

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

BRIGHT RESPONSE, LLC,
Plaintiff,

v.

GOOGLE INC., et al.,

Defendants.

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Civil Action No. 2:07-cv-371-ce

JURY TRIAL DEMANDED

NOTICE OF RESPONSE TO COURT’S INQUIRY RE INEQUITABLE CONDUCT

Bright Response, LLC (“Bright Response”) respectfully files this brief to respond to the concern raised by the Court after the close of evidence yesterday regarding the incorrect statements contained in the EZ Reader Article submitted to the Patent Office as part of the ‘494 provisional application. Bright Response respectfully submits that the issue of these incorrect statements in the EZ Reader Article go to inequitable conduct and enforceability, and that these issues should be addressed, as the Court has previously ruled, in the separate bench trial after the conclusion of the jury trial pursuant to the Court’s previous order. Bright Response recognizes the Court’s legitimate interest in the issues raised by Ms. Rice’s testimony in this trial, and looks forward to addressing these issues in detail in a full evidentiary hearing. At that hearing, defendants will bear the burden of proving by clear and convincing evidence that the statements at issue are both material and were provided to the PTO with the subjective intent to deceive. Neither of these issues has yet to be proven. First, Bright Response will contend that the misstatements regarding the deployment date are not material to the issue of patentability. And as to intent, the inferences that can be drawn from the record to date militate against a finding of intent.

The submission of a document containing a false statement to the Patent Office, by itself, is insufficient to establish inequitable conduct. In order for inequitable conduct to be found, threshold showings must first be made (by clear and convincing evidence) that: (1) material information was withheld from the PTO, material misstatements were made to the PTO, or false material information was provided to the PTO; and (2) these acts of omission/commission were engaged in with an intent to deceive the PTO. *See, e.g., Flex- Rest LLC v Steelcase, Inc.*, 455 F.3d 1351, 1363 (Fed. Cir. 2006); *Board of Education v. American Bioscience, Inc.*, 333 F.3d 1330, 1343 (Fed. Cir. 2003).

Further, when a misstatement or false information is at issue, a threshold finding of intent can only be satisfied when it can be shown that one owing a duty of candor to the PTO: (1) knew of the statement's/information's falsity and materiality; and (2) made the statement/provided the information with an intent to mislead the PTO. *See FMC Corp. v. Manitowac Co., Inc.*, 835 F.2d 1411, 1415 (Fed Cir. 1987). The Federal Circuit has held that the finding of subjective intent requires the fact finder to evaluate all the facts and evidence of each case, and that “[s]uch an evaluation is rarely enabled in a summary procedure.” *KangaROOS U.S.A., Inc. v. Caldor, Inc.*, 778 F.2d 1571, 1577 (Fed. Cir. 1985). While materiality and intent are on a sliding scale, even at trial, the Court may not “presume intent” from a finding of the materiality of the accused conduct. *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1340 (Fed. Cir. 2008). *See also Optium Corp. v. Emcore Corp.*, 603 F.3d 1313, 1321-1322 (Fed. Cir. 2010) (Even evidence of “high materiality” cannot establish presumptive intent, as “only when the challenger has met its threshold burden of showing intent does the burden of coming forward with evidence shift to the applicant.”).

As the record stands today, Defendants have made no showing of intent to deceive (let alone provided clear and convincing evidence), although they should of course be given the opportunity to do so in the second phase of the trial. At most, the inferences that can be drawn from the evidence in the record establishe a lack of intent to deceive. For example, of central important is the fact the misstatement at issue regarding the timing of the deployment of the EZ Reader product is a statement *against* the inventors’ and applicant’s interest. The statements supported the *rejection* of the application, and therefore the reasonable inference is that the statements were not submitted with the intent to deceive the PTO for the purpose of obtaining the patent in suit. *See Scanner Techs. Corp. v. ICOS Vision Sys. Corp.*, 528 F.3d 1365, 1376 (Fed.

Cir. 2008) (the court must consider all equally reasonable inferences arising from evidence proffered to show either materiality or intent).

Beyond the inference that can be drawn from the nature of the misstatements at issue themselves, there is no other evidence of intent. There is no question that Ms. Rice participated in an application process for the provisional patent that contained factual errors. However, Ms. Rice's willingness to come to come before the Court in this case, admit her errors, and expose herself to what she knew was going to be withering cross examination, shows something of her character. Ms. Rice has no continuing interest in the enforceability of the patent, had never met Mr. Sheafe, has no interest in Bright Response, and had nothing to gain from testifying beyond clearing the record of error. That she was willing to do so out of a duty to the truth is strong evidence that the misstatements to the PTO at issue were not made with the intent to deceive.

Defendants have yet to put on their case regarding enforceability and Plaintiffs have yet to put on their case rebutting Defendants' evidence. Should the Defendants even advance the theory that the falseness of the statements in the EZ Reader Article impacts enforceability, and meet their burden of proof in the second phase of this trial (with the additional predicate that the jury finds the '947 to be valid and infringed), Bright Response looks forward to the opportunity to intends to put on its evidence regarding materiality, knowledge, and intent.

Dated: August 6, 2010

Respectfully submitted,

By: /s/ Patrick R. Anderson
Patrick R. Anderson

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of this motion has been served on all opposing counsel of record on this 6th day of August 2010.

\s\ Patrick R. Anderson
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