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February 18, 2011

The Honorable Judge Leonard P. Stark
J. Caleb Boggs Federal Building
844 N. King Street, Unit 26, Room 6124
Wilmington, DE 19801-3556

VIA ELECTRONIC FILING

REDACTED PUBLIC VERSION

Re: Xerox Corp. v. Google, Inc., et al., C.A. No. 10-136-LPS-MPT

Dear Judge Stark:

As set forth below, Plaintiff Xerox Corporation (“Xerox”) respectfully requests that the Court deny the requests of Defendants Yahoo! and Right Media (collectively, “Yahoo”) and Google Inc. (“Google”).¹

I. Xerox Has Provided Detailed Infringement Contentions, and Defendants’ Contrived Complaints About the Sufficiency of Those Contentions Are Unavailing.

On May 27, 2010, in response to Defendants’ first sets of interrogatories, Xerox timely submitted infringement contentions containing claim charts that put Defendants on notice of how their accused products infringed the asserted claims of U.S. Patent 6,778,979 (the “’979 Patent”). Contrary to Defendants’ arguments, those contentions did not simply parrot claim language. Instead, the contentions put Defendants on notice that specified products infringed the asserted claims by extracting data from webpages, determining the subject matter of those webpages, and using that data and subject matter to look for relevant advertisements to display on those webpages. Xerox’s contentions were thus sufficient for the opening stages of this litigation. Indeed, Google apparently understood Xerox’s theory of the case well enough to tell the Patent Office on August 27, 2010, that Google could discern Xerox’s claim interpretations for *all claims* of the ’979 Patent. (*See* Request for *Inter Partes* Reexamination, attached as Ex. A, at 8-10 (summarizing all claims), 16 (“[t]he claim analysis employed in this Request generally sets forth claim interpretations asserted by the Patent holder during litigation”).) Because Xerox had not served any proposed claim constructions on Google at that point, Google’s statement could only have been based on Xerox’s initial infringement contentions.

It is ironic, to say the least, that Defendants have been pressing for supplementation, and are now pressing for a *second* supplementation, of Xerox’s infringement contention charts when

¹ Although Defendants each filed their own three-page letter briefs, those letters raised similar arguments and seek the same relief. Rather than submit a separate three-page response to each Defendant’s letter, Xerox has consolidated its responses into a single letter brief.

Defendants never produced any invalidity contention charts whatsoever until after filing their letter briefs. Xerox requested each Defendants' detailed invalidity contentions almost a year ago, on April 23, 2010. (See Xerox's First Set of Interrogs., attached as Ex. B, at 10 ¶7.) Just yesterday, Yahoo served its very first such claim charts—more than doubling the universe of alleged prior art by adding seventeen new prior art references. And Google first served invalidity contention claim charts less than three hours before Xerox filed this letter brief.

Defendants' delay of their discovery obligations extends further. Document production was supposed to have concluded last November. (See 6/15/10 Am. Sched. Order, D.I. 60, ¶3(c).) Yet Defendants have dragged their feet in completing their productions, until recently refusing even to tell Xerox when they might be in a position to do so. (See 1/12/11 Email chain between S. Leslie, D. Lisson and E. Novikov, attached as Ex. C.) Just yesterday, Xerox received an additional 330,595 pages of documents from Yahoo. (See 2/16/11 Ltr. from D. Lisson to S. Leslie, attached as Ex. D.) Google, meanwhile, continues three-and-a-half months of delaying tactics, with the result that we still have no agreed-upon set of search terms for Google's electronic documents. (See 2/15/11 Ltr. from S. Leslie to A. Roberts, attached as Ex. E.) Furthermore, Xerox has not been able to locate sufficient information in Defendants' productions to explain certain aspects of their products. (See 2/11/11 Ltrs. from S. Leslie to T. Fenwick and A. Roberts, attached as Exs. F and G.) Neither Defendant has indicated the dates on which it will produce a Rule 30(b)(6) witness to testify as to the operation of the accused productions in response to Xerox's notices.

Despite Defendants' delaying tactics and incomplete discovery responses, Xerox voluntarily supplemented its interrogatory responses on February 9, 2011, to provide more detailed infringement contentions based on the information Xerox had received to date. These contentions contain particularized, element-by-element reads of each asserted claim against the accused products, with reference to the specific internal functionalities that perform the required elements. This level of detail is more than sufficient for this stage of the litigation, in which fact discovery is ongoing and will not be completed until July 1. (See 2/15/11 Am. Sched. Order, D.I. 115, ¶3(a).) Of course, pursuant to Rule 26(e)(1)(A), Xerox will further supplement these contentions as appropriate, once Defendants finally complete their document productions, Xerox has an opportunity to take depositions, and this Court issues its *Markman* rulings.

In claiming that Xerox's contentions are somehow inadequate, Defendants feign ignorance of their own products' operation and mischaracterize the content of Xerox's contentions. For example, the third step of Claim 1 of the '979 Patent covers the function of "automatically categorizing the selected document content [and] assigning the selected document content a classification label". Basically, this step requires determining the category of subject matter of document content and assigning an appropriate category identifying label. For Google's accused AdSense product, Xerox indicated that this function was performed by components called **REDACTED** (as well as any associated components whose existence may not have been clearly indicated in Google's documents) when those components analyze the content of a webpage for which AdSense will provide an ad. ; **REDACTED**

REDACTED

REDACTED

Xerox's contention further indicated that the categories resulting from categorization of the webpage comprise at least:

REDACTED

Remarkably, Google argues that Xerox "fails to identify the 'categories' and 'labels' it contends Google utilizes". (Google Ltr. Br. at 2.) This is simply not true.

REDACTED

Yahoo, in alleging that Xerox merely "parroted" claim language and "added reference to high level Yahoo! system names," similarly ignores the actual substance of Xerox's infringement contentions and of Yahoo documents describing the operation of its own products. (Yahoo Ltr. Br. at 2.)

REDACTED

Xerox's contentions with

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REDACTED

respect to the other claims at issue contain similar detail, and Yahoo, like Google, is specifically on notice as to which specific functionalities are at issue in this case with respect to every element of the asserted claims.³

Tellingly, Defendants cite no relevant authority from this district—one of the most popular venues for patent litigation in the country—for the proposition that Xerox’s infringement contentions are in any way inadequate, let alone inadequate for this stage of fact discovery. Instead, Defendants point only to out-of-district decisions, all of which interpret detailed local patent rules in other jurisdictions that impose specific procedures for patent cases, including the early exchange of detailed infringement and invalidity contentions.⁴ Neither this district’s local rules nor the scheduling orders for this case contain analogous provisions, and all of Defendants’ cases are therefore inapposite.

Yahoo’s attempt to make source code the linchpin for assessing the sufficiency of infringement contentions—again, citing only fact-specific cases from other districts—is similarly unavailing. Xerox has accused various Yahoo *products* of infringement. Source code is merely one type of evidence concerning how those products operate—along with documents (which both Defendants are still producing), as well as deposition testimony concerning both source code and documents (which Xerox has yet to obtain). Where necessary, Xerox will supplement its interrogatory responses to identify source code at a later stage, but to require that level of detail at this time would, we submit, be an exercise of make-work and gamesmanship. Xerox’s specific identification of infringing functionalities—using Defendants’ own terminology for components of their own products as reflected in their own documents—is more than sufficient to put Defendants on notice of the basis for Xerox’s claims.

³ Yahoo attacks Xerox for failing to provide supplemental infringement contentions concerning defendant Right Media’s product. Yahoo fails to mention that Xerox has informed Yahoo that the document production to date does not contain sufficient information concerning Right Media’s products, or Right Media’s relationship with third parties that may supply Right Media with part of the infringing functionality. (*See* Ex. F at 2.)

⁴ *See Connectel, LLC v. Cisco Sys., Inc.*, 391 F. Supp. 2d 526, 527-528 (E.D. Tex. 2005) (construing requirements of E.D. Tex. Local Patent Rule 3-1 governing infringement contentions as against “shotgun accusation” relating to hundreds of accused products); *Balsam Coffee Solutions Inc. v. Folgers Coffee Co.*, No. 6:09-CV-89, 2009 WL 4906860, at *3-4 (E.D. Tex. Dec. 9, 2009) (same and considering interrogatory expressly requesting all evidence and documents supporting contentions); *Shared Memory Graphics LLC v. Apple, Inc.*, No. C-10-2475, 2010 WL 5477477, *2-3 (N.D. Cal. Dec. 30, 2010) (construing requirements of N.D. Cal. Local Patent Rule 3-1 and noting that plaintiff’s contentions were sufficient where they identified product components fulfilling each claim element); *Diagnostic Sys. Corp. v. Symantec Corp.*, No. SACV 06-1211, 2009 U.S. Dist. Lexis 53916, *11-12 (C.D. Cal. June 5, 2009) (applying “the spirit of [N.D. Cal.] Local Patent Rule 3-1” to a patent software case); *Big Baboon Corp. v. Dell, Inc.*, 723 F. Supp. 2d 1224, 1227 (C.D. Cal. 2010) (finding C.D. Cal. precedent for using other districts’ rules and applying N.D. Cal. Local Patent Rule 3-1); *McKesson Information Solutions LLC v. Epic Systems Corp.*, 242 F.R.D. 689, 694 (N.D. Ga. 2007) (construing the requirements of N.D. Ga. Local Patent Rule 4.1(b)(3) governing infringement contentions and noting that plaintiff failed to identify where certain claim elements were found in accused product); *In re Papst Licensing GMBH & Co. KG Litig.*, Misc. Action No. 07-493 (RMC) (D.D.C. Feb. 8, 2011) (holding that plaintiff failed to comply with order issued almost one year *after* the court’s *Markman* order that “put into place standards substantially the same” as those of N.D. Cal. Local Patent Rule 3-1) (Google Ex. 3 at 6).

Defendants' contrived complaints that Xerox's contentions lack specificity are without merit, and Xerox respectfully requests that this Court deny Defendants' demands for Xerox to further supplement those contentions prematurely.

II. Xerox Has Timely Asserted a Mere Five Dependent Claims, and Defendants Suffer No Prejudice in Considering These Claims.

In their motion, Defendants also seek the drastic sanction of preventing Xerox from pursuing substantive claims of infringement based on five dependent patent claims of the '979 Patent—an extraordinary measure that Rule 37(b)(2)(A) reserves for disobedience of a discovery order and which requires an assessment of a host of factors that Defendants here cannot meet, nor do they attempt to. *See, e.g., Dow Chemical Canada Inc. v. HRD Corp.*, 259 F.R.D. 81, 84 (D. Del. 2009). Significantly, Defendants cite no authority whatsoever for their proposed sanction. Instead, they argue generally that they are somehow impermissibly prejudiced by Xerox's assertion of five dependent claims—which collectively add only four claim limitations to the previously asserted independent claims—almost *seven weeks* before initial *Markman* briefs are due. Defendants' arguments are without merit.

The Court's first Amended Scheduling Order, dated June 15, 2010, required the parties to submit "a list of those claim term(s)/phrase(s) that they believe need construction and their proposed claim construction of those term(s)/phrase(s)" by February 7, 2011. (D.I. 60, ¶13.) Xerox did just that, disclosing constructions for independent claims 1 and 18, which had previously been asserted, as well as constructions for five related dependent claims: 2, 3, 5, 10 and 19.⁵ Xerox then served supplemental infringement contentions for all these claims on February 9, 2011—almost three weeks before the parties even need to submit a Joint Claim Construction Chart under the Court's second Amended Scheduling Order. (*See* D.I. 115, ¶¶ 9, 10.) By contrast, Yahoo waited to provide invalidity claim charts (which included seventeen previously undisclosed prior art references) *ten days* after Defendants first revealed their proposed claim constructions; Google provided its first invalidity claim charts a day later, hours before this letter brief was due.

Defendants cannot credibly maintain that they suffer prejudice from these dependent claims. The dependent claims each add but a *single substantive limitation* to the independent claims previously asserted. In fact, dependent claims 2 and 19 are substantively *identical*,⁶ and dependent claim 3 adds a minor limitation to claim 2.⁷ (*See* Yahoo Ex. D at 2-4.) Thus, the dependent claims entail only four straightforward limitations to the two independent claims already asserted—limitations so straightforward that Xerox does not believe two of them require

⁵ Xerox construed two other dependent claims on February 7 as well, but served amended initial claim constructions on February 9 removing those two claims.

⁶ Claim 2 covers a method, and Claim 19 covers computer instructions that perform that method.

⁷ Claim 2 discloses limiting a query "by adding terms relating to context information surrounding the set of entities in the selected document content", and claim 3 discloses that same method wherein the number of terms added is "limited to a predefined number". (Yahoo Ex. D at 2.)

any construction. To argue, as Defendants do, that these additional limitations amount to some sort of significant or unwarranted expansion of the scope of this case is baseless.

Moreover, Defendants' representations that they have not previously considered these few limitations and have "had no reason to do so" (*see* Google Ltr. Br. at 3) are patently false. In its request for reexamination, filed almost six months ago, Google analyzed and construed *all 20* claims of the '979 Patent and applied its constructions against numerous prior art references. (*See* Ex. A at 33-150.) Google also expressly told the PTO that "[t]he claim analysis employed in this Request generally sets forth claim interpretations asserted by the Patent holder during litigation". (*Id.* at 16.) And Google repeatedly applied constructions of dependent claims against numerous pieces of prior art, and discussed each of those dependent claims in detail—***including dependent claims 2, 3, 5, 10 and 19*** at issue in this discovery dispute. (*See, e.g., id.* at 39, 55, 64-66, 71-76, 83-86, 92, 95-96, 108-12, 119, 120-21, 132-33, 139-40, 143-44.) Yahoo is unquestionably well aware of, and perhaps participated in, the preparation of the reexamination, to the point that Yahoo has represented to this Court that it is willing to be bound by it. (*See* Defs.' Reply Br. in Support of Jt. Mot. to Stay, D.I. 97, at 1.) Any suggestion that the Defendants are unprepared to deal with the few dependent claims at issue here cannot be credited.

In short, Defendants have ample time to consider these few dependent claim limitations; indeed, they already have for purposes of the reexamination. And because initial *Markman* briefs are still a month and a half away, Defendants can in no way be prejudiced by Xerox's timely assertion of and proposals for construing those claims, nor can they otherwise meet the heavy burden of justifying what amounts to summary dismissal on the merits of Xerox's dependent claims from this case. Xerox therefore respectfully asks this Court to deny Defendants' request.

Respectfully,

/s/ John G. Day

John G. Day

JGD/dmf
Attachments

cc: Richard L. Horwitz, Esquire (via electronic mail; w/attachments)
David A. Perlson, Esquire (via electronic mail; w/attachments)
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