Utopy alone, because Dr. Konig no longer owned the patent and therefore was not necessary for resolution of ownership. Dr. Konig also could have participated as an officer of Utopy, or SRI could have sought Dr. Konig's consent if need be, as Google later did.

contract claim that SRI may have had against Dr. Konig. But the plain language of the Purchase Agreement, Federal Circuit precedent, and canons of contractual interpretation refute this assertion as a matter of law. Further, Google failed to provide any evidence at all to meet its burden of proving that it acquired a breach of contract claim (and not just speculative patent rights). Indeed, other than entering the Purchase Agreement into evidence, Google offered no proof and did not bring a single witness to trial to testify about the Purchase Agreement.

1. The Plain Language Of The Purchase Agreement Did Not Convey Any Breach of Contract Claim SRI May Have Had To Google.

The plain language of the Purchase Agreement conveyed to Google only “speculative” patent rights and causes of action pertaining to those patents, and specifically called out that SRI made “no representations or warranties with respect to Google’s ability to perfect such rights and interests.” DTX 412 § 8.5. The grant clause is in a section entitled “Transfer of Patent Rights.” DTX 412 § 4. In that section, the Agreement conveyed “any perfected or unperfected claims of ownership that [SRI] may have in *the Patents*,” DTX 412 at § 4.1 (emphasis added), and

causes of action . . . and other enforcement rights under, or on account of, any of *the Patents* . . . including, without limitation, all causes of action and other *enforcement* rights for (1) damages, (ii) injunctive relief, and (iii) any other remedies of any kind for past, current, and future *infringement*; and (iv) rights to collect royalties or other payments under or on account of *the Patents* . . .

Id. at § 4.2(c) (emphasis added). As these provisions show, the agreement conveyed patents, and causes of action and enforcement rights for infringement and royalties relating to the patents, and nothing more. There is no mention of a breach of contract claim.

Reading the entire Purchase Agreement “as a whole,” *Brandwein*, 218 Cal. App. 4th at 1505, confirms this. Section 1.2 of the Agreement states in full what SRI believed it was selling to Google (“Seller wishes to sell to Google *any rights it has in the Patents*”). DTX 412 at § 1.2. Likewise, § 1.3 states what Google believed it was buying: “Google wishes to purchase the

Patent Rights.” *Id.* at § 1.3. Accordingly, there is no plausible reading that would encompass the conveyance of more than “Patent Rights.”

2. The Assignment Of A Cause Of Action Must Be Express.

Google cannot sidestep the plain language of the Purchase Agreement by arguing that it implicitly includes the right to assert a breach of contract claim against Dr. Konig. The law is clear that a conveyance of a cause of action must be express and cannot be implied, because a cause of action is an independent asset with its own monetary value. *In re Jeannette Corp.*, 130 B.R. 460, 463 (Bankr. W.D. Pa. 1991) (holding that party was not entitled to debtor’s settlement proceeds where Asset Purchase Agreement did not specifically include causes of action); *Co-opportunities, Inc. v. Nat’l Broad. Co., Inc.*, 510 F. Supp. 43, 46-47 (N.D. Cal. 1981) (“Although Mr. McGee arguably assigned his copyrights and ‘all’ the assets of BMC to plaintiff, there is no specific assignment of accrued causes of action.”).

The Federal Circuit has also made clear that the assignment of a patent does not include accrued causes of action, even if the causes of action relate to the patent, unless the assignment expressly states that it does. *See Arachnid, Inc. v. Merit Indus., Inc.*, 939 F.2d 1574, 1579 (Fed. Cir. 1991) (“assignment [of right to damages for an infringement committed before such assignment] **must be express**, and cannot be inferred from an assignment of the patent itself.”) (emphasis added); *see also Univ. of W. Va., Bd. of Trs. v. VanVoorhies*, 342 F.3d 1290, 1295 (Fed. Cir. 2003) (determining that scope of patent assignment agreement is limited by its plain language); *Jones v. Cooper Indus., Inc.*, 938 S.W.2d 118 (Tex. App. 1996) (assignor did not lose cause of action for breach of agreement concerning patents after patents were transferred).

Because Google cannot point to any language that expressly conveys a breach of contract claim, that asset was not conveyed. The doctrine of *expressio unius est exclusio alterius* dictates

“that ‘the expression of certain things in a [contract] necessarily involves exclusion of other things not expressed.’” *Dyna–Med, Inc. v. Fair Employment & Housing Comm’n*, 43 Cal. 3d 1379, 1391, n.13 (Cal. App. 1987). Applying that doctrine here, SRI conveyed only those causes of action relating to “enforcement rights under, or on account of, any of *the Patents* . . .” Any other causes of action, including any breach of contract claim, were thus excluded.

Ignoring the requirement that assignment of a cause of action must be express, Google claims that the breach of contract claim was implicitly included in the assignment because winning the breach of contract claim was necessary for Google to perfect its ownership of the patents. D.I. 679 at 7. But even if the right to perfect title *were* included—which it was not—and even if the agreement *could* “implicitly” convey such rights, the breach of contract claim is not a necessary step to perfecting title. To the contrary, there is no ownership remedy available from Dr. Konig because Dr. Konig long ago assigned his ownership rights in the patents to Utopy, PUM’s predecessor-in-interest. *Bd. of Trs. of the Leland Stanford Jr. Univ. v. Roche Molecular Sys., Inc.*, 583 F.3d 832, 842 (Fed. Cir. 2009), *aff’d* 131 S. Ct. 2188 (2011) (prior assignment divests inventor of ability to subsequently assign patents rights).

It was Google’s burden to prove that SRI sold a breach of contract claim against Dr. Konig in addition to its alleged patent rights. Yet *Google offered no evidence* on this point.⁸ When a party with the burden of proof fails to offer any evidence, that failure is dispositive of its claim.

⁸ Google’s argument that Dr. Franco’s mere presence at trial is evidence of SRI’s intent to convey a breach of contract claim, *see* D.I. 679 at 8, does not overcome the failure of the parties to include such a conveyance in the Agreement. Indeed, notwithstanding having brought Dr. Franco to trial, Google did not elicit any testimony from him at all about the Agreement.

C. Google Failed To Prove That Dr. Konig “Conceived” Of The Invention While Working At SRI.

Despite having the burden to do so, Google did not even attempt to prove at trial that Dr. Konig conceived of the invention under the patent law definition while employed at SRI. At Google’s urging, the Court ruled on the meaning of conception, but determined, as PUM argued, that the term “conceived” in the Agreement referred to the patent law definition of conception. Jury Instruction 5.3 (D.I. 663). Nevertheless, Google’s focus throughout the trial and in its closing argument was on proving merely that Dr. Konig had “the idea” for the invention while at SRI, and on arguing that, contrary to the Court’s construction, this was sufficient for conception. Simply put, Google aimed at an incorrect legal standard and in doing so failed to present sufficient evidence to meet its burden based on the correct standard. That is not surprising given that Google conceded at the summary judgment hearing that it was not asserting that conception under the patent law meaning occurred during Dr. Konig’s employment with SRI. *See* 5/8/2013 Tr. 111:15-16 (“We are not making that assertion”); *see also id.* at 111:20-23.

Google’s focus throughout the trial was proving merely that Dr. Konig had “the idea” for the invention while at SRI. Various exchanges between Google’s counsel and Dr. Konig illustrate this strategy:

Q. Now, sir, let’s sum up. You came up with *the idea* for Utopy and your Personal Web while you were at SRI, didn’t you, sir?

A. Again, *the idea* in the sense of, we want to personalize, we want to estimate its probability. Not with a solution on how to do it.

Tr. 1075:15-20 (emphasis added).

Q. While you were at SRI, you came up with *the idea* for Personal Web. You founded a company to exploit *that idea*, you didn’t tell SRI about any of it while you were still there, and you took it when you left; right?

A. To the level that we have *the idea* in July, that’s correct.

Tr. 1076:24-1077:4 (emphasis added). Despite the Court’s ruling on the meaning of “conception,” Google continued to focus unwaveringly on “ideas” in its closing argument to the jury, repeatedly emphasizing to the jury that Dr. Konig had the “idea” while at SRI. *See, e.g.*, Tr. 1962:12-14 (closing argument by Google, arguing that “as early as ‘98, early ‘99, way, way before he left SRI, [Konig] was already talking about *this idea* with Mr. Twersky”) (emphasis added); Tr. 1968:16-17 (“There is no question here, absolutely no question that he had *the idea.*”) (emphasis added).

But merely having an “idea” for an invention is not the test. As the Court explained, “someone with just an abstract idea cannot transfer ownership of that idea because no ownership rights exist in ideas.” Tr. 1859:10-12.

The documentary evidence also does not support that Konig “conceived” the inventions while at SRI. Google primarily relied on two marketing documents Dr. Konig and Mr. Twersky used to attract investors, which described their general goal and framework in the summer of 1999. *See, e.g.*, DTX 151, DTX 161. One document was a white paper from May 1999 that contemplated an invention that would involve personalization of web searches. DTX 161. The second document, from July 1999, also merely set forth *goals* that Dr. Konig *hoped* he could achieve. DTX 151; *see, e.g.*, Tr. at 1051:4-10; 1053:2-18. Google did not even attempt to show that either document would have enabled “a person having ordinary skill in the field of the technology . . . to make the invention without undue research or experimentation or the exercise of inventive skill.” Jury Instruction 5.3 (D.I. 663). Rather, the documents at best merely confirm what no one disputes: that Dr. Konig had at least an abstract idea of the invention by that time. This is not sufficient evidence that he had “conceived” of the invention under the Court’s construction.

The scientific evidence presented at trial was that Dr. Konig conceived of the invention *after* leaving SRI. For example, Dr. Konig testified that he did not begin to find a solution that could be implemented until after he left SRI in August 1999. Tr. 1028:6-8; 1090:7-12. This is consistent with every other statement Dr. Konig has made regarding the conception date in this case, including at his depositions. *E.g.*, Tr. 1090:5-12 (the first “initial solution, something that engineer can implement and get the basic idea was this September 21st document”). Similarly, the first draft of a written document stating a concrete solution to implement Dr. Konig and Mr. Twersky’s ideas was created on September 21, 1999. PTX 532; Tr. 1090:5-12; 1091:13-1095:15.⁹ Google presented no competent evidence of any disclosure of an actual user model before Dr. Konig left SRI.¹⁰

Having failed to even try to prove the date of conception based on the correct legal definition, Google tries to sustain the jury’s erroneous verdict by relying on Mr. Twersky’s testimony and interrogatory responses served earlier in the case, both of which were later corrected. (D.I. 679 at 1-2). But neither of these can support a jury verdict where the actual contemporaneous documents offer no evidence that one skilled in the art could have actually made the invention without undue experimentation prior to September 21, 1999. Notably, Google did not even offer any expert testimony at all on the topic. Because there was a complete absence of evidence of any earlier conception and patent law sense, JMOL should be granted.

⁹ Although the document bears no date, Dr. Konig testified that the approximate date is September 21, 1999, and that he created it after working for more than a month on his invention after leaving SRI. Tr. at 1090:22-1091:14.

¹⁰ Google also cannot rely on an August 30, 1999 email to support the jury verdict, *see* D.I. 679 at 2, both because it postdates Dr. Konig’s employment with SRI and because there was no document attached to the email, and therefore nothing that could establish that the patent had been conceived in the patent law sense as of that date.

CONCLUSION

For the foregoing reasons, the Court should enter JMOL for PUM and Dr. Konig.

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May 14, 2014

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CERTIFICATE OF SERVICE

I hereby certify that on May 14, 2014, 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 May 14, 2014, upon the following individuals in the manner indicated:

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