

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION**

ONE NUMBER CORPORATION,	)	
	)	
Plaintiff / Counterclaim-	)	
Defendant,	)	
	)	Case No. 1:10-cv-0312-RLY-TAB
vs.	)	
	)	
GOOGLE, INC.	)	
	)	
Defendant / Counterclaimant.	)	

**ONE NUMBER CORPORATION'S REPLY IN SUPPORT OF MOTION  
FOR LEAVE TO TAKE LIMITED EXPEDITED DISCOVERY**

**I. INTRODUCTION**

Google asserts that One Number's patents are invalid because the United States Patent and Trademark Office ("USPTO") has issued *initial* rejections of all but two dependent claims of the Patents-in-Suit. [Dkt. 34]. However, One Number will use its opportunity to respond to these initial rejections with arguments in favor of patentability, by amending the claims to overcome the rejections, and/or by adding new claims. 37 C.F.R. § 1.945. One Number's deadline for filing the responses to the reexamination Office Actions is December 21, 2010 and December 22, 2010, respectively. The USPTO confirmed the patentability of two dependent claims of one of the Patents-in-Suit, and One Number has a good faith belief that Google is infringing the confirmed claims.

Google claims that it will “[have] an opportunity to provide additional prior art references to the USPTO that focus directly on the subject matter of these two claims.” But, there are a limited number of circumstances in which new references may be submitted to the USPTO. [Dkt. 33 at 2]; 37 C.F.R. § 1.948. “A statement in an Office action that a particular claimed feature is not shown by the prior art of record (which includes references that were cited by requester) does NOT (sic) permit the requester to then cite new art to replace the art originally advanced by requester.” MPEP § 2666.05 II. Google asserts that the USPTO submitted “wholesale rejections of [The Patents-in-Suit] as invalid;” however, should One Number redraft the two *confirmed* dependent claims in an independent format (by including all limitations therein), Google will not have an opportunity to submit additional prior art.<sup>1</sup> [Dkt. 34 at 2].

The assertion that the claimed discovery requests are irrelevant to the USPTO's reexamination is meritless. Secondary considerations are relevant to overcoming obviousness based rejections, which are at issue in the reexaminations. [Dkt. 34 at 7-9]. One Number believes that Google is in possession of evidence that would support the patentability of the claimed invention and that such evidence

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<sup>1</sup> Google would not be rebutting a finding of fact by the examiner or a response by the patent owner; rather, Google would be replacing the art originally advanced. A comprehensive validity search was not envisioned in an *inter partes* reexamination and such “was not envisioned by Congress as evidenced by the 35 U.S.C. § 314 (c) mandate that reexamination proceedings are to be conducted in the Office with special dispatch.” MPEP § 2666.05 II.

should be presented to the USPTO. Google's vehement opposition to One Number's discovery requests further supports One Number's belief.<sup>2</sup>

## II. ARGUMENT

### A. Applicable Legal Standards

A patent is presumed valid and enforceable, for the purposes of litigation, throughout reexamination proceedings. *In re Etter*, 756 F.2d 852, 860 (Fed. Cir. 1985); *see also Ethicon v. Quigg*, 849 F.2d 1422 (Fed. Cir. 1988). There is a distinct difference between the burden of proof required when asserting an invalidity defense in litigation and in a patent reexamination proceeding. *Ethicon*, 849 F.2d at 160. In a reexamination proceeding, all that is required is a "substantial new question of patentability." 35 U.S.C. § 312 (a). In litigation, patents are presumed valid pursuant to 35 U.S.C. § 282, and to overcome this presumption, invalidity must be proven by "clear and convincing evidence." *Schumer v. Laboratory Computer Systems, Inc.*, 308 F.3d 1304, 1315 (Fed. Cir. 2002)(*citing to Apotex USA, Inc. v. Merck & Co.*, 254 F.3d 1031, 1036 (Fed Cir. 2001)). This proposition is furthered in that courts which deny stays proceed with the litigation under the presumption that the patent is presumed valid pursuant to 35 U.S.C. § 282.

Numerous courts have allowed limited discovery to be conducted during the pendency of reexamination proceedings. *See e.g. – Computerized Screening, Inc. v. Lifeclinic Int'l, Inc.*, 2010 WL 3257679 (D. Nev. 2010); *Seaqest Closures LLC v.*

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<sup>2</sup> One Number was willing to consent to the stay currently being requested by Google in exchange for One Number being allowed to take limited discovery, but Google refused to allow One Number to take limited discovery and filed its motion to stay the litigation.

*Rexam Plastics*, No. 08C0106, 2009 WL 1615521, at \*1 (E.D. Wis. 2009); *Proctor & Gamble Co. v. Kraft Foods Global, Inc.*, No. C 08-0930 PJH, 2008 WL 3833576, at \*2 (N.D. Cal. 2008). Google's arguments in favor of denying One Number's motion for limited discovery are without merit.

The Plaintiff in *Equipments de Transformation IMAC v. Anheuser-Bush Companies*, No. 07-13306, 2008 WL 3852240, at \*2-3 (E.D. Mich. Aug. 18, 2008) contended that it needed information from various entities, including the Defendant, “to rebut the charges of obviousness.” In *Equipments*, a stay was granted pending *inter partes* reexamination (which was initiated three days before the defendant answered the complaint); however, the court recognized that a vehicle of litigation (namely discovery) was needed to supplement the *inter partes* reexamination. *Id.* at \*1. The Court reasoned that “the efficiencies gained by awaiting the reexamination process will be superficial if the patentee has insufficient information to challenge the applicant’s position or the PTO’s initial determination. The prospect of a subsequent infringement suit may mean little if the PTO invalidates claims erroneously based on incomplete information.” *Id.* at \*2.

The Court of *Aerotel, LTD. v. IDT Corp.*, No. 03Civ.6496(RJH)(FM), 2003 WL 23100263, at \*2 (S.D.N.Y. Dec. 30, 2003) while granting a stay pending reexamination proceedings also directed the parties to the Court’s previous order “regarding the schedule for limited discovery, including initial disclosures, a proposed protective order, and a settlement conference.” In *Aerotel*, the patents at issue had undergone previous reexaminations without alteration; however, “in the

present case, discovery has not yet begun, a trial date has not been set, and no showing of manipulation has been made.” *Id.* at \*2.

**A. One Number’s Discovery Requests Are Limited And Are Not “Highly Burdensome” Or Prejudicial To Google.**

One Number’s request for limited discovery is tailored to issues relevant to the reexamination of The Patents-in-Suit. Secondary considerations are relevant when considering rejections based on obviousness. *Wyers v. Master Lock Co.*, 95 USPQ2d 1525, 1536 (Fed. Cir. 2010); *Pressure Prods. Med. Supplies Inc. v. Greatbatch Ltd.*, 599 F.3d 1308, 1268 (Fed. Cir. 2010); *Crocs Inc. v. Int’l Trade Comm’n*, 598 F.3d 1294, 1305 (Fed. Cir. 2010). The Office Action issued by the PTO in connection with the ‘256 Patent, for example, contains obviousness-based rejections that will need to be addressed by One Number.

One Number’s requests for production have little to do with questions of infringement and damages issues. While some information may be related to these issues, any overlap in relevancy should not negate One Number's entitlement to this information. The requests for production are targeted to issues concerning the patentability of the Patents-in-Suit and are relevant to the reexamination proceeding. The proposed discovery as outlined in [Dkt. 30, Exh. A, 1-14] is targeted to secondary considerations and other information which would aid One Number in proving the nonobviousness of The Patents-in-Suit, as aforementioned.

Evidence of copying by others can support a finding that a proposed combination is not obvious. *DePuy Spine Inc. v. Medtronic Sofamar Danek*, 567 F.3d 1314 (Fed. Cir. 2009). GrandCentral was aware of One Number at the time of

its launch. Evidence of industry awards, consumer recognition, and commercial success are secondary considerations which can aid in supporting a finding of non-obviousness. Therefore, any awards, industry recognition, and commercial success of GrandCentral's system should be attributed to One Number. One Number has limited evidence which it will present to the USPTO regarding industry recognition of the Patents-in-Suit, but believes that the information being requested from Google is highly relevant as GrandCentral's system is seemingly an infringing replication of One Number's patented system.

Google will not be substantially burdened by responding to the discovery requested. Google is one of the most technologically sophisticated Internet-based companies in the world. Google operates a popular search engine in which users can enter search terms or phrases and retrieve data, almost instantaneously, from the Internet. Google can search its records quickly and efficiently and locate the relevant information.

Google states that "it may well be impossible to review the millions of possibly relevant records within One Number's accelerated, fourteen-day time frame." [Dkt. 34, at 5]. Google concedes, in its philosophy of "Ten things we know to be true" that "[they] do search." [Exhibit A, at 2]. Google does not explain how the company running the largest search engine in the world would find it unduly burdensome to respond to limited, narrowly tailored requests to aid in an *inter partes* reexamination, which it initiated. Google specializes in effective fast

searching so much so that “the average response time on a search result is a fraction of a second.” [Exhibit A, at 2].

Google should not be able to prevent pertinent documents from being submitted to the USPTO. Google has access to secondary considerations which One Number did not itself experience due to the erosion of its business by Google. As Google, and its predecessor GrandCentral, reaped the rewards of the ingenuity of One Number, One Number was forced to direct its business in a different direction given the market power of Google and the fact that Google gives the telephony service away for free as it makes money on advertising revenue by driving users to its site for all of their Internet-based needs. [Exhibit B, at 3]. One Number's business remains active today and provides telephony based business that utilizes the technology set forth in The Patents-in-Suit. [Exhibit B, at 4]. One Number has made a number of changes to its website and services. [Exhibit B, at 2].

## **B. The Relevance Of Secondary Considerations**

Secondary considerations include commercial success, copying, unexpected results, and a competitor's inability to find a non-infringing substitute. *Wyers v. Master Lock Co.* 95 USPQ2d 1525, 1536 (Fed. Cir. 2010). Secondary considerations are relevant to the question of whether the technology disclosed and claimed in the Patents-in-Suite are novel (i.e. nonobvious). Infringers have a significant impact on secondary considerations due to the potential for erosion of market share (commercial success), the possibility that an infringer would directly copy (copying by others), and the possibility that an infringer would receive awards and accolade

for their infringing products (industry recognition). It would be naive for one to assume that One Number can demonstrate commercial success of the claimed invention as Google (through its infringing acts), as well as its predecessor GrandCentral, have practically eliminated One Number's commercial success and have taken One Number's industry recognition.

One Number can demonstrate that the Patents-in-Suit are nonobvious by showing, without limitation, that: (1) Google paid GrandCentral substantial consideration for the acquisition of the infringing products, demonstrating that even an Internet giant was unable to implement One Number's technology on its own; (2) Google continues to utilize those products, being directly copied from One Number, demonstrating that One Number's competitors cannot find a non-infringing substitute; and (3) the acclaim both Google and GrandCentral received for One Number's inventions demonstrate industry recognition that should be attributed to One Number.

At the time of GrandCentral's launch, it identified One Number as a competitor. [Dkt. 31, Exh. C]. GrandCentral acknowledged its awareness of the existence of One Number and its telephony service at least as early as the launch of its service. Evidence of copying by others is a secondary consideration that is relevant to a determination of the patentability of the technology covered by the Patents-in-Suit. When Google acquired GrandCentral, the features provided by GrandCentral's telephony service were almost identical to the specification and claims of the Patents-in-Suit. Copying of the technology covered by the Patents-in-Suit, by a



company who specializes in technology and has received the accolade of Google, is highly persuasive evidence that the technology is not obvious under 35 U.S.C. § 103.

**C. Failure To Allow Limited Discovery Would Be Prejudicial To One Number.**

One Number will be prejudiced should Google be allowed to conduct one-sided reexamination proceedings by withholding evidence that would support the patentability of the claimed inventions. Google has access to a number of records that One Number could utilize in the reexamination proceedings to overcome obviousness rejections. The evidence Google holds regarding secondary considerations could prove invaluable during the reexamination proceeding and in the interests of justice and fairness should be submitted to the USPTO.

In asserting secondary considerations, One Number must prove “that the sales were a direct result of the unique characteristics of the claimed invention.” *In re GPAC Inc.*, 57 F.3d 1573, 1580 (Fed. Cir. 1995). The electronic records held by Google hold the key to One Number’s demonstration of the nexus between the Patents-in-Suit and the success of Google Voice and GrandCentral. In other words, One Number needs to prove that Google's user base is a direct result of the unique characteristics of the claimed inventions set forth in the Patents-in-Suit.

**D. One Number Is Seeking A Level Playing Field.**

To level the playing field, limited discovery regarding those claims which currently stand rejected under 35 U.S.C. § 103 should be granted. The USPTO does not provide for discovery during *inter partes* reexamination proceedings. The

purpose of reexamination proceedings is to reduce the burden of litigation on the Parties and the Court; however, a party should not be prevented from gaining access to information pertinent to the reexamination proceedings from a party who initiated the reexamination. Reexamination proceedings should not be utilized during litigation to bypass the equal footing Courts provide to parties.

### III. Conclusion

One Number, by counsel, respectfully requests that the Court grant One Number's motion to for leave to take limited early written discovery on an expedited basis as set forth in Dkt. 30, Exh. A, and grant all other just and proper relief.

Date: November 30, 2010

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on November 30, 2010, a copy of the foregoing was filed and served electronically. Notice of this filing will be sent to the following parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

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