

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
TYLER DIVISION

MIRROR WORLDS, LLC

Plaintiff,

v.

APPLE, INC.

Defendant.

Civil Action No. 6:08-CV-88 LED

JURY TRIAL DEMANDED

**MIRROR WORLDS' OPPOSITION TO APPLE'S MOTION
FOR LEAVE TO FILE ITS FIRST AMENDED ANSWER,
AFFIRMATIVE DEFENSES AND COUNTERCLAIMS**

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TABLE OF CONTENTS

I. INTRODUCTION 1

II. STATEMENT OF FACTS 3

III. ARGUMENT 4

 A. Legal Standard for Amending Pleadings 4

 B. Apple Has Not Shown the Required Diligence
 In Making Its Amendment and, as a Result,
 Lacks Good Cause for its Late Amendment 5

 C. Other Factors Also Weigh Against a Finding
 of Good Cause for Apple’s Late Amendment 8

 1. Apple’s Explanation for its Failure to Timely Move
 for Leave to Amend Does Not Constitute “Good Cause” 8

 2. Apple’s Amendment is Not Important 8

 3. Mirror Worlds Would be Prejudiced by Apple’s New Counterclaim 10

 4. The Availability of a Continuance Does
 Not Cure the Prejudice to Mirror Worlds 14

 D. Contrary to Apple’s Assertion, Apple’s Counterclaim Would Not
 have been Consolidated with this Action had it been Filed Separately 14

IV. CONCLUSION 15

TABLE OF AUTHORITIES

Cases

<i>Adventure Plus Enters., Inc. v. Gold Suit, Inc.</i> , 2008 WL 4998762 (N.D. Tex. 2008).....	4, 5, 6, 7, 14
<i>Am. Tourmaline Fields v. Int’l Paper Co.</i> , 1998 WL 874825 (N.D. Tex. 1998)	4, 7
<i>Black & Decker, Inc. v. Greenfield Indus., Inc.</i> , 1991 WL 239121 (D. Md. 1991)	10-11, 13
<i>Cummins-Allison Corp. v. Glory Ltd.</i> , 2004 WL 1635534 (E.D. Tex. 2004) (J. Ward)	15
<i>Eisai Ltd. v. Teva Pharms. USA, Inc.</i> , 247 F.R.D. 445 (D.N.J. 2007).....	8
<i>Ericsson v. Samsung Elecs. Co., Ltd.</i> , 2007 WL 1202728 (E.D. Tex. 2007) (J. Ward)	13
<i>Fahim v. Marriott Hotel Servs., Inc.</i> , -- F.3d -, 2008 WL 5136134 (5th Cir. 2008)	5
<i>Geiserman v. MacDonald</i> , 893 F.2d 787 (5th Cir. 1990)	8, 14
<i>Leviton Mfg. Co. v. Nicor, Inc.</i> , 2007 WL 505784 (D.N.M. 2007)	13, 15
<i>Miller Prods. Co. v. Veltek Assocs., Inc.</i> , 218 F.R.D. 425 (D. Del. 2003)	4, 6
<i>Ordemann v. Unidentified Party</i> , 2008 WL 695253 (E.D. La. 2008)	7
<i>S&W Enters., L.L.C. v. SouthTrust Bank of Alabama, NA</i> , 315 F.3d 533 (5th Cir. 2003)	4, 5, 6, 7
<i>STMicorelectronics, Inc. v. Motorola, Inc.</i> , 307 F. Supp. 2d 845 (E.D. Tex. 2004) (J. Davis)	4, 5, 6, 7, 8
<i>Syngeta Seeds, Inc. v. Monsanto Co.</i> , 2004 WL 2002208 (D. Del. 2004).....	11

Statutes

35 U.S.C. § 287.....1, 9

Rules

Fed. R. Civ. P. 16(b)4

Fed. R. Civ. P. 42(b)13, 14

Plaintiff Mirror Worlds, LLC (“Mirror Worlds”) hereby opposes the motion of Defendant Apple, Inc. (“Apple”) for Leave to File its First Amended Answer, Affirmative Defenses, and Counterclaims (Dkt. # 56).

I. INTRODUCTION

By its motion, Apple seeks to (a) add a new party, Mirror Worlds Technologies, Inc. (“MWT”), to the lawsuit, and (b) assert a new counterclaim for infringement of Apple’s U.S. Patent No. 6,613,101 (“the ‘101 patent”) against Mirror Worlds and MWT.

Apple’s new counterclaim—filed after the Court’s deadline for joining additional parties and asserting counterclaims—does not involve any true concern by Apple regarding infringement of its ‘101 patent. The Scopeware products that Apple accuses of infringement have not been sold, or even offered for sale, *for over four years*. In addition, the total sales of those products subsequent to the issuance of the ‘101 patent, and subject to Apple’s infringement claim, are less than \$50,000. Even with damages assessed at a 10% royalty rate, Apple’s *potential recovery would be less than \$5,000*. Certainly, Apple did not file its new counterclaim—which is essentially a new patent infringement case—in order to recover such a negligible amount relating to products that have not been sold in over four years. In fact, Apple almost certainly Apple is entitled to *no damages* relating to those sales, because, as explained below, Apple failed to mark its own products in accordance with the Marking Statute, 35 U.S.C. § 287.

It is crystal clear that Apple seeks to inject its new counterclaim into this case for strategic reasons only—seeking to divert the jury’s attention away from Apple’s infringement of Mirror Worlds’ patents by casting Mirror Worlds’ as an infringer too. Apple’s new infringement claim has nothing to do with the issues presently involved in this case—it involves the addition

of a new party and a different patent and different accused products. To permit that new counterclaim to proceed would be confusing to the jury and highly prejudicial to Mirror Worlds. Indeed, this case is already complex, involving substantial portions of Apple's product line and likely billions of dollars in sales of accused products. It simply does not make sense to compound that complexity by adding yet another patent, another set of accused products, and another party to this case.

Significantly, Apple would not be prejudiced in the least if its motion to amend is denied. As Apple acknowledges, it can simply file a separate action for patent infringement if it believes its claims merit doing so.

In any event, Apple has not provided any legitimate explanation for its late amendment. Certainly, Apple cannot claim that it did not know of its own patent (which issued in 2003) before the amendment deadline or not know of MWT's allegedly infringing Scopeware products (which were sold at least as early as 2002). Plainly, Apple could have met the deadline with the exercise of any amount of diligence.

Further, Mirror Worlds would be prejudiced by the addition of Apple's new counterclaim, which seeks to add an entirely new party (that is likely not subject to personal jurisdiction in this district) and an entirely new patent to this case and which is based on accused products that are different than the ones presently in this case. If the counterclaim went forward in this case, the current case schedule would have to be modified and extended to allow for potential motion practice on jurisdictional issues and additional infringement and invalidity contentions, as well as for additional discovery, the possible joinder of other parties, and the possible assertion of other claims and defenses.

For those and other reasons set forth below, Apple's motion should be denied.

II. STATEMENT OF FACTS

On March 14, 2008, Mirror Worlds filed its Complaint against Apple, alleging that Apple willfully infringed four of Mirror Worlds' patents. (Dkt. 1). On April 1, 2008, Apple filed its Unopposed First Application for Extension of Time to Answer Mirror Worlds' Complaint (Dkt. 6), requesting an additional 45 days to respond to Mirror Worlds' Complaint. On May 21, 2008, Apple filed its Answer, Affirmative Defenses, and Counterclaims (Dkt. # 13).

On September 18, 2008, the Court entered its Docket Control Order, which set the deadline for joining additional parties and asserting counterclaims for October 20, 2008. (Dkt. 32). In its Docket Control Order, the Court stated that after that deadline, "it is necessary to obtain leave of Court to join additional parties" and "leave of Court must be obtained to assert any counterclaims." (Dkt. 32). On October 20, 2008, the parties jointly moved to extend that deadline to November 3, 2008. (Dkt. 38).

On November 25, 2008, in violation of the Court's Docket Control Order, Apple filed, without obtaining leave of Court (or attempting to confer with Mirror Worlds' counsel), its First Amended Answer, Affirmative Defenses and Counterclaims. In its Amended Answer, Apple added a counterclaim, asserting, for the first time, that Mirror Worlds and MWT—an entity not a party to this case—infringed Apple's '101 patent as a result of MWT's sales of "the Scopeware products." That counterclaim involves a different patent and different accused products than those presently at issue in this case and does not relate to any claims or defenses in this case. Apple's '101 patent issued in September 2003—more than four years before Mirror Worlds filed the present action. Scopeware products were sold at least as early as 2002. *See* Declaration of Kenneth J. Gallagher ("Gallagher Decl."), ¶ 2, filed concurrently herewith.

On December 18, 2008, the Court ordered Apple to file a motion for leave to file its amended answer. (Dkt. 52). On December 23, 2008, Apple filed its present motion for leave.

III. ARGUMENT

A. Legal Standard for Amending Pleadings

Federal Rule of Civil Procedure 16(b) “governs amendment of pleadings after a scheduling order deadline has expired.” *S&W Enters., L.L.C. v. SouthTrust Bank of Alabama, NA*, 315 F.3d 533, 536 (5th Cir. 2003). Under Rule 16(b) “[a] schedule may be modified only for good cause and with the judge's consent.” Fed. R. Civ. P. 16(b)(4); *see also STMicorelectronics, Inc. v. Motorola, Inc.*, 307 F. Supp. 2d 845, 850 (E.D. Tex. 2004) (J. Davis) (“A party seeking leave to amend a court’s scheduling order must show ‘good cause.’”).

In assessing “good cause” for a late amendment, courts focus first and foremost on the diligence of the party seeking the amendment. *See STMicorelectronics*, 307 F. Supp. 2d at 851 (J. Davis) (“[T]he **good cause showing unambiguously centers on STM’s diligence**”) (emphasis added);¹ *see also Adventure Plus Enters., Inc. v. Gold Suit, Inc.*, 2008 WL 4998762, at *1 (N.D. Tex. 2008) (“The ‘good cause’ standard focuses on the diligence of the party seeking a modification of the scheduling order.”); *Am. Tourmaline Fields v. Int’l Paper Co.*, 1998 WL 874825, at *1 (N.D. Tex. 1998) (same); *Miller Prods. Co. v. Veltek Assocs., Inc.*, 218 F.R.D. 425, 427 (D. Del. 2003) (“A movant who offers no adequate explanation for its delay will ordinarily be denied leave to amend.”) (internal quotation marks and citation omitted).

“Mere inadvertence on the part of the movant and the absence of prejudice to the non-movant are insufficient to establish ‘good cause.’” *Adventure Plus*, 2008 WL 4998762, at *1; *see also STMicorelectronics*, 307 F. Supp. 2d at 851 (J. Davis) (“[A] party’s failure to meet a

¹ Unless otherwise noted, all emphasis herein has been added.

deadline due to mere inadvertence is tantamount to no explanation at all.”) (internal quotation marks and citation omitted). “Instead, the movant must show that despite his diligence, he could not have reasonably met the scheduling deadline.” *Adventure Plus*, 2008 WL 4998762, at *1; *see also STMicroelectronics*, 307 F. Supp. 2d at 850 (J. Davis) (“The ‘good cause standard requires the party seeking relief to show that the deadlines cannot reasonably be met despite the diligence of the party needing the extension.’”) (quoting *S&W Enters., L.L.C.*, 315 F.3d at 535).

Courts also consider other factors including: “(1) the explanation for the failure to timely move for leave to amend; (2) the importance of the amendment; (3) potential prejudice in allowing the amendment; and (4) the availability of a continuance to cure such prejudice.” *Fahim v. Marriott Hotel Servs., Inc.*, -- F.3d -, 2008 WL 5136134, at *3 (5th Cir. 2008) (internal quotation marks and citation omitted).

Measured against the foregoing standards, Apple’s motion must fail.

B. Apple Has Not Shown the Required Diligence In Making its Amendment and, as a Result, Lacks Good Cause for its Late Amendment

The facts that form the basis of Apple’s new patent infringement counterclaim were known to Apple long before Mirror Worlds filed this lawsuit in March 2008 and certainly well before the November 3, 2008 amendment deadline. Indeed, the patent that forms the basis of Apple’s counterclaim, the ’101 patent, issued in September 2003 (over five years ago), and the allegedly infringing Scopeware products were sold at least as early as 2002 (over six years ago). *See Gallagher Decl.*, ¶ 2. In fact, Apple asserts that “Mirror Worlds has injected the Scopeware product into this case,” citing Mirror Worlds’ March 2008 complaint in this action. Apple’s Motion, p. 5. Thus, Apple has plainly been aware of the accused Scopeware products long before the amendment deadline.

Apple could have, with the exercise of diligence, met the amendment deadline. And notably, Apple does not contest that fact. Apple has, thus, failed to make the required showing of “good cause” for its late amendment. See *STMicorelectronics*, 307 F. Supp. 2d at 851 (J. Davis) (“[T]he *good cause showing unambiguously centers on STM’s diligence*”); *id.* at 850 (“The ‘good cause standard requires the party seeking relief to show that the deadlines cannot reasonably be met despite the *diligence* of the party needing the extension.’”) (quoting *S&W Enters., L.L.C.*, 315 F.3d at 535); see also *Adventure Plus Enters.*, 2008 WL 4998762, at *1 (“The ‘good cause’ standard focuses on the diligence of the party seeking a modification of the scheduling order.”); *Miller Prods. Co.*, 218 F.R.D. at 427 (“A movant who offers no adequate explanation for its delay will ordinarily be denied leave to amend.”).

Apple’s explanation that, as of the November 3, 2008 amendment deadline, it was still evaluating its patent infringement counterclaim is plainly inadequate. Indeed, both this Court and the Fifth Circuit have held that explanations of “continuing investigation” or “delayed analysis” to be tantamount to no explanation at all where the predicate facts of the amendment were known prior to the amendment deadline.

For example, in *STMicorelectronics, Inc. v. Motorola, Inc.*, this Court denied plaintiff STM’s motion for leave to amend its infringement contentions *one month* after the amendment deadline. See *STMicorelectronics*, 307 F. Supp. 2d 845, 850 (E.D. Tex. 2004) (J. Davis). In *STMicorelectronics*, STM explained its delay with one sentence: “ST INC promptly supplemented its contentions after its *continuing investigation* revealed additional infringing products and infringed claims.” *STMicorelectronics*, 307 F. Supp. 2d at 850. This Court rejected STM’s explanation, stating:

Aside from that one conclusory statement, STM does not explain: what new information its “investigation” revealed that would warrant the additional 26

contested claims . . . what diligence it used prior to the disclosure date; or why its diligence was not sufficient.

(*Id.* at 850-51). Noting that “the **good cause showing unambiguously centers on STM’s diligence**,” the Court denied STM’s motion for leave to amend. *Id.* at 851 (“The Court denies STM’s motion for leave . . . because STM has not carried its burden of showing diligence.”).

Similarly, the Fifth Circuit, in affirming the district court’s denial of a motion for leave to amend, has also noted the inadequacy of delayed investigations as an explanation. In *S&W Enters., L.L.C. v. SouthTrust Bank of Alabama, NA*, the Fifth Circuit noted:

The district court denied S&W leave to amend because its motion was untimely and because of potential prejudice to SouthTrust or, alternatively, unnecessary delay of the trial. **The court premised its denial also on its conclusion that S&W offered no adequate explanation for its failure to comply with the scheduling order.** As the district court noted, **the same facts were known to S&W from the time of its original complaint to the time it moved for leave to amend.** S&W could have asserted interference with contract from the beginning, but fails to explain why it did not. S&W’s explanation for its **delayed analysis** of *Sturges*-inadvertence-**is tantamount to no explanation at all.**

(*S&W Enters.*, 315 F.3d 533, 536 (5th Cir. 2003)); *see also Adventure Plus Enters.*, 2008 WL 4998762, at *2 (“That litigation counsel was unaware of the agreement until recently does not constitute ‘good cause.’”); *Am. Tourmaline Fields*, 1998 WL 874825, at *1 (“In the context of a motion for leave to amend, the court may deny the motion if the movant **knows or should have known** of the facts upon which the proposed amendment is based but fails to include them in the original complaint.”); *Ordemann v. Unidentified Party*, 2008 WL 695253, at *2 (E.D. La. 2008) (holding that “stumbling upon a new theory” does not establish good cause).

Here, Apple’s **only** explanation for its late amendment is that, as of the amendment deadline, it was still investigating its infringement claim. Like STM, Apple does not explain what new information its investigation revealed that would warrant its new claim, what diligence it used prior to the disclosure date, or why its diligence was not sufficient. Apple’s explanation

is plainly insufficient. *See STMicorelectronics*, 307 F. Supp. 2d at 850 (“the Court finds STM’s absolute silence regarding the diligence used telling. In light of these facts, the Court finds that STM has made no showing of diligence used prior to the Disclosure deadline.”).²

C. Other Factors Also Weigh Against a Finding of Good Cause for Apple’s Late Amendment

1. Apple’s Explanation for its Failure to Timely Move for Leave to Amend Does Not Constitute “Good Cause”

As explained above, Apple’s explanation for its late amendment is tantamount to no explanation at all. Plainly, Apple could have, with any amount of diligence, met the amendment deadline. Accordingly, this factor weighs heavily against Apple.

2. Apple’s Amendment is Not Important

Unlike many cases in which a denial of leave to amend may foreclose a party’s claim or defense, no such result is present here. As Apple acknowledges, Apple is free to bring its infringement claim in a separate lawsuit if it so chooses. Permitting Apple to pursue that claim here is, accordingly, simply not important.³

² Apple’s reliance on *Eisai Ltd. v. Teva Pharms. USA, Inc.* to excuse its delay (Apple’s Motion, p. 5) is without merit. In that case, Teva discovered the predicate facts that formed the basis of its motion for leave to amend *during* the discovery process. *See Teva*, 247 F.R.D. 445, 449 (D.N.J. 2007). Further, in granting Teva’s motion, the court noted that Teva was seeking to add the serious charge of inequitable conduct, which should not be alleged lightly or prematurely. *See id.* In contrast, here, Apple did not discover the predicate facts of its new counterclaim during discovery—indeed, they were known long before the present lawsuit even began. And Apple’s infringement counterclaim is not for inequitable conduct or another fraud allegation.

³ Courts in this Circuit have denied motions for leave to amend, even where the amendment was found to be important to the movant, when the movant has not been diligent. *See, e.g., STMicorelectronics*, 307 F. Supp. 2d at 851 (J. Davis) (“Even though the harm to STM in this case may be substantial, the Court cannot allow parties to ignore its orders, deadlines, and pretrial practices without any explanation.”); *see also Geiserman v. MacDonald*, 893 F.2d 787, 791-92 (5th Cir. 1990) (affirming district court’s denial of leave to amend notwithstanding the importance of the amendment to the movant, where the explanation offered for delay was based

In addition, Apple is plainly bringing its new counterclaim for strategic reasons—not because it is interested in recovering damages relating to the accused Scopeware products, which stopped being sold over four years ago. *See* Gallagher Decl., ¶ 3. Indeed, the total amount of sales of the accused Scopeware products that are subject to Apple’s infringement claim is less than \$50,000. *See id.* at ¶ 4. Even assuming a 10% royalty rate, ***Apple’s recovery would be less than \$5,000.*** Moreover, Apple is almost certainly not even entitled to that amount, and, in fact, likely can obtain ***no monetary recovery***, since it did not mark its products pursuant to the Marking Statute, 35 U.S.C. § 287.⁴ Mirror Worlds’ investigations have revealed no evidence of the required marking and, despite requests to Apple to provide any such evidence, Apple has provided none. No reasonable company would bring a patent infringement claim under these circumstances, as Apple has done.

Apple asserts that its counterclaim is important to a “full and fair adjudication of this litigation.” (Apple’s Motion at 6). Apple is wrong. A patent infringement claim fundamentally involves two critical issues—(1) whether the accused products infringe the claims of the patent, and (2) whether the patent is invalid or unenforceable. Apple’s new patent infringement counterclaim has no bearing whatsoever on the issues presently in this case. Whether or not Scopeware products infringe Apple’s ‘101 patent is a completely distinct and unrelated inquiry from whether or not Apple’s accused products infringe Mirror Worlds’ patents. The former involves a comparison between the specific limitations in the claims of Apple’s ‘101 to the

on an alleged scheduling mistake: “The importance . . . [of the amendment] cannot singularly override the enforcement of local rules and scheduling orders.”).

⁴ Pursuant to 35 U.S.C. § 287, where a patentee does not mark its patented invention with the associated patent number, his infringement damages are limited to those that accrue after the infringer is provided actual notice of the infringement. *See* 35 U.S.C. § 287. Apple apparently contends that its accused products in this case incorporate the inventions claimed in its ‘101 patent.

specific features of Scopeware products, while the latter involves a comparison between the specific limitations of the claims in Mirror Worlds' patents to the specific features of Apple's accused products. Similarly, whether or not Apple's '101 patent is invalid or unenforceable is a completely distinct and unrelated inquiry from whether any of Mirror Worlds' patents are.

If Apple wishes to argue in this case that its '101 patent is invalidating prior art to one or more of Mirror Worlds' patents, it is free to do so.⁵ That argument, however, will have nothing to do with whether Scopeware products infringe the claims of the '101 patent or whether the claims of the '101 patent are valid and enforceable.

3. Mirror Worlds Would be Prejudiced by Apple's New Counterclaim

Mirror Worlds would be greatly prejudiced by Apple's new counterclaim. *First*, the counterclaim is calculated to divert the jury's attention away from Apple's infringement of Mirror Worlds' patents by casting Mirror Worlds' as an infringer too—which is highly prejudicial to Mirror Worlds. That is especially true here, where Apple attempts to portray its infringement claim against Mirror Worlds, for which it is likely entitled to *no damages*, as being on equal footing with Mirror Worlds' substantial infringement claims against Apple.

Courts have, in fact, recognized the high likelihood of jury confusion in cases where a patent defendant seeks to assert a counterclaim for patent infringement against the plaintiff. For example, in *Black & Decker, Inc. v. Greenfield Indus., Inc.*, the defendant accused of patent infringement, Greenfield, sought leave to amend its answer to assert a new counterclaim for patent infringement against the plaintiff, Black & Decker. *See Black & Decker*, 1991 WL 239121, at *2 (D. Md. 1991). As with Apple's new counterclaim, Greenfield's new

⁵ Of course, Mirror Worlds believes those arguments will fail. The parent to Apple's '101 patent, U.S. Patent No. 6,234,724, which has an identical disclosure to the '101 patent, was of record during the prosecution of three of the asserted Mirror Worlds' patents and the Patent Examiner found the claims of those patents patentable over Apple's patent.

counterclaim was based on a new patent and new accused products. *See id.* at **1-2. In denying Greenfield's motion, the court noted the likelihood of jury confusion by such a counterclaim:

As Black & Decker notes, *the proposed amendment is based on a new patent, which would add hundreds of complex, technical issues of fact to the litigation.* In addition, *the amendment would require the issues of whether Greenfield's patent is literally infringed, infringed under the doctrine of equivalents, invalid, or unenforceable because of inequitable conduct, to be resolved. Confronting the jury with these many new issues would doubtlessly complicate the jury's decisionmaking process.* In addition, adding the amendment consequently raising the many new issues to the case, would likely delay discovery in a case that has already been postponed for trial.

Further, if the amendment were permitted, *Black & Decker would be charging Greenfield with patent infringement and bringing forth evidence supporting the claim, in the same case in which Greenfield would attempt to prove that Black & Decker infringed Greenfield's patent.* Complicating the claims in this way would surely compound the likelihood of jury confusion in an already complex patent infringement case.

(*Black & Decker*, 1991 WL 239121, at *2 (D. Md. 1991)); *see also Syngeta Seeds, Inc. v. Monsanto Co.*, 2004 WL 2002208, at *2 (D. Del. 2004) (“[T]he BCT I case alone is highly complex. Adding another patent to the plaintiff's claims will only increase the case's complexity and make it that much harder for the jury to come to a resolution.”). Similarly, here, Apple's counterclaim is likely to confuse the jury.

Second, this case is already highly complex, involving substantial portions of Apple's product line and likely billions of dollars in sales of accused products. Adding a completely new patent infringement claim, based on a new patent, different accused products and a new party would not only compound that complexity, but also may make the case unmanageable.

Third, the current Discovery Order and Docket Control Order would have to be substantially modified. MWT has not yet been served with Apple's counterclaim and is likely not subject to personal jurisdiction in this district. Accordingly, there is potential motion practice on jurisdictional issues involved in bringing MWT into this case. In addition, numerous

deadlines set in the current Discovery Order and Docket Control Order have already passed, including the deadlines for submitting preliminary infringement and invalidity contentions, submitting initial disclosures, adding new parties, and asserting additional claims and counterclaims. Also, the parties agreed to and submitted the proposed Discovery Order and Docket Control Order, approved by the Court, based on the understanding that this case involved only Mirror Worlds' patent infringement claims. The addition of an entirely new patent infringement claim would require that the parties revisit the limitations on discovery and deadlines that they previously agreed to and submit a new proposed Discovery Order and Docket Control Order to the Court. As a result, Apple's counterclaim would certainly have a significant impact on the scheduling and conduct of this case, which would prejudice Mirror Worlds.

Apple argues that there is no prejudice because its new counterclaim would not necessitate any additional discovery. *See* Apple's Motion for Leave to File its First Amended Answer, Affirmative Defenses, and Counterclaims ("Apple's Motion"), p. 7. Apple is wrong. Apple's new counterclaim would require substantial amounts of additional discovery, including discovery into: (a) infringement issues, such as whether Scopeware products infringe Apple's '101 patent either literally or under the doctrine of equivalents, (b) the invalidity of Apple's '101 patent, (c) the unenforceability of the '101 patent, (d) inventorship issues associated with the '101 patent, (e) other potential defenses to Apple's new counterclaim, including laches and equitable estoppel, (f) marking issues associated with the '101 patent, (g) the sales of the accused Scopeware products, including financial information associated with those sales, and (h) jurisdictional issues associated with MWT. Significantly, none of the foregoing discovery would be in the case absent Apple's new counterclaim.

Courts have recognized that the addition of a new patent to a lawsuit necessitates new, additional discovery. *See Black & Decker*, 1991 WL 239121, at *2 (D. Md. 1991) (denying defendant's motion to amend, noting that defendant's addition of a new patent counterclaim would "add hundreds of complex, technical issues of fact to the litigation" and would "inevitably" complicate and delay discovery and confuse the jury); *see also Leviton Mfg. Co. v. Nicor, Inc.*, 2007 WL 505784, at *4 (D.N.M. 2007) ("[T]he patents at issue in *Leviton I* and *Leviton II* are different and that, as such, separate claim constructions, separate proofs of infringement by Leviton, and separate and distinct determinations of validity are required.").

Apple's further contention that there is no prejudice because the '101 patent is already in this case as potential prior art against Mirror Worlds' patents is also incorrect. Plainly, the '101 patent being in the case as potential prior art is far different from the '101 patent being in the case as a new infringement claim against a new party based on new, different accused products. The discovery necessitated by each situation is vastly different.

Apple also argues that there is no prejudice to Mirror Worlds because Apple only missed the amendment deadline by three weeks. (Apple's Motion, p. 6). Apple misses the point. Even if Apple had met that deadline, Apple's new counterclaim would be improper and prejudicial to Mirror Worlds, and Mirror Worlds would have moved to either separate the claim or dismiss it. *See Ericsson v. Samsung Elecs. Co., Ltd.*, 2007 WL 1202728, at *2 (E.D. Tex. 2007) (J. Ward) ("Rule 42(b) provides: 'The court, in furtherance of convenience or to avoid jury confusion . . . may order a separate trial of any . . . counterclaims.'") (quoting Fed. R. Civ. P. 42(b)); *see also id.* ("Separate trials are proper where the issues are clearly separable and can be tried separately without confusing the jury.").

Moreover, courts in this Circuit have denied motions for leave to amend even where the non-movant would *not* be prejudiced by the late amendment, where the movant has not been diligent. *See, e.g., Adventure Plus*, 2008 WL 4998762, at *1 (“Mere inadvertence on the part of the movant and the absence of prejudice to the non-movant are insufficient to establish ‘good cause.’”). Certainly then, here, where Mirror Worlds would be greatly prejudiced by Apple’s amendment and Apple has not been diligent, Apple’s motion should be denied.

4. The Availability of a Continuance Does Not Cure the Prejudice to Mirror Worlds

The availability of a continuance does not cure the prejudice that Mirror Worlds would suffer from Apple’s new counterclaim. In particular, a continuance would plainly not cure the likelihood of jury confusion or the protracted and more complex proceedings necessitated by Apple’s new counterclaim. As such, this factor also weighs against Apple.

Moreover, where, as here, Apple has plainly not been diligent in seeking its new counterclaim, “a continuance would not deter future dilatory behavior, nor serve to enforce local rules or court imposed scheduling orders.” *Geiserman v. MacDonald*, 893 F.2d 787, 792 (5th Cir. 1990) (affirming district court’s denial of leave to amend notwithstanding the availability of a continuance, where the explanation offered for delay was based on an alleged scheduling mistake).

D. Contrary to Apple’s Assertion, Apple’s Counterclaim Would Not have been Consolidated with this Action had it been Filed Separately

Apple argues that if it had filed a separate suit against Mirror Worlds for infringement of its ’101 patent, that suit would have been consolidated with the present suit pursuant to Federal Rule of Civil Procedure 42(b). *See* Apple’s Motion, pp. 7-8. Apple is wrong. Mirror Worlds’ claims and Apple’s new counterclaim do not “present common issues of fact and law between

the same parties” or “go to the same central dispute between the parties.” *Id.* As explained above, Apple’s infringement claims and Mirror Worlds’ infringement claims are entirely unrelated and involve vastly different discovery. Accordingly, Apple’s new counterclaim would plainly not be consolidated with the present action.

Indeed, even in cases involving the same parties and a newly issued continuation patent, a number of courts have denied consolidation. *See Cummins-Allison Corp. v. Glory Ltd.*, 2004 WL 1635534, at *3 (E.D. Tex. 2004) (denying motion to transfer and consolidate cases involving the same parties, holding: “Although the patents are related and might involve the interpretation of identical claim terms, the patents are different patents than those in suit. . .”); *see also Leviton*, 2007 WL 505784, at *4 (denying motion to consolidate two patent actions filed by plaintiff where the related patents at issue were different: “[T]he patents at issue in *Leviton I* and *Leviton II* are different and that, as such, separate claim constructions, separate proofs of infringement by *Leviton*, and separate and distinct determinations of validity are required.”); *see also id.* at *5 (“***Although the specifications of the patents may be the same, the principal legal and factual questions in the two cases are dependent upon the respective claims of the patents . . .*** That the two patents share the specification does not homogenize the ultimate legal and factual issues.”).

Here, the reasons against consolidation are even greater, as Apple’s ’101 patent is *unrelated* to Mirror Worlds’ patents-in-suit. Accordingly, Apple’s arguments regarding consolidation are without merit.

IV. CONCLUSION

For the foregoing reasons, Mirror Worlds respectfully requests that the Court deny Apple’s Motion for Leave to File its First Amended Answer, Affirmative Defenses, and Counterclaims (Dkt. # 56).

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document this 16th day of January, 2009, via the Court's CM/ECF system per Local Rule CV-5(a)(3).

/s/ Otis Carroll