

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

PERSONALIZED USER MODEL, L.L.P.,)	
)	
Plaintiff,)	C.A. No. 09-525-LPS
)	
v.)	JURY TRIAL DEMANDED
)	
GOOGLE INC.,)	PUBLIC VERSION
)	
Defendant.)	
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GOOGLE, INC.)	
)	
Counterclaimant,)	
)	
v.)	
)	
PERSONALIZED USER MODEL, LLP and)	
YOCHAI KONIG)	
)	
Counterdefendants.)	

**GOOGLE'S OPPOSITION TO PERSONALIZED USER MODEL'S AND
YOCHAI KONIG'S MOTION FOR NEW TRIAL**

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Nature and Stage of the Proceedings

On April 17, 2014, the Court entered judgment of non-infringement, invalidity, and breach-of-contract. (D.I. 689.) Google hereby opposes PUM's Rule 59(a) motion for new trial.

Summary of Argument

PUM argues that a new trial is required because this Court should have bifurcated Google's breach-of-contract claim from infringement and invalidity. But PUM omits that it successfully opposed Google's request for bifurcation of the contract claim from infringement and invalidity in 2011. In doing so, PUM argued the exact opposite of what it does now. Specifically, while PUM now argues that trying the contract claim together with infringement and invalidity was unfairly prejudicial, in opposing Google's request it argued that bifurcating the contract claim from infringement and invalidity would be unfairly prejudicial. And while PUM now argues that "there was virtually no overlap" between the contract claim on the one hand and infringement and invalidity on the other, it previously argued that "the potential that duplicative evidence will be presented at separate trials weighs heavily against bifurcation." (*Compare* Mot., 5 *with* D.I. 194, 3.) Having successfully opposed Google's request to bifurcate the contract issues from infringement and invalidity, PUM is judicially estopped from arguing, as a basis for a new trial, that this very lack of bifurcation was unfairly prejudicial.

PUM also argues it is entitled to a new trial because the Court should have dismissed Google's contract claim before trial on statute-of-limitations grounds. Here too, PUM's own actions show that its motion should be denied. Specifically, PUM never made a timely or proper motion for the Court to adjudicate its statute-of-limitations defense before trial. Instead, PUM filed a summary judgment motion on this defense a month after the summary judgment deadline, which the Court properly rejected as untimely. PUM then asked the Court to hold a "bench trial" on the statute of limitations, even though it was an issue for the jury. And then, on the eve of

trial, PUM used the Court's leave to file a "legal framework" motion on the statute of limitations as an excuse to file another dispositive motion on this defense, which the Court properly rejected as another tardy summary judgment motion.

Moreover, even if PUM had timely and properly presented the arguments regarding Google's breach-of-contract claim that it now asserts in its motion, none of PUM's alleged unfair prejudice holds water. While PUM complains about Google's challenges to Konig's and PUM's credibility, Konig's position on the conception date was inconsistent with the documentary evidence and PUM's interrogatory responses flip-flopped on this critical issue. It was not Google's fault that PUM and Konig took non-credible positions, nor was it wrongful for Google to point out all the reasons why their position should be disbelieved. Nor was it wrongful for Google to state that Konig "hid" and "took" the patented inventions from SRI, since the evidence reasonably shows that this is exactly what happened. PUM's real complaint is not with Google's conduct on the contract claim, but with the record itself, as the record showed that Konig breached his contract and that Konig and PUM took non-credible positions in arguing otherwise.

PUM also argues that the alleged wrongs it asserts were not harmless because it would have won infringement and invalidity were it not for the supposed taint of the contract claim. But PUM barely even tries to show this, nor could it. PUM's infringement and validity arguments were very weak, which shows that the contract claim did not change the outcome of these issues. PUM's validity arguments have even been rejected at all levels of the PTO, including the Patent Trial and Appeal Board as to the '040 patent, which highlights the weakness of those arguments.

Finally, PUM cannot show any error from the Court's jury instructions. The Court's statute-of-limitation instruction properly raised the issue of inquiry notice and stated that inquiry

notice will only defeat discovery rule tolling when the inquiry, if pursued, would cause the plaintiff to discover the basis for its cause of action. The Section 2870 instruction properly told the jury that the "related to" clause of that statute should be interpreted "broadly." PUM's complaint concerning the Court's use of its construction of the term "document" in the jury instructions is a tardy motion for reconsideration. PUM's motion for new trial should be denied.

Statement of Facts

I. PUM SUCCESSFULLY OPPOSES GOOGLE'S REQUEST TO BIFURCATE.

On February 4, 2011 – after learning through discovery that the patented inventions were conceived during Konig's employment at SRI – Google filed counterclaims for, *inter alia*, breach-of-contract and declaration of ownership. (D.I. 180, 14-15.) Shortly thereafter, Google filed a letter motion requesting that these new contract and ownership issues be bifurcated from the pre-existing infringement and validity issues. (D.I. 193.)

PUM opposed. While PUM now contends that the joint trial on all issues was prejudicial and that there was "virtually no overlap" between the contract claim and infringement or validity (Mot., 3), PUM stated just the opposite in response to Google's request for separate trials:

Second, there is no reason to bifurcate patent ownership in this case. Bifurcation in patent cases remains the exception rather than the rule. When considering bifurcation, Courts should consider whether such action will avoid prejudice, conserve judicial resources, and enhance juror comprehension of the issues presented in the case. Bifurcating Google's ownership defense will not accomplish these goals.

Bifurcating this case will not avoid prejudice -- it will create prejudice. This case is nineteen months old. The claim construction has been argued and fact discovery closes in slightly more than a month. Both parties, but particularly P.U.M. whose resources are more limited, have spent substantial sums litigating this case. Extending the final disposition of the case so as to permit Google to separately try its recently purchased defense will unnecessarily delay the resolution of the case-in-chief to P.U.M.'s prejudice . . .

In this instance, bifurcation is also inconvenient and uneconomical. Here, the potential that duplicative evidence will be presented at separate trials weighs

heavily against bifurcation. If the Court bifurcates ownership, P.U.M. would be forced to have witnesses testify twice on similar issues – once to tell the story of the invention during the ownership trial and again in the trial on the merits.

(D.I. 194, 2-3) (internal citations omitted). The Court agreed with PUM and declined to bifurcate the case. (D.I. 210, 3:11-4:6.) The Court specifically pointed to PUM's claim of prejudice from bifurcation as a basis to deny Google's bifurcation request. (*Id.*, 4:2-6.)

II. PUM MAKES REPEATED UNTIMELY REQUESTS FOR SUMMARY JUDGMENT ON THE CONTRACT CLAIM.

Summary judgment motions were due on December 6, 2012. (D.I. 411.) Google filed a motion for summary judgment in its favor on the contract claim. (D.I. 412). PUM did not. Instead, on January 2, 2013, PUM filed a motion for leave to file an untimely cross-motion for summary judgment on the contract claim. (D.I. 444.) It then filed its cross-motion for summary judgment on January 14, even though leave to do so had not been granted. (D.I. 452.) On September 9, 2013, the Court denied PUM's motion for leave, noting that "PUM has not demonstrated good cause for its late summary judgment filing." (D.I. 521, 16-17.)

In the parties' Joint Status Report of September 30, 2013, PUM argued that its statute of limitations defense to the contract claim should be bifurcated from every other issue and sent to a separate bench trial. (D.I. 529, 2.) PUM argued that this defense was a "legal issue that should be tried to the Court in advance of the jury trial." (*Id.*) Yet PUM did not explain why a bench trial (rather than a jury trial) would be the appropriate type of trial for resolving fact questions relating to the statute-of-limitations defense. The Court denied PUM's request. (D.I. 537, 4.)

At the pre-trial conference, PUM requested leave to file a motion to clarify the "legal framework" for its statute of limitations defense, which the Court granted. (2.22.14 Tr., 77:12-21; D.I. 606, 10.) PUM instead filed yet another motion for summary judgment, asking the Court to dismiss Google's contract claim as barred by the statute of limitations. (D.I. 610.) The

Court denied PUM's motion as "in essence, an untimely motion for summary judgment, and not merely a motion seeking clarification on the governing law." (D.I. 627, 4.)

Legal Standard

"[T]he district court's power to grant a new trial motion is limited to those circumstances where a miscarriage of justice would result if the verdict were to stand." *Olefins Trading, Inc. v. Han Yang Chem. Corp.*, 9 F.3d 282, 289 (3d Cir. 1993). "New trials should be granted when the record shows that the jury's verdict resulted in a miscarriage of justice or where the verdict, on the record, cries out to be overturned or shocks our conscience." *Genzyme Corp. v. Atrium Med. Corp.*, 315 F. Supp. 2d 552, 562 (D. Del. 2004).

Argument

I. PUM CANNOT SHOW A NEW TRIAL IS WARRANTED BECAUSE THE CONTRACT CLAIM WAS TRIED WITH INFRINGEMENT AND VALIDITY.

A. PUM is Judicially Estopped From Arguing that the Contract Claim Should Have Been Bifurcated from Infringement and Invalidity.

Now that the jury found against PUM, PUM argues that it was unfairly prejudicial to try the contract claim together with the infringement and validity claims. (*See, e.g.*, Mot., 1, 4, 5). PUM argues that it is entitled to a new trial on all issues because this supposed prejudice could have been avoided by bifurcating the contract claim from the infringement and invalidity claims. (*Id.*, 6.) But PUM cannot now argue that the contract claim should have been so bifurcated. Instead, because PUM successfully opposed bifurcation of the contract claim earlier in the case, PUM is judicially estopped from arguing that the contract claim should have been bifurcated.

The doctrine of judicial estoppel "generally prevents a party from prevailing in one phase of a case on an argument and then relying on a contradictory argument to prevail in another phase." *New Hampshire v. Maine*, 532 U.S. 742, 749 (2001). "The doctrine exists 'to protect the integrity of the judicial process and to prohibit parties from deliberately changing positions

according to the exigencies of the moment." *Macfarlan v. Ivy Hill SNF, LLC*, 675 F.3d 266, 272 (3d Cir. 2012) (quoting *New Hampshire*, 532 U.S. at 750).

PUM's current arguments in its motion for new trial, directly contrary to its prior successful arguments in the case, are precisely the type of contradictory arguments that the judicial estoppel doctrine seeks to prevent. PUM opposed Google's request to bifurcate the contract and ownership issues in 2011, stating that such bifurcation would "create prejudice" and be "inefficient and uneconomical." (D.I. 194, 2-3.) PUM prevailed on this argument, as the Court declined to bifurcate the case. (D.I. 210, 3:11-4:6.) Now that the joint trial on all issues has not turned out in PUM's favor, PUM seeks to use the appropriateness of bifurcation – the very position it previously advocated against – as grounds for a new trial. PUM should be estopped from arguing that the joint trial was unfairly prejudicial and/or warrants a new trial.

Further, even though it later requested a bifurcated *bench* trial on the statute of limitations, PUM never actually requested bifurcated *jury* trials on the contract and infringement/invalidity issues. This is another reason why PUM's motion should be denied.

PUM's citation to the *Enzo* and *Masimo* cases from this District, in which Judges Farnan and Thyng bifurcated business tort claims from infringement claims, and PUM's other cited cases where inequitable conduct was bifurcated (Mot., 7-9), are irrelevant. Google does not dispute that the contract issues could have been bifurcated. Instead, PUM's motion fails because PUM successfully opposed bifurcation, and never asked for bifurcated jury trials.

B. PUM Never Properly Asked The Court To Dismiss The Contract Claim.¹

While PUM argues that the Court should have dismissed the contract claim before trial on statute-of-limitations grounds (Mot., 6), PUM never actually properly requested that relief.

¹ PUM's statute of limitations defense also fails on the merits, as discussed in the co-pending briefing over PUM's Rule 50(b) motion.

First, PUM moved for summary judgment against the contract claim on statute-of-limitations grounds in January 2013, over a month after the Court's deadline for summary judgment motions. The Court properly rejected this motion as untimely.² (D.I. 521, 16-17.)

Several months later, in September 2013, PUM requested that its statute of limitations defense to the contract claim be bifurcated and sent to an early bench trial. (D.I. 529, 2.) This bench trial request was improper on several grounds. First, as Google pointed out in opposing PUM's request, any trial on the statute of limitations would have to be a jury trial, not a bench trial. (*Id.* at 5.) For example, a core disputed issue on the statute of limitations is whether the limitations period was tolled because the injury was "inherently unknowable." (D.I. 663, 44-45.) The "inherently unknowable" doctrine is a common-law doctrine. *State ex rel. Brady v. Pettinaro Enter.*, 870 A.2d 513, 531 (Del. Ch. 2005). Thus, the Seventh Amendment would require that any disputed facts regarding this doctrine be resolved by a jury, at least when this doctrine is applied to a common-law claim such as Google's contract claim. Because the application of the "inherently unknowable" doctrine was an issue to be decided by the jury, PUM's request for the Court to decide the issue in advance of trial was in reality another untimely request for the Court to grant summary judgment in its favor.

PUM made another untimely request for summary judgment on the eve of trial, under the guise of filing a motion on the "legal framework" for the statute of limitations. In denying this motion, the Court properly held that "it is, in essence, an untimely motion for summary judgment, and not merely a motion seeking clarification of the governing law." (D.I. 627, 4.)

² Google opposed PUM's cross-motion for summary judgment on the merits (D.I. 486), and the arguments in Google's Opposition provided ample grounds for the Court to deny PUM's summary judgment motion on the merits in addition to procedural grounds.

PUM can hardly complain that no pre-trial adjudication of this claim occurred, given that it failed to make any proper and timely motion to resolve this claim before trial.

II. PUM IS NOT ENTITLED TO A NEW TRIAL BASED ON GOOGLE'S CONDUCT IN LITIGATING THE CONTRACT CLAIM.

PUM's motion recites numerous statements where, in the course of litigating the contract claim, Google's counsel challenged Konig's or PUM's credibility or alleged that Konig took and hid the patented inventions from SRI. (Mot., 9-14.) For these statements to justify a new trial, PUM would at minimum need to show that they constituted misconduct: "the party seeking a new trial must demonstrate that the attorney's conduct constitutes misconduct, and not merely aggressive advocacy . . ." *Lucent Tech., Inc. v. Newbridge Net. Corp.*, 168 F. Supp. 2d 181, 260 (D. Del. 2001). PUM fails to meet this standard. All PUM points to is advocacy in presenting relevant issues. There was no "miscarriage of justice" here. *Olefins*, 9 F.3d at 289.

A. The Challenges to Konig's and PUM's Credibility Do Not Justify a New Trial.

PUM recites several statements where Google challenged the credibility of Dr. Konig and PUM's counsel. (Mot., 11, 13-14.) Initially, PUM did not object to any of these statements at trial. Therefore, PUM has waived any objection to these statements and cannot seek a new trial based on them. *Murray v. Fairbanks Morse*, 610 F.2d 149, 152 (3d Cir. 1979).

In any event, it was entirely proper for Google to challenge the credibility of Konig and PUM in litigating the contract claim. The core dispute in the contract claim was when the inventions were conceived. Konig testified that he did not conceive the inventions until September 1999. (Trial Tr. 1028:6-8; 1090:7-12.) If believed, Konig's testimony would mean that the inventions were conceived after his SRI employment ended and Google's contract claim would fail. Thus, Google properly presented the jury with evidence contradicting Konig's testimony, and asked the jury to believe this evidence over Konig's testimony.

For example, Google presented the jury with documents from May 1999 and July 1999 discussing "Personal Web," which was "the present invention" in the Asserted Patents. (DTX151; DTX161; Trial Tr. 1046:22-1063:9; PTX001, 7:4-6.) Google presented the jury with documents showing that Konig had an ongoing patent application process by the end of August, weeks before he said the inventions were conceived. (DTX157; PTX513; Trial Tr. 1117:1-1120:21.) And Google asked to the jury to believe these historical documents over Konig's contrary testimony, as best exemplified by Google's final question to Konig:

Q: So in sum, you're asking the jury to believe that notwithstanding these July documents called Personal Web, notwithstanding you formed the company in July and didn't tell SRI about it, notwithstanding you marked all these initial documents confidential, notwithstanding you have a patent process ongoing before September 21st, nevertheless the jurors should disregard all that documentary evidence and believe you?

A: Yes. (Trial Tr. 1121:9-17.)

By Konig's own admission, the question of whether Konig should be believed was absolutely central to the contract claim, and appropriately challenged by Google.

PUM next argues that "Google also attacked the credibility and character of PUM's trial counsel personally." (Mot., 13.) Google was fully justified in pointing out the inconsistencies in the discovery responses prepared and served by PUM's counsel. Before Google brought its contract claim, PUM's counsel served two interrogatory responses stating that the inventions were conceived by July 1999, during Konig's SRI employment. (DTX238, 3; DTX150, 5.) Four days after Google brought the contract claim, PUM's counsel served an interrogatory response changing the conception date to September 1999. (DTX0165, 5-6.) There was nothing improper about Google presenting the jury with this evidence and asking the jury to infer that PUM strategically changed its conception date to avoid the contract claim. Indeed, not challenging the

credibility of PUM's flip-flop on the conception date would have been tantamount to letting PUM walk back from its highly damaging "July 1999" admissions with impunity.

Further, PUM's own cited caselaw (Mot., 5) shows how conduct by opposing counsel will only justify a new trial if that conduct was wrongful. For example, in PUM's cited case of *Magnivision, Inc. v. Bonneau Corp.*, 115 F.3d 956 (Fed. Cir. 1997), the Federal Circuit granted a new trial where the defendant presented prejudicial evidence and argument about "prosecution irregularities" that were irrelevant to any claim or defense. *Id.* at 960-61. *Magnivision* does not support PUM's new trial request, because Google's evidence and arguments challenging Konig's and PUM's credibility were squarely relevant to the contract claim.

Equally unavailing is PUM's cited case of *Lucent Techs., v. Extreme Networks*, 229 F.R.D. 459 (D. Del. 2005). In *Extreme*, the court granted a new trial by introducing evidence "concerning the past relationship between Lucent and Extreme which the Court concluded was not admissible during the infringement and damages phase of the trial." *Id.* at 461. *Extreme* is essentially the opposite of this case. In *Extreme*, counsel improperly introduced evidence about the parties' past dealings where that evidence was irrelevant to the first phase of a bifurcated trial. *Id.* By contrast, this trial was not bifurcated, and so Google properly challenged Konig's and PUM's credibility when litigating the contract portion of the joint trial.

B. PUM Is Not Entitled to a New Trial Based on Google's Statements that Konig "Took" and "Hid" the Inventions from SRI.

PUM recites several statements where Google's counsel said that Konig "took" and "hid" his inventions from SRI. (Mot. at 10-11.) But these statements were squarely relevant to the contract claim, and do not come close to the "miscarriage of justice" standard required for a new trial. For example, Google's statements that Konig "took" the inventions from SRI were just shorthand for the ultimate legal issue on the contract claim – namely, that Konig breached his

obligation to transfer the inventions to SRI. The Court expressly found that this phrasing was proper and that it would not engage in parsing of verb choice. (Trial Tr. 13:15-22.)

Similarly, Google's statements about how Konig "hid" the inventions from SRI expressed the fact that Konig did not disclose the inventions to SRI during his employment. This was squarely relevant to whether the limitations period on the contract claim was tolled because the claim was inherently unknowable to SRI. In any event, PUM did not even object to these "hid" statements, and so cannot seek a new trial based on them. *Murray*, 610 F.2d at 152.

PUM's argument that these statements were "inflammatory" (Mot., 9) does not entitle PUM to a new trial. Again, these statements merely expressed how Konig breached his contract and failed to disclose the inventions to SRI. (*E.g.*, Mot., 10 ("He hid that invention from SRI"); *id.* ("Dr. Konig took [these patents] and they were actually SRI's.")) PUM does not explain what less "inflammatory" language Google could have or should have used. But even if "emotional" words were used, that does not warrant a new trial.³ For example, in the *Genzyme* case, both sides used emotional language in advocating their positions, from "the dark side of corporate America" to "the David and Goliath theme." *Genzyme*, 315 F. Supp. 2d at 587. Yet Judge Thyng denied a motion for new trial, given that counsel "kept its questions relevant and within the bounds of direct examination." *Id.* The same is true here. Google's questions on the contract claim stayed well within the bounds of relevance, and PUM does not allege otherwise.⁴

³ PUM's contention that use of "emotional" language warrants a new trial rings hollow given the rhetoric that PUM used in its own presentations. For example, PUM's counsel referred to Google's contract claim as "a fiction that was manufactured," "dummied up," "weird," "bizarre," a "rent-the-claims defense," and a "smoke screen." (Trial Tr. 348:4, 366:21-22, 370:25, 371:16, 373:9-11, 2025:9, 2026:15-16.) It also referred to Google's invalidity defense as "the last desperate ploy of an infringer." (*Id.*, 370:21-22.) And as to infringement, PUM's counsel argued that Google was "caught with its hand in the cookie jar." (*Id.*, 1932:2.)

⁴ In a footnote, PUM argues that Google "disparage[ed] PUM and its principals, portraying PUM as a business with no operations whose principals did not value the patents . . ."

III. THE CONTRACT CLAIM DID NOT PREJUDICE THE INFRINGEMENT OR VALIDITY CLAIMS.

A. Google Did Not Conflate the Contract and Infringement Claims.

In an attempt to show that the contract claim prejudiced the infringement inquiry, PUM argues that Google "invited the jury to conflate the breach of contract issue with the infringement claims." (Mot., 11.) PUM cites a statement by Google counsel from the contract portion of closing argument that raised Konig's financial interest in this litigation. (Mot. at 12 (quoting Trial Tr. 1978:2-7.)) Initially, PUM never objected to this statement, and so is barred from seeking a new trial based on it. *Murray*, 610 F.2d at 152.

In any event, Google's statement did not conflate contract issues with infringement as PUM argues. This statement addressed the conception date of the inventions – a core issue for the contract claim – and asked the jury to believe the documents stating a July 1999 conception date instead of Konig's contrary testimony. (Trial Tr. 1978:2-7; *see also id.*, 1977:16-24.) To support its position that "Dr. Konig's testimony is not credible" (*id.*, 1978:8-9), Google referred to Konig's financial interest: the fact that he stood to earn money from this lawsuit, money that he would not receive if Google's contract claim succeeded and blocked PUM's infringement claims. (*Id.*, 1971:23-1972:1.) "Interest in the outcome of litigation" is "highly relevant to credibility." Fed. R. Evid. 601, Advisory Committee Note (1972). Thus, it was proper for Google to raise Konig's financial interest as a reason why his testimony should be discounted. But in no way did Google suggest, as PUM asserts, that "the *only* sure way the jury could

(Mot., 12 n.12.) While PUM argues that this had nothing do to with the case, PUM's validity expert testified about the supposed commercial success of the Asserted Patents in arguing non-obviousness. (Trial Tr. 1730:25-1733:16.) Thus, as the Court's *in limine* Order recognized, Google could properly rebut that testimony by showing that the Patents did not create value for their owners. (D.I. 606, 7.) The Court's Order also recognized that it was proper for Google to discuss PUM's business operations or lack thereof, to rebut PUM's commercial success position and PUM's background story about how the patented technology came to be. (*Id.*)

prevent Dr. Konig from 'getting away' and earning 'a lot of money' was by returning of verdict of *non-infringement*." (Mot., 12 (emphasis in original.))

PUM also cites Google's recapping of the credibility problems of both Konig and PUM's infringement expert Dr. Pazzani. (Mot., 12 (citing Trial Tr. 2022-23.)) Again, because PUM did not object to these statements, it cannot seek a new trial based on them. *Murray*, 610 F.2d at 152. Moreover, while PUM argues that these statements "improperly connected" the contract claim to infringement (*id.*), the statements show exactly the opposite. In recounting Dr. Pazzani's credibility problems, Google explicitly tied his testimony to infringement. (Trial Tr. 2022:18-2023:3.) And in recounting Konig's credibility problems, Google explicitly tied his testimony to the conception date for the contract claim. (*Id.*, 2023:11-21.) Thus, far from conflating the contract and infringement claims, Google explicitly linked each witness' credibility problems to the specific claim for which that witness was relevant.

B. PUM Fails to Show that the Contract Claim Affected the Outcome of the Infringement and Validity Claims.

To support its new trial request, PUM argues that it "likely" would have won the infringement and invalidity issues "[b]ut for the prejudice caused by the evidence and arguments relating the breach of contract claim." (Mot. 14.) But PUM's case was weak on both issues.

1. The Contract Evidence Did Not Prejudice PUM's Infringement Case.

Beyond characterizing its infringement case as "strong," PUM presents no basis for the Court to find that, had Google's contract claim not been presented to the jury, the jury would have found in PUM's favor on infringement. PUM all but ignores Google's expert Dr. Fox's reasoned and supported testimony on infringement, or how it compared to Dr. Pazzani's testimony, which was often contradicted by the evidence, the claims, the constructions, and his own admissions that he was wrong. (*E.g.*, Trial Tr. 961:17-962:1 (Dr. Pazzani acknowledging

that he was wrong in stating that Search Ads are stored in ██████████); 966:1-4 (Dr. Pazzani admitting that Kansas stores the *identifier* of a web page, not the web page); 950:21-951:15 (Dr. Pazzani admitting that a Wikipedia page is not stored in Kansas, saying "No, you really got me. I made a mistake yesterday.") In fact, as detailed in Google's Rule 50(a) motion, no reasonable jury could have found in PUM's favor on infringement for numerous reasons. (D.I. 657.)

Instead, PUM cursorily addresses, for Google Search only,⁵ what PUM characterizes as Google's "three primary non-infringement arguments." PUM ignores altogether some of Google's non-infringement arguments, such as that PUM did not provide evidence of actual probabilities and that PUM failed to separately demonstrate infringement the '276 patent altogether. (D.I. 657, 11-13, 14-18). But to the extent PUM addresses the limitations at issue at all, PUM fails to support its flawed premise of a "strong" infringement case.

For example, as for the many "document" limitations, PUM does not even identify what it pointed to as "documents" in Google's system, much less demonstrate why its evidence as to these limitations was so "strong." Instead, as it did at trial, PUM argues that "Google improperly argued that the a set of documents associated with the user limitation required *storing* a set of documents associated with the user," arguing that documents need only be "associated with the user." (Mot., 15). But the claims and the Court's constructions require "a set of *documents* associated with the user," not "a set of *associations* between documents and users."⁶ ('040 Patent 32:32-32; *Markman* Order, 1-2.) Even PUM's expert Dr. Carbonell agreed that documents must be stored. (Trial Tr. 1771:7-16.)

⁵ Google has similarly limited its discussion to Google Search.

⁶ While PUM references the "analyzes a document d" element from '040 claim 1 in relation to the rephil profiler (Mot., 16), Google did not make an argument as to this limitation for that profiler, and did not need to given all the other limitations missing.

As for the learning machine limitations, here too, PUM fails to identify what it contends meets this limitation in Google Search. Nor could it. The Court's construction of "learning machine" requires a mathematical function and/or model that (1) "makes a prediction," (2) "attempts to improve its predictive ability over time," and (3) "depend[] on a variety of knowledge sources, including monitored user interactions with data and a set of documents associated with the user." Rather than point to any component of the accused systems that meets all of these requirements, PUM pointed to *one* component as being user-specific, a *second* component as "learning," and a *portion* of a *third* component as making a prediction, and asserted that they *together* met this claim element. (Trial Tr. 780:17- 782:7; Ex. 1, 67; *see also* Trial Tr. 882:9-21; Ex. 1, 250; 1445:9-1446:13.) But as Dr. Fox explained, "these are little different pieces picked out of the system that don't really fit together and don't satisfy the description of a learning machine specific to the user." (Trial Tr. 1447:3-5.)

Further, while PUM argues Google failed to show that Google Search "did not learn," PUM does not even try to tether its argument to the Court's construction. The Court's construction requires a learning machine that "attempts to improve its predictive ability over time," which the accused functionality does not do. For example, the session profiler in Search does not use user data [REDACTED], whichever is sooner. (Trial Tr. 533:9-18; 545:24-546:13; 997:8-999:9; 1359:10-13; 1358:13-16; 1426:6-23; 1428:7-16; 1440:21-1442:19.) A program designed to lose information does not "attempt[]" to improve its predictive ability over time." (*Id.*, 1440:21-1444:13.) PUM's citations to testimony regarding "improving performance" do not show otherwise. In none of the testimony does any Google witness say that the accused functionality attempts to improve its predictive ability over time. In fact, Mr. Horling stated in this cited testimony that "I wouldn't say that the process is learning.

It's just reacting to what input is there." (Tr. 1379:18-19; *see also id.* 1380:12-17.) PUM also argues that it "did not identify the aggregate portions of Google's systems as the learning machines." (Mot., 16.) This is incorrect. For example, Dr. Pazzani pointed to the [REDACTED] functionality employed by the Kaltix twiddler, which relied on aggregate data, as being part of the required "learning machine." (Trial Tr. 830:16 - 831:4; 1385:16 - 1386:6.)

Finally, PUM again does not affirmatively show how Google Search met the "estimating parameters of a learning machine" limitations. Nor could it. The Court found "estimating" to mean "approximating or roughly calculating," and that an estimate is "a measurement that is not entirely precise." (D.I. 347, 33; D.I. 606, 3.) Initially, several of the profilers PUM that pointed to in Google Search did not have values or weights at all, but rather a list of categories. (Trial Tr. 778:12-18; 1354:20-22; 1423:23-1425:6; PTX-025, 33; Trial Tr. 1451:15-24.) For the other profilers, Google uses the most "extremely precise calculations" it can in computing the numbers PUM pointed to as parameters. Thus, consistent with Dr. Fox's testimony that PUM points to on intent (Mot., 17), Google does not intend to, and need not, "approximate or roughly calculate" those numbers. (Trial Tr. 778:7-11; 773:24-774:16; PTX-034.)

2. The Contract Evidence Also Did Not Prejudice PUM's Validity Case.

PUM spends just one paragraph on the "strength" of its validity case, addressing only the "probability" element of the claims. (Mot., 17.) But there was copious evidence that Google's references meet that element. For example, Mladenic uses a Bayesian classifier to provide personalized Internet browsing (DTX264, 7), and both parties' validity experts testified that Bayesian classifiers output probabilities. (Trial Tr. 1232:14-19; 1782:7-9.) Wasfi creates a profile of each user's interests (DTX270, 58) and provides webpages "based on the correlation between the content of the pages and the user's preferences." (*Id.* 60.) PUM's expert admitted that Wasfi calculates a vector similarity between a document and a user profile (Trial Tr.

1796:16-19), and Google's expert explained how Wasfi's similarity score is "[a] notion of how good, how likely this document is to be of interest to the user." (*Id.*, 1264:23-1265:1.) Montebello represents documents in TFIDF format (DTX266 at 3) and matches them to a user profile. (*Id.* at 4.) Thus, Montebello meets the "probability" limitation as well. (Trial Tr. 1250:24-1252:2.) PUM's reference to Montebello not teaching "logistic regression" (Mot., 17) does not defeat this, particularly since Google's expert explicitly distinguished logistic regression from the match scores that Montebello does teach. (Trial Tr. 1280:9-19.)

Moreover, as the Court is aware, PTO has rejected every claim in reexamination, based on the same art that Google presented at trial. (D.I. 386; 503.) Most recently, just last month the Patent Trial and Appeal Board affirmed the rejection of every asserted '040 claim. *Personalized User Model v. Google*, Appeal 2014-002460 (PTAB May 30, 2014.) The PTAB was not "prejudiced" by the contract claim, yet it still found the claims invalid. This further shows that PUM's validity case is simply weak on the merits. Thus, there is no reason to think the jury would have found any differently on validity had the contract claim not been in the case.

IV. THE COURT'S JURY INSTRUCTIONS DO NOT JUSTIFY A NEW TRIAL.

"A new trial on the ground of erroneous instructions is permissible only when it is clear that an error in instructions as a whole was such as to have misled the jury. Moreover, a new trial due to an alleged erroneous instruction may be given where the error is fundamental or may cause a miscarriage of justice." *Honeywell Int'l, Inc. v. Hamilton Sundstrand Corp.*, 166 F. Supp. 2d 1008, 1024-25 (D. Del. 2001), *rev'd in part on other grounds*, 370 F.3d 1131 (Fed. Cir. 2004.) PUM does not acknowledge, much less even try to meet, this standard.

A. The Court's SOL Instruction Does Not Entitle PUM To A New Trial.

PUM argues that the statute-of-limitations instruction was improper because it "focused the inquiry on whether Google and SRI were 'aware' of the conception date," instead of "on when

SRI was on inquiry notice to investigate . . ."7 (Mot., 18.) To support this argument, PUM selectively highlights the portions of the Court's instruction discussing whether SRI and Google were aware of the conception date, while glossing over other portions of the Court's instruction that explicitly discussed the concept of inquiry notice. (*Id.* (quoting D.I. 663, 45.))

For example, the Court instructed the jury that it "must consider . . . whether any facts available to Google or SRI would have caused a person of ordinary intelligence and prudence to conduct an inquiry into the conception date, and whether such an inquiry would have led to the discovery of the conception date." (D.I. 663, 45)). This was a correct statement of the law. There is no dispute that a core fact constituting the basis of the contract claim is that the inventions were conceived during Konig's SRI employment. Thus, the Court instructed the jury to consider whether SRI was put on inquiry notice to discover that conception date and whether such an inquiry by SRI would have caused it to actually discover that conception date. This instruction properly recognized that inquiry notice will defeat discovery rule tolling only when the plaintiff's inquiry, if pursued, would lead to discovery of facts constituting the basis of the cause of action. *Coleman v. Pricewaterhousecoopers, LLC*, 854 A.2d 838, 842-43 (Del. 2004).

B. The Section 2870 Instruction Does Not Entitle PUM To A New Trial.

PUM also argues the Section 2870 instruction improperly stated that the jury "must interpret the phrase 'related to' broadly." (Mot., 19 (quoting D.I. 663, 49.)) PUM does not dispute that this sentence comes directly from a Northern District of California case, *Cadence Design Sys., Inc. v. Bhandari*, No. 07-823, 2007 WL 3343085, at *5 (N.D. Cal. Nov. 8, 2007.) As *Cadence Design* states: "Courts interpreting employee assignment agreements in the context

⁷ While PUM notes that it objected to this instruction (Mot., 18 n.7), PUM never objected on the ground that it now raises. PUM just vaguely objected that this instruction contains "argumentative contention about what tolling is." (Trial Tr. 1872:18-1873:2.)

of section 2870 have construed the 'related to' phrase broadly." *Id.* PUM argues that *Cadence Design's* statement about interpreting "related to" broadly was dicta and/or incorrect, but PUM fails to point to any authority criticizing this statement. Thus, this Court was well within its rights to conclude that *Cadence Design* was persuasive authority and should be followed.⁸

PUM also cannot demonstrate any prejudice from this instruction. PUM speculates that "[t]he Court's instruction could have led the jury to believe that any connection would suffice to make the invention related to Dr. Konig's work at SRI." (Mot., 19.) Yet the patented inventions had a very close connection to SRI's work, and thus would be "related to" SRI's work even if "related to" were not interpreted broadly. For example, SRI scientist Horacio Franco testified that SRI has long built machine learning models of individual persons. (Trial Tr. 1154:8-1155:5.) Thus, the claimed technology and SRI's work both used personalized machine learning models. SRI witness Doug Bercow testified about SRI's Internet search projects that addressed the problem of search engines returning large numbers of irrelevant links. (*Id.*, 1677:8-1679:4.) Thus, SRI's Internet search work was devoted to solving the same problem as the Asserted Patents – namely, the "information overload" problem caused by a large and expanding Internet. (Trial Tr. 349:10-351:1; 448:22-449:7; PTX0001 at 1:21-26.) Because SRI did work in the same field as the Asserted Patents, to solve the same specific problems, the Patents are "related to" SRI's work under any reasonable interpretation of the term.

Finally, even leaving aside the "related to" inquiry altogether, an invention will not be exempt under Section 2870 if it "resulted from" the employee's work for his employer. (D.I.

⁸ PUM argues that interpreting the "related to" clause of Section 2870 broadly "would negate the very protections to employees that the statute was intended to confer." (Mot., 19 n.9.) But PUM merely cites authorities stating the basic proposition that Section 2870 renders unenforceable invention-assignment contracts that exceed its statutory limits. (*Id.*) Thus, PUM's argument is circular – it argues that Section 2870 cannot be interpreted broadly because Section 2870 strikes down any contracts that exceed the terms of Section 2870 itself.

663, 49.) Here, the jury heard overwhelming evidence that the inventions resulted from Konig's work for SRI. For example, the jury was presented with one Utopy document stating that the personalized user model technology was "based on over 10 years of research at Berkeley and SRI." (DTX196, PUM82702.) And the jury was presented with another Utopy document stating that this technology was "drawn from speech recognition and speaker verification research" (DTX161, PUM91912), the precise subject of Konig's work at SRI. (Trial Tr. 446:11-447:9; 1018:17-20.) This evidence provided ample grounds for the jury to reject PUM's Section 2870 defense based on the "resulting from" clause of Section 2870, without even reaching the "related to" clause for which PUM contends the jury was wrongly instructed.

C. PUM Makes a Tardy Motion for Reconsideration as to "Document."

PUM argues that it is entitled to a new trial due to the Court's instruction on the meaning of the term "document," taken from the Court's January 2012 claim construction order. (Mot., 20.) PUM's complaint is based on the construction itself, referring to the same arguments it made during claim construction. (*Id.*) But this is not a proper basis for seeking a new trial. *Honeywell*, 166 F. Supp. 2d at 1025 ("Sundstrand relies on the arguments made in its claim construction briefs in support of its motion for a new trial. The court has already considered these arguments, and concludes that Sundstrand has failed to raise a valid basis for reconsideration of the issue. Therefore, the court will deny Sundstrand's motion for a new trial.") PUM's attempt at reconsideration is also untimely under Local Rule 7.15, which provides that such motions shall be filed within 14 days after the Court issues its decision.

Conclusion

For the foregoing reasons, PUM's motion for new trial should be denied.

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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

CERTIFICATE OF SERVICE

I, David E. Moore, hereby certify that on June 27, 2014, the attached document was electronically filed with the Clerk of the Court using CM/ECF which will send notification to the registered attorney(s) of record that the document has been filed and is available for viewing and downloading.

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