UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 1:10cv023580-Civ-RNS

MOTOROLA MOBILITY, INC.,

Plaintiff,

v.

APPLE INC.,

Defendant.

JURY TRIAL DEMANDED

APPLE INC.,

Counterclaim Plaintiff,

v.

MOTOROLA, INC. and
MOTOROLA MOBILITY, INC.,

Counterclaim Defendants.

MOTOROLA'S REPLY IN SUPPORT OF ITS MOTION TO AMEND THE PROCEDURAL SCHEDULE TO SERVE SUPPLEMENTAL INVALIDITY CONTENTIONS

Plaintiff and Counterclaim Defendants Motorola Mobility, Inc. and Motorola Solutions, Inc. (f/k/a/ Motorola, Inc.) (collectively "Motorola") submit this reply in support of their request for leave to serve supplemental invalidity contentions.

Good cause exists for Motorola to supplement Motorola's invalidity contentions. First, contrary to Apple's assertions, Motorola has diligently pursued its invalidity defense to Apple's asserted patents. This is exemplified by Motorola's detailed invalidity contentions, which explain how dozens of references meet each and every limitation of the asserted claims. Motorola also has shown its diligence through its persistent requests to Apple for discovery relevant to the invalidity of Apple's asserted patents, its pursuit of third-party discovery related to the invalidity of Apple's asserted patents and its supplementation of invalidity contentions in light of Apple's late-produced documents and change in positions regarding the scope of its patents. It is a result of this continued diligence that Motorola discovered the further art that invalidates Apple's patents, which Apple seeks to preclude Motorola from raising in this case.

In the face of this diligence, Apple argues that it will be prejudiced from Motorola's supplementation of invalidity contentions. But the only actual "prejudice" is the invalidity of Apple's patents; obviously that is not a legitimate basis to exclude Motorola's supplementation. If the patents are invalid by prior art, they should not be enforced. Apple argues that it will be prejudiced because it would need to seek third-party discovery regarding the prior art raised in Motorola's supplemental contentions. This assertion rings hollow given that Apple never has before in the preceding months sought discovery from <u>any</u> third party regarding <u>any</u> of the myriad references that Motorola identified in its June 20, 2011, preliminary invalidity contentions to Apple's patents. In fact, even on issues where Apple bears the burden, such as infringement, Apple waited to serve its third-party subpoenas until early November. In any

event, Motorola is already diligently pursuing this third-party discovery, which is well under way and should provide whatever information Apple supposedly needs, despite having never sought it on its own.

Apple's other claim of supposed prejudice is that it would have taken different positions in claim construction had it been aware of Motorola's supplemental invalidity contentions. This claim of prejudice rings hollow as well. Apple has not articulated a single new or different position it would have taken in light of Motorola's supplemental invalidity contentions. And, when the Court asked the parties to jointly submit a chart regarding the impact of claim constructions, for every single term Apple proposed, it identified only non-infringement as the impact, not invalidity. (D.E. 126.) Apple did not assert that the Court's decision on any claim term would impact the validity of any patent, or that any construction it had proposed related to any of the voluminous prior art Motorola had identified. (*Id.*)

In reality, it is Motorola that will suffer undue prejudice if supplementation is not permitted. Despite its diligence, Motorola did not learn of certain references until after the June 20 invalidity contentions were served. If Motorola is not permitted to supplement, critical prior art—including prior art that another court found potentially invalidates Apple's patent of which Apple itself was aware—will be excluded from the jury's consideration. *See Golden Hour Data Sys., Inc. v. Health Services Integration, Inc.*, 06-cv-7477, 2008 WL 2622794, *4 (N.D. Cal. July 1, 2008) (noting that defendant uncovered prior art during discovery, that the prior art was relevant, and that "it would be unjust for such information 'to be avoided on the basis of … mere technicalities.'") (internal citations omitted). Apple's attempt to avoid having this case decided on its merits should be rejected, and Motorola's request to supplement its invalidity contentions should be granted.

I. GOOD CAUSE EXISTS FOR MOTOROLA TO SUPPLEMENT ITS '849 INVALIDITY CONTENTIONS

A. Motorola was Diligent in Pursuing its Invalidity Defense with Respect to the '849 Patent

Contrary to Apple's assertions, and as set forth in Motorola's motion, Motorola has been diligent in pursuing its invalidity defenses in this case. Motorola's diligence is evident from the detailed invalidity contentions it served on Apple on June 20, 2011. Ex. C.[1] These invalidity contentions incorporated charts spanning thousands of pages and detailing, element-by-element, how invalidity references anticipated or rendered obvious Apple's asserted patents.[2] Motorola would not have been able to provide such detail to Apple had Motorola not been diligent in pursuing its invalidity defenses.

With respect to the '849 patent, Motorola disclosed 85 references and provided detailed charts for 11 of those references. Despite this diligence, and as commonly occurs in patent litigation, Motorola did not discover two references until after the June 20 invalidity contentions were served. The world is full of prior art – especially with the Apple patents at issue here – and although parties diligently search for and sift through hundreds of references, a party may nonetheless discover additional prior art references as the litigation progresses. *See Amersham Pharmacia Biotech, Inc. v. Perkin-Elmer Corp.*, 190 F.R.D. 644, 648 (N.D. Cal. 2000) (granting leave to serve supplemental invalidity contentions and noting that, "[t]o conduct a world-wide search, locate and disclose all potential prior art bearing on the patent-in-suit, within [the time

[1] Exhibits A through N are attached to the declaration of Cathleen Garrigan filed with Motorola's Motion for Leave to Serve Supplemental Invalidity Contentions. (*See* D.E. 211.) Exhibits O through R are attached to the declaration of Cathleen Garrigan filed concurrently with this reply brief.

[2] To ease the Court's burden, Motorola did not attach these voluminous charts to its original motion. However, if the Court would like to examine these charts, Motorola can submit them.

allotted after service of the patentee's infringement contentions]—on pain of being precluded from using the information in the lawsuit—is a daunting task.").

As part of this continued diligence, Motorola discovered that on August 24, 2011, a Netherlands court found the European equivalent of Apple's '849 patent was likely invalid based on two references, Neonode and Plaisant. *See* Ex. A at ¶¶ 4.45-4.48. Apple had not produced this Order in a case in which it was involved, nor had it produced the prior art cited in the Netherlands case, which included the Neonode reference. Only after Motorola requested these documents did Apple produce them, despite having been in possession of the prior art for at least six weeks. Garrigan Decl. at ¶ 6.

Additionally, Apple's opposition complains that Motorola did not explain why it didn't learn of the Neonode and Juels references earlier. (Opp. at 6.) Apple's Monday morning quarterbacking places a burden of proof on Motorola that the law does not require. Motorola has properly shown that good cause exists to serve supplemental invalidity contentions because Motorola was diligent (as evidenced by the detailed invalidity contentions it served on Apple) and Apple will not be prejudiced by allowing Motorola to supplement its invalidity contentions. *See, e.g., Tessera, Inc. v. Advanced Micro Devices, Inc.*, 05-cv-4063, 2007 WL 1288199, *1 (N.D. Cal. Apr. 30, 2007) (permitting defendants to amend their invalidity contentions where defendants were diligent and allowing amendment would "promote the fair resolution of this case without causing any prejudice to Plaintiff.").

Furthermore, although Apple criticizes Motorola's diligence because the Neonode and Juels references were publicly available (Opp. at 6), Apple sought the same relief in similar circumstances before the International Trade Commission. Ex. Q. During a recent investigation, Apple belatedly identified a publicly available prior art reference. *Id.* at 1. Yet, Apple asserted

that good cause existed for Apple to supplement because "at the time Apple submitted its original prior art list, the existence, and therefore the significance and materiality of [the publicly available reference] was not known to Apple." *Id.* Apple also asserted that Motorola would not be prejudiced because its expert report on invalidity was not due until May 20—just 16 days later. *Id.* at 1-2. Here, Apple's expert rebuttal report on invalidity will not be due until March 16, which is 79 days after Motorola's motion for leave to supplement was filed. Thus, according to Apple's own arguments, Motorola should be granted leave to serve its supplemental invalidity contentions.

B. Apple's Assertion That the Neonode Is not Prior art is Both Irrelevant and False.

Apple argues that the Neonode is not prior art because "Neonode did not sell any products in the United States more than one year prior to the December 2005 filing date of the '849 patent." (Opp. at 5.) Initially, although it is ultimately Motorola's burden to prove that a reference is prior art, Motorola need not prove that a reference is prior art in order to demonstrate that good cause exists to supplement its invalidity contentions, and Apple provides no authority that it does.

Apple is also wrong as a factual matter. Neonode printed references were publicly available more than one year before the invention and the filing date of the '849 patent. Apple does not dispute that these publications are prior art references under both 35 U.S.C. § 102(a) and (b), which provide that printed publications are prior art if they were available before the invention of the asserted patent or one year before the filing date of the asserted patent. As Apple is aware, Neonode released the N1 phone in July 2004 (well over a year before the December 2005 filing date of the '849 patent) accompanied by the N1 user guide and other publications, some of which Apple produced in this litigation. *See, e.g.,* Ex. O.

C. Apple Will Not Be Prejudiced by Motorola's '849 Supplemental Invalidity Contentions

Apple's assertions that it will be prejudiced if Motorola is permitted to supplement its invalidity contentions are equally false. Apple claims that it "would be forced to pursue last-minute discovery relating to the Juels reference as well as discovery regarding first sales (if any) in the United States by Neonode, which is a Swedish company." (Opp. at 6.) It is Motorola's burden—not Apple's—to prove that any particular reference is prior art. Accordingly, Apple will not have to take any of the discovery it laments in its opposition.

Moreover, Apple has already been defending against the Neonode prior art in the Netherlands and has been on notice of the Neonode prior art in this case since September 1 (when Motorola demanded the production of the Netherlands prior art) or, at the latest, November 30 (when Motorola served its supplemental invalidity contentions).[3] Yet, Apple did nothing to pursue any discovery. To the extent Apple has not already prepared its defense against the Neonode in the Netherlands litigation, it will have ample time to do so in this litigation given that third-party discovery is already well under way. In contrast to Apple, Motorola has diligently pursued third-party discovery, including discovery related to Neonode. A subpoena was served on Neonode, Neonode produced discovery in response to that subpoena, and Motorola is in the process of scheduling a deposition of Neonode. Garrigan Decl. ¶ 7. Apple can attend and ask questions at the Neonode deposition. Thus, Apple's assertions that it will be "forced to pursue last-minute discovery" are untrue.

Apple also concludes that it will be "severely prejudiced" because "the parties relied on the already served infringement and invalidity contentions when formulating their respective

[3] Motorola withdrew the November 30 supplemental invalidity contentions under the circumstances described in its opening brief. (D.E. 211 at 6-7.)

claim construction positions and arguments . . . ." (Opp. at 5-6.) Again, however, Apple's claims of prejudice ring hollow given that Apple has not articulated a single new or different position it would have taken with respect to claim construction in light of Motorola's supplemental invalidity contentions. And again, when the Court requested that the parties submit a joint chart detailing how the Court's claim construction determinations would impact the litigation, Apple only addressed how its claim constructions impacted infringement, not the validity of any of its patents. (D.E. 126.)

Lastly, under Apple's logic, parties would never be permitted to supplement invalidity contentions after claim construction. That is not the standard, however, and parties are permitted to supplement invalidity contentions after claim construction upon a showing of good cause. *See, e.g., Alt v. Medtronic, Inc.*, 04-cv-370, 2006 WL 278868 (E.D. Tex. Feb. 1, 2006) (permitting amendment after claim construction hearing and briefing were complete).

II. GOOD CAUSE EXISTS FOR MOTOROLA TO SUPPLEMENT ITS INVALIDITY CONTENTIONS WITH RESPECT TO THE '646 AND '116 PATENTS

A. Apple Maintains its Position That it Invented Plug and Play

Apple accuses Motorola of "cherry-picking" a sentence from the technical tutorial in order to "fabricate 'good cause'" by arguing Apple said at the tutorial that it had invented Plug and Play. But that is just what counsel for Apple stated:

> "Now, the invention is – a colloquial expression that's often used is "plug and play," which just means exactly what it sounds like. You don't have to wait for it to be rebooted. The system will recognize it automatically without being rebooted or restarted.

Ex. G at 108:20-24. Tellingly, Apple never directly addresses this actual statement. Instead, Apple complains that "Motorola neglects six pages of the tutorial transcript which plainly show that Apple's description of the patented invention was entirely consistent with [] the language of

the patents themselves . . . ." (Opp. at 8.) But in the six pages of transcript (cited as Exhibit L in Apple's opposition), Apple's counsel does not address any of the specifics of the '646 or '116 patents. Its discussion of the alleged invention was completely divorced from the '646 and '116 patents and Apple concluded with the statement, "the invention is . . . 'plug and play.'" Ex. G at 108:20-24. And even in its Opposition, Apple does not actually retreat from its position that it invented Plug and Play. Rather, in a footnote, Apple reasserts this very position. (Opp. at 7 n.8.)

B. Motorola Was Diligent in Pursuing its Invalidity Defense with Respect to the '646 and '116 Patents

Apple also argues that Motorola was somehow not diligent because its June 20 invalidity contentions already cite to some Plug and Play references. But this only shows that Motorola was diligent because it had already cited Plug and Play references as background material to the '646 and '116 patents, including Microsoft Windows 95 Resource Kit; Hardware Design Guide for Microsoft Windows 95: A Practical Guide for Developing Plug and Play PCs and Peripherals; Programming Plug and Play; Plug and Play System Architecture *See e.g.* Ex. C at 55. As a further part of this diligence, Motorola supplemented its contentions regarding references it already disclosed as background, as well as few other references to address Apple's new position that it invented Plug and Play.

Given that Motorola had already cited Plug and Play references, there can be no prejudice to Apple through Motorola's supplementation; and Apple does not even argue there is any prejudice. Again, however, the prejudice to Motorola is severe as it would be precluded from formulating its defense to address Apple's later-disclosed theory.

III. GOOD CAUSE EXISTS FOR MOTOROLA TO SUPPLEMENT ITS INVALIDITY CONTENTIONS WITH RESPECT TO THE '560, '456 AND '509 "FLORIN PATENTS"

A. Motorola was Diligent in Pursuing its Invalidity Defense with Respect to the Florin Patents

As discussed with respect to the '849 patent, Motorola's diligence in pursuing its invalidity defense is evidenced by its lengthy and detailed invalidity contentions. Apple ignores Motorola's diligent conduct throughout discovery, instead implying (incorrectly) that Motorola somehow acted nefariously with respect to its discovery that the '185 patent was prior art. Apple's suggestion that Motorola was hiding the '185 patent prior art reference is illogical. (Opp. at 10-11.) There is no motive for Motorola to hide invalidity references from Apple, and Apple provides none. Additionally, it is contrary to Motorola's actions of serving supplemental invalidity contentions in order to further disclose prior art and Motorola's invalidity positions to Apple. *See Golden Hour Data Sys.*, 2008 WL 2622794, *4 (permitting supplemental invalidity contentions where there was "no indication that gamesmanship motivated [the defendant's] decision to wait until this juncture to supplement its Preliminary Invalidity Contentions.").

Apple also asserts that Motorola was not diligent because the '185 patent and its prosecution history are publicly available. (Opp. at 11.) This is misleading, at best. The publicly available prosecution history for the '185 patent does not contain a copy of the inventor's declaration in which he swears that the invention claimed in the '185 patent was invented and publicly disclosed prior to the earliest date claimed by Apple's Florin patents (December 1, 1992).[4] The missing declaration was, of course, part of the difficulty in identifying the '185 patent as prior art. Since the filing of Motorola's motion, Rovi produced the missing inventor

[4] The '185 patent prosecution history does contain other documents, such as Exhibit K, that reference the missing inventor declaration. Thus, contrary to Apple's assertion, Exhibit K was not cited in error. (Opp. at 11.)

declaration, which shows that prior to September 28, 1992, and prior to the Florin patents' December 1, 1992 priority date, the inventors of the '185 patent completed and reduced to practice prototypes of the claimed invention. Ex. R. Thus, the '185 patent is prior art.

Apple insists that Motorola must establish diligence by detailing when it learned that the '185 patent was prior art and establishing diligence from that point forward.[5] Even if this were the standard, which it is not, Motorola established such diligence. Motorola sought leave to serve supplemental invalidity contentions shortly after learning that the '185 patent *may* be prior art to the Florin patents and did so while concurrently seeking discovery from third-party Rovi to establish the prior art status of the '185 patent.

B. Apple Will Not be Prejudiced by Motorola's Supplemental Invalidity Contentions for the Florin Patents

Apple asserts that it will suffer prejudice because it will not have time to pursue discovery related to the priority date of the '185 patent. (Opp. at 12-13.) Again, it is Motorola, not Apple, that bears the burden of establishing that the '185 patent is prior art. Moreover, discovery related to the '185 patent is already well under way. Motorola served a subpoena on third-party Rovi and Rovi has produced documents related to that subpoena. Garrigan Decl. ¶ 8.

For its part, on January 23, 2012, Apple too served a subpoena on Rovi—this was the first time Apple has ever sought any discovery regarding any of Motorola's asserted prior art in this case. Ex. P. Even then, this subpoena predominantly relates to Apple's infringement theories (for which Apple apparently had no problem waiting until January 2012 to serve); there are two document topics and two deposition topics related to the '185 patent. *Id.*

[5] Apple's reliance on *O2 Micro In'l Ltd. v. Mono-Lithic Power Sys., Inc.*, 467 F.3d 1355 (Fed. Cir. 2006), is misplaced. *O2 Micro*, which involved infringement contentions, does not address any of the facts here. *O2 Micro* did not involve belatedly produced prior art, a change in position regarding the scope of the asserted patents, or uncovering, through diligent search, a prior art patent whose priority date could only be ascertained through third-party discovery.

IV. CONCLUSION

For all of the above reasons and those set forth in its opening brief, Motorola respectfully requests the court grant Motorola leave to serve its supplemental invalidity contentions.

Dated: January 27, 2012

Respectfully submitted,

MOTOROLA SOLUTIONS, INC. (f/k/a MOTOROLA, INC.) AND MOTOROLA MOBILITY, INC.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on January 27, 2012, I served the foregoing document via electronic mail on all counsel of record identified on the attached Service List.

/s/ Douglas Giuliano
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