

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

BRIGHT RESPONSE, LLC
F/K/A POLARIS IP, LLC

v.

GOOGLE INC., et al.

NO. 2:07CV-371-TJW-CE

DEFENDANTS' OPPOSITION TO PLAINTIFF'S MOTION IN LIMINE 1

INTRODUCTION

Plaintiff's Motion in Limine No. 1 is Plaintiff's latest attempt to eliminate from this case a clear piece of invalidating art – the EZ Reader system. Contrary to the allegations in the MIL, and as Defendants explained in response to Plaintiff's Motion to Strike (Dkt. 415) seeking similar relief, the EZ Reader system was *explicitly* raised as prior art in all versions of Defendants' Invalidity Contentions. Furthermore, the EZ Reader Manual and additional witness evidence do not add "new theories of invalidity." There is no dispute that the EZ Reader system meets all elements of the asserted claims. Instead, the EZ Reader Manual and additional witness evidence show that the EZ Reader system was in public use prior to April 3, 1996, and thus that the system invalidates the '947 patent under 35 U.S.C. §102(b), part of the same theory Defendants have disclosed since the outset of this case. Plaintiff's duplicitous motion to exclude evidence establishing the use date of EZ Reader should be denied.

Plaintiff also moves to preclude Dr. Branting from opining on the CBR Express Manuals. Plaintiff does not deny that Defendants' invalidity contentions included both the CBR Express User's Guide and the CBR Express Reference Manual. Rather, Plaintiff asserts that because the CBR Express Manuals were not charted separately, Defendants should be precluded from relying on those manuals separately. Tellingly, Plaintiff does not even attempt to show any prejudice resulting from Defendants' alleged failure to disclose the CBR Express Manuals in their own separate chart. On this basis alone, Plaintiff's motion should be denied. In any event, Defendants decided to rely on the CBR Express Manuals as a primary reference after a conversation with Chuck Williams—a witness Plaintiff knew about for *years* but "forgot" to disclose to Defendants. Plaintiff's forgetfulness prevented Defendants from recognizing the importance of the CBR Express Manuals earlier in this case, and Plaintiff cannot now complain about lateness caused by its own inactions.

For these reasons, Plaintiff's Motion in Limine No. 1 should be denied.

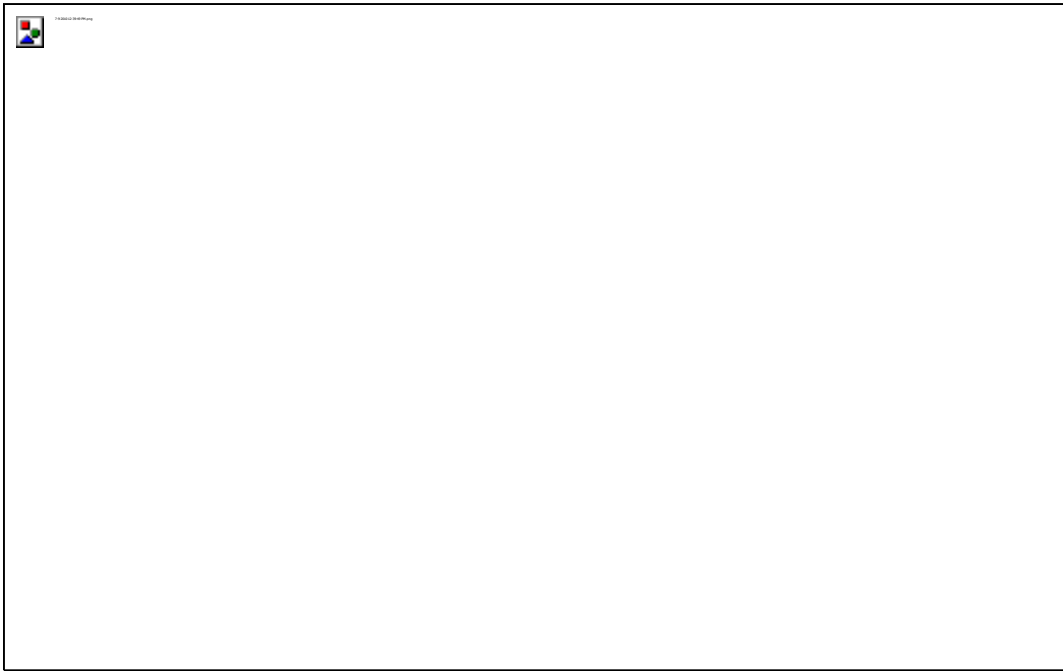
BACKGROUND

I. DEFENDANTS' HAVE CONSISTENTLY DISCLOSED THE EZ READER SYSTEM AS INVALIDATING PRIOR ART.

A. Defendants Invalidation Contentions Disclosed EZ Reader

As Defendants demonstrated in their opposition to Plaintiff's Motion to Strike Portions of Defendants' Invalidation Expert's Report and Defendants' Summary Judgment Briefing (Dkt. 431), on August 7, 2008, Defendants served Invalidation Contentions. These contentions specifically list the EZ Reader as anticipatory art under 35 U.S.C. § 102(b). (Sistos Decl., Ex. A at 14.)

Specifically, these Invalidation Contentions list "EZ Reader" as an "Item Known, Used, Sold or Offered for Sale," stating that it is described in the EZ Reader paper authored by Amy Rice et al.



(See *id.* at 8) Defendants' 2008 Invalidation Contentions also provided a claim chart describing the EZ Reader's anticipation of the asserted claims. (See *id.* at Exhibit A.)

On March 11, 2010, Defendants supplemented their Invalidation Contentions. Again, Defendants stated that "[t]he '947 patent is invalid under the on sale and public use bars.

Publicly available documents establish that the alleged invention was ready for patenting, offered for sale, and in public use as early as 1993.” (Sistos Decl., Ex. B at 20.) These Invalidity Contentions, as well as those served on March 19 and May 24, 2010, then pointed to the EZ Reader paper as showing that “the system described by EZ READER was in use before January 1996,” because the call to papers for the Conference on Innovative Applications of Artificial Intelligence (to which the EZ Reader paper was submitted) required papers to be submitted by January 1996 and specified that such papers “must describe deployed applications with measurable benefits.” (*Id.* at 21.) (Sistos Decl., Ex. C at 21 and Ex. D at 27.) Each of these Invalidity Contentions also included a chart which cites the portions of the EZ Reader paper that describe the deployed EZ Reader system.

B. Defendants Focused On The EZ Reader Throughout This Case

In keeping with their contention that the EZ Reader invalidated the ‘947 Patent, Defendants have treated this system as a centerpiece of their litigation strategy throughout this case. For instance, Defendants questioned Plaintiff’s witnesses at length about their knowledge of how the EZ Reader worked and when it was deployed. (*See, e.g.*, Sistos Decl., Ex. E (Rice Dep.) at 26:6-31:6; Ex. F (Angotti Dep.) at 50:2-51:2; 53:5-56:18). They propounded Interrogatories to Plaintiff regarding the EZ Reader and obtained declarations regarding this system. (*Id.*, Exs. G, H, S). They served subpoenas for documents regarding this system (*id.* at Exs. I, J), and pursued these subpoenas to the point of filing a motion to compel in December 2009. (*See* Dkt. 244 at 2.) They also amended their Answers on May 11 and 12, 2010 to add new information about how the named inventors’ failure to disclose the invalidating public use of the EZ Reader to the PTO constitutes inequitable conduct. (*See, e.g.*, Dkt. 329 (Google’s Amended Answer) at 9 (“despite its materiality to the application, the named inventors of the ‘947 patent, the prosecuting attorneys, and/or other persons having a duty of candor to the PTO

failed to disclose EZ Reader to the PTO as prior art in an Information Disclosure Statement during the prosecution of the ‘947 patent”).) Defendants’ focus on the EZ Reader system was hardly surprising, given that the EZ Reader paper – which described the EZ Reader system – was submitted as the provisional application for the ‘947 Patent itself. (*See* Dkt. 392, Ex. N.)

Contrary to its supposed belief that the EZ Reader was not in this case, at no point during discovery did Plaintiff ever suggest that discovery into the EZ Reader system was irrelevant or improper because this reference was “not disclosed” in Defendants’ Invalidity Contentions. Indeed, Plaintiff’s own litigation strategy has also focused on the EZ Reader system to a large extent. For instance, even before this suit was filed, Plaintiff’s counsel David Pridham contacted Chuck Williams, the former CEO of the company that developed the EZ Reader system, to ask for information on this system. (Sistos Decl., Ex. K.) Plaintiff also recently produced a 2004 affidavit from named inventor Anthony Angotti in which Mr. Angotti testified about the deployment of the EZ Reader system, and had previously produced a 2004 declaration from named inventor Amy Rice regarding the EZ Reader. (*Id.*, Exs. L. M.)

C. Plaintiff Has Never Disputed That The EZ Reader System Meets Each And Every Element Of The Asserted Claims

The ‘947 patent was filed on April 2, 1998 and claims priority to provisional applications filed on April 3, 1997 and April 4, 1997. Bright Response contends that April 3, 1997—the day it filed the provisional application containing the EZ Reader paper—is the priority date of the asserted claims of the ‘947 patent. (Sistos Decl., Ex. N at 190:18-191:5.)

On July 1, 2010, Defendants filed a motion for summary judgment of invalidity. (Dkt. 392.) This motion included a detailed discussion of how the EZ Reader system invalidated the Patent under Section 102(b). (*See id.* at 11-19.) In its response, Plaintiff *never* disputed that the EZ Reader system meets each and every element of the asserted claims. Rather, Plaintiff

asserted that Defendants had not shown that the system was in public use prior to April 3, 1996. (Dkt. 419 at 9-12.)

Likewise, Defendants' invalidity expert (Dr. Karl Branting) served an Invalidity Report on July 6, 2010 that discussed in detail how the EZ Reader system invalidated the '947 patent under Section 102(b). (Sistos Decl., Ex. O, 73-80.) Dr. Rhyne's rebuttal report made no attempt to dispute Dr. Branting's technical conclusions; instead, Dr. Rhyne claimed that the EZ Reader system had not been deployed prior to April 3, 1996. (Sistos Decl., Ex. P, 33-35.)

D. The Evidence Plaintiff Seeks To Exclude Contains Relevant Information Regarding The Deployment Date Of The EZ Reader System

As shown above, there is no dispute that the EZ Reader system meets every element of the asserted claims. Rather, the parties dispute whether the EZ Reader system was deployed prior to April 3, 1996, and thus whether the system is invalidating prior art under 35 U.S.C. 102(b). Defendants are not raising the EZ Reader Manual itself as a "new" reference, but pointing to it as further evidence of the EZ Reader deployment date: the manual is dated February 5, 1996 (Sistos Decl., Ex Q, 3), and explicitly states that "[t]his document describes EZ Reader, currently in use by the ChaseDirect unit of Chase Manhattan Bank." (*Id.*, 6 (emphasis added).)

Similarly, Chuck Williams' testimony is also relevant as to EZ Reader's deployment date:

Q. Is it your understanding that the approval for the production installation occurred around that time, excuse me, occurred around March 29, 2000 -- 1996?

A. That is my understanding, yes.

Q. What is it -- what is your understanding, if you have one, of what "production installation" means?

A. My understanding is around that time at the end of March, as I stated previously, they actually turned it on to process live Chase emails.

(Sistos Decl., Ex. R 45:21 – 46:6.) Emails authored by Amy Rice are also relevant to EZ Reader’s deployment. For instance, in an email sent on Thursday, March 28, 1996, Ms. Rice states that “this weekend they are going to turn on the Chase Web site for the first time and everyone is getting frantic.” (*Id.*, Ex T.)

E. Defendants Relied Upon The CBR-Express Manuals As A Primary Reference After Chuck Williams Informed Them Of Its Similarity To The ART*Enterprise System.

U.S. Patent No. 5,581,664 to Allen describes a rule-base and case-base knowledge engine used within a help desk application. (Sistos Decl., Ex U, Abstract.) The Allen patent discloses CBR-Express as a preferred embodiment, and incorporates the CBR Express User’s Guide by reference. (*Id.* 10:39-43.) Defendants originally focused on using the CBR Express Manuals to supplement the disclosures within the Allen patent. (Sistos Decl., Ex V.)

The ‘947 patent discloses implementing the rule base and case base knowledge engine using the ART*Enterprise product. (*See* ‘947 patent, 5:56-63: “Preferably, the rule base 35 (and case base 34) are realized using the ART*Enterprise® tool.”; *see also* 12:23-27.) The EZ Reader paper includes similar disclosures. (Mot. Ex. A at 5: “EZ Reader’s AI reasoning component is a data-driven forward-chaining rule parser operating in concert with case-based reasoning written in Brightware Inc.’s ART*Enterprise, a commercially successful knowledge-based application development tool.”)

During the course of their conversation on July 2, 2010, Chuck Williams informed Dr. Branting that CBR-Express and ART*Enterprise were based off of the same case-based knowledge engine. (Branting Decl., ¶ 3.) Specifically, both products used the case-based knowledge engine originally developed for Inference’s ART and ART-IM products. (Branting

Decl., ¶ 4.) Dr. Branting thereafter included the CBR-Express Manuals as a primary reference in his July 6 invalidity report.

ARGUMENT

I. THERE IS NO BASIS TO PRECLUDE DEFENDANTS FROM DISCUSSING THE EZ READER SYSTEM

Plaintiff argues Defendants cannot rely on the EZ Reader system as invalidating art because this system was allegedly not disclosed in Defendants’ Invalidity Contentions. This is false. As recounted above and as further detailed in Defendant’s Opposition to Plaintiff’s Motion to Strike Portions of Defendants’ Invalidity Expert’s Report and Defendants’ Summary Judgment Briefing (Dkt. 431), each of the Invalidity Contentions Defendants served in this case explicitly state that the EZ Reader system was in public use more than a year before the critical date and thus invalidates the ‘947 Patent under Section 102(b). (*See, e.g.*, Sistos Decl., Ex. B. at 21; Ex. C at 21; Ex. D at 27 (“the *system* described by EZ READER was in public use before January 1996.”) (emphasis added)). Defendants’ use of the word “system” could not make it clearer that they are asserting the EZ Reader system – not the EZ Reader paper – as an invalidating public use under Section 102(b).

Defendants’ litigation strategy has focused heavily of the EZ Reader system *throughout* this case – both before and after their Supplemental Invalidity Contentions were served in March and May 2010. For instance, Defendants served interrogatories in November 2008 asking Plaintiff to describe the functionality and deployment date of the EZ Reader system. (Sistos Decl., Ex. G at 9.) They served subpoenas for documents in July and August 2009 regarding this system, (*id.* at Exs. I, J), and pursued these subpoenas to the point of filing a motion to compel in December 2009. (*See* Dkt. 244 at 2.) In late 2009 and early 2010, Defendants questioned Plaintiffs’ witnesses at length about the EZ Reader system during deposition. (*Id.* at Exs. E, F.)

As late as May 31, 2010, Defendants obtained (and produced) declarations regarding statements from the EZ Reader paper that that this system was deployed in the first quarter of 1996. (Sistos Decl., Ex. H) (Declaration of named inventor Julie Hsu) (“At the time I co-authored the EZ Reader article, I intended for it to accurately describe our work on the EZ Reader application.”); *see also* Sistos Decl., Ex. S (April 16, 2010 Declaration of Phil Klahr, former Program Director for the Conference for the Innovative Applications of Artificial Intelligence). And Plaintiff *never once* suggested that this discovery into the EZ Reader system was irrelevant or improper because Defendants were not asserting this reference. Defendants also amended their Answers in May 11 and 12, 2010 to allege inequitable conduct based on the named inventors’ failure to disclose EZ Reader to the PTO. (*See* Dkt. 324 at 6-9; Dkt. 329 at 6-9; Dkt. 330 at 6-9.) In short, there is no credibility to Plaintiff’s allegation that it did not have notice that Defendants were asserting the EZ Reader system as prior art.¹

As this Court has held, “[t]he purpose of the Patent Local Rule 3-3 [requiring Invalidity Contentions] is to place the Plaintiff on notice of potentially invalidating art that Defendants will assert in their case and at trial.” *Cummins-Allison Corp. v. SBM Co., Ltd.*, No. 07-196, 2009 WL 763926, *4 (E.D. Tex. March 19, 2009). Here, Plaintiff has had been on notice throughout this case that Defendants are asserting the EZ Reader system as an invalidating public use not only in Defendants’ Invalidity Contentions, but through their defense of this lawsuit. Any argument that the EZ Reader system was an “undisclosed” reference, or that Plaintiff had no notice of this reference, should be rejected out of hand and Plaintiff’s Motion in Limine should be denied.

¹ It is also telling that Plaintiff did not complain about the allegedly “undisclosed” nature of the EZ Reader system until eight days after Defendants filed their motion for summary judgment of invalidity. (*See* Dkt. 392 at 1-19.) If Plaintiffs were truly surprised by Defendants’ focus on the “undisclosed” EZ Reader reference in their summary judgment motion, one would expect Plaintiff not to wait eight days before raising this issue and their delay confirms Plaintiff was not surprised at all by Defendants’ assertion of EZ Reader at summary judgment.

II. THERE IS NO BASIS TO PRECLUDE DEFENDANTS FROM PRESENTING CORROBORATING EVIDENCE OF EZ READER'S DATE OF DEPLOYMENT

Plaintiff's Motion refers to Defendants as "expansively go[ing] beyond the confines of Defendants' contentions," implies that the EZ Reader Manual somehow "greatly broaden[s] the scope of [Defendants] invalidity contentions," and that Defendants are "cobbl[ing] together" their assertions as to the EZ Reader system "from bits and pieces of different prior art." (Mot. 2, 5, 8.) Plaintiff's attempt to paint Defendants' EZ Reader deployment evidence as somehow comprising a new reference is a blatant attempt to mislead the Court to seek to exclude proper evidence regarding the invalidating and disclosed EZ Reader system.

As shown above, there is no dispute that the EZ Reader system meets each and every element of the asserted claims of the '947 patent. Accordingly, Defendants do not plan on presenting any evidence regarding the functionality of the EZ Reader system from the EZ Reader Manual or from third-party testimony.² Nor do Defendants intend to rely on the EZ Reader Manual as a separate invalidating publication reference. Indeed, it is telling that Plaintiff never presents any theory as to *how* the EZ Reader Manual broadens the disclosures of the EZ Reader paper.

Rather, the parties dispute whether the EZ Reader system was deployed prior to April 3, 1996, and thus whether that system is invalidating prior art under 35 U.S.C. 102(b). The EZ Reader Manual is undoubtedly relevant in this regard: not only is it dated February 5, 1996, but it explicitly states that "[t]his document describes EZ Reader, currently in use by the ChaseDirect unit of Chase Manhattan Bank." (Sistos Decl., Ex Q, 3, 6 (emphasis added).) Plaintiff's attempt to preclude Defendants from "relying on, arguing, or referring to the EZ Reader manual" is

² Though Defendants reserve the right to do so should Plaintiff suddenly contend that the EZ Reader system does not meet the elements of the asserted claims.

really an attempt to prevent Defendants from presenting evidence on the date that the *disclosed* EZ Reader system was deployed; it has nothing to do with any alleged “new theories of invalidity never before asserted by the Defendants.” (Mot. 1.)

Plaintiff also requests that Defendants be precluded from “relying on arguing, or referring to [...] testimony from other witnesses and documents” regarding the EZ Reader system. (Mot. 2.) Again, Plaintiff seeks to preclude Defendants from presenting evidence on the date that the EZ Reader system was deployed, not evidence regarding the undisputed functionality of the EZ Reader system.

III. THERE IS NO BASIS TO PRECLUDE DEFENDANTS FROM PRESENTING EVIDENCE REGARDING THE CBR-EXPRESS MANUALS

“[I]nterpretation and enforcement of discovery provisions of the Local Patent Rules should not conflict with, and should harmonize with, the discovery provisions of the Federal Rules of Civil Procedure.” (*Finisar Corp. v. DirecTV Group, Inc.*, 424 F.Supp.2d 896, 899 (E.D. Tex. 2006.)) Rule 37(c)(1) states that a party may be prevented from presenting evidence that it failed to disclose “unless the failure was substantially justified or is harmless.” Courts in this jurisdiction have applied the same “substantially justified or harmless” test in enforcing the application of the local rules. (*See, e.g., Finisar* 424 F.Supp.2d at 900.) Here, Defendants’ late disclosure meets both exceptions.

As discussed above, Defendants originally intended to rely on the CBR-Express Manuals as supplementing the disclosures in the Allen patent. After Dr. Branting spoke with Chuck Williams—who informed him that the CBR-Express engine was, in fact, the *same* engine used to implement the case-based reasoning system in the EZ Reader system—Defendants decided to use the CBR Express Manuals as a primary reference as well. (*See, e.g., Sistos Decl., Ex. R* 98:4-23; 126:21 – 127:11.) Defendants were late in obtaining information from Mr. Williams

because of *Plaintiff's* failure to disclose Mr. Williams as a relevant witness, despite the fact that he “may be the only person who would provide [] information” on “the Brightware / Chase implementation.” (Sistos Decl., Ex. K.) Accordingly, Defendants’ failure to disclose the CBR-Express Manuals as a primary reference is substantially justified by Plaintiff’s own discovery misconduct. (*See generally* Dkt. 478.)

Further, there is no prejudice to Plaintiff in presenting references independently that were disclosed jointly; Plaintiff does not even attempt to make any showing to the contrary. Plaintiff’s own cited authority explicitly *denied* the plaintiff’s motion to strike anticipation references that had been previously disclosed in the context of obviousness, finding “these references sufficiently charted to strictly serve a notice function.” (*Realtime Data, LLC v. Packeteer, Inc.*, 2009 WL 4782062 at *2 FN 2 (E.D. Texas 2009).) Plaintiff was also able to take depositions of Mr. Allen, Mr. Williams, and Dr. Branting regarding the CBR Express Manuals, further showing that it was not prejudiced. (Sistos Decl., Ex. W 9:1 – 15:19; Ex. R 121:16 – 125:12; Ex. X 64:5 – 80:20.)

Thus, the timing of Defendants’ raising the CBR-Express Manuals as anticipation references was both harmless and substantially justified by Plaintiff’s discovery misconduct. Plaintiff’s motion as the CBR Express Manuals should be denied.

CONCLUSION

For the foregoing reasons, Defendants respectfully request that the Court deny Plaintiff’s Motion in Limine No. 1.

DATED: July 26, 2010

Respectfully submitted,

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