

January 12, 2011

The Honorable John D. Love
William M. Steger Federal Building and United States Courthouse
211 W. Ferguson, Room 210
Tyler, Texas 75702

Re: *Bedrock Computer Technologies, LLC v. Softlayer Technologies, Inc., et al.*
Civil Action No. 6:09cv269

Dear Judge Love:

Defendants¹ respectfully request permission to file a motion for summary judgment on the issue of no willful infringement because Plaintiff Bedrock Computer Technologies, LLC (“Plaintiff”) has neither explicitly pled, pursued, nor can it pursue a claim that Defendants willfully infringe the asserted claims of U.S. Patent No. 6,893,120 (“’120 patent”).

First, Plaintiff should be barred from introducing any evidence on the issue of willfulness because the Second Amended Complaint does not contain a single allegation pertaining to Defendants’ alleged willful infringement of the ‘120 patent. Without an allegation of willful infringement, Plaintiff has no basis upon which to seek enhanced damages under 35 U.S.C. §284.

Even if Plaintiff is permitted to put on evidence of willfulness, Plaintiff cannot meet its burden of proof of showing “by *clear and convincing* evidence” that: (1) Defendants “acted despite an objectively high likelihood that its actions constituted infringement of a valid patent;” and (2) “[the] objectively-defined risk . . . was either known or so obvious that it should have been known” to Defendants. *In re Seagate Tech. LLC*, 497 F.3d 1360, 1371 (Fed. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008) (emphasis added). In this case, the Court may, as a matter of law, conclude that there can be no finding of willfulness.

First, it is undisputed that Defendants were not aware of Bedrock or the ‘120 patent prior to service of the Complaint. This fact is established because: (a) Bedrock’s 30(b)(6) witnesses testified that there were no pre-suit discussions or correspondence with any of the Defendants; (b) Defendants testified that they were not aware of Bedrock and the ‘120 patent prior to service of the Complaint; and (c) there are no other documents or testimony suggesting pre-suit notice. Second, Plaintiff never sought a preliminary injunction. *Seagate*, 497 F.3d at 1391, 1394 (failure to move for preliminary injunction dooms willfulness claim); *see also Anascape, Ltd. v. Microsoft Corp.*, No. 9:06-CV-158, 2008 WL 7182476, at *3 (E.D. Tex. Apr. 25, 2008); *Webmap Technologies, LLC v. Google, Inc.*, 2010 WL 3768097 (E.D. Tex. Sept. 10, 2010), adopted 2010 WL 3835118 (E.D. Tex. Sept. 28, 2010) (Plaintiff’s failure to allege pre-

¹ This brief is filed on behalf of all current defendants in this litigation (collectively “Defendants”).

filing willful infringement, combined with failure to seek a preliminary injunction, prevents Plaintiff's willful infringement claim); *Netscape Comms. Corp. v. Valueclick, Inc.*, No. 1:09cv225, 2010 WL 374396, at *23 (E.D. Va. Jan. 29, 2010).

Next, there is a reexamination of the '120 Patent pending—the PTO in its First Office Action **has rejected all eight claims**. The fact that the PTO has found a substantial new question as to the patentability of every claim of the '120 Patent and also **has actually rejected the claims** in its First Office Action demonstrates that Defendants have objectively reasonable bases for believing that their actions do not infringe a valid patent, negating a finding of willful infringement. *Lucent Techs., Inc. v. Gateway, Inc.*, No. 03-CV-1108-B, 2007 WL 6955272, at **6-7 (S.D. Cal. Oct. 30, 2007) (PTO's decision to reexamine a patent dispositive of no willfulness); *Pivonka v. Central Garden & Pet Co.*, No. 02-cv-02394, 2008 WL 486049, at *2 (D. Colo. Feb. 19, 2008) (granting summary judgment of no willfulness where the PTO issued a preliminary order determining that the claims of one of the patents-in-suit are unpatentable); *Roger Plumley v. Doug Mockett, et al*, 2010 U.S. Dist. LEXIS 57254 (C.D. Cal. May 26, 2010) (the accused infringer used reexamination to obtain summary judgment of no willful infringement). Based on the PTO's non-final rejection of all eight claims in the '120 patent, no reasonable jury could find by clear and convincing evidence that Defendants acted with objective recklessness.

Separate and apart from the reexamination, Defendants' legitimate defenses negate a finding of willfulness. As evidenced by the claim construction ruling by the Court, the close questions of claim construction negate willfulness. *Cohesive Techs. Inc. v. Waters Corp.*, 543 F.3d 1351, 1374, n.4 (Fed. Cir. 2008) (close claim construction negates willfulness); *Centocor Ortho Biotech, Inc. v. Abbott Labs.*, No. 2:07-CV-139-TJW, Order, Dkt #326 (E.D. Tex. Oct. 1, 2009). Defendants have also raised serious, material issues with respect to non-infringement and invalidity. These legitimate defenses further negate a claim of willful infringement. *See Safoco, Inc. v. Cameron Int'l Corp.*, No. H-05-0739, 2009 WL 2424108, at **21-22, n.135 (S.D. Tex. July 31, 2009). As explained by the Federal Circuit "both legitimate defenses to infringement and credible invalidity arguments demonstrate the lack of an objectively high likelihood that a party took actions constituting infringement of a valid patent." *Black & Decker, Inc. v. Robert Bosch Tool Corp.*, 260 Fed. Appx. 284, 291 (Fed. Cir. 2008); *Depuy Spine, Inc. v. Medtronics Sofamor Danek, Inc.*, 567 F.3d 1314, 1337 (Fed. Cir. 2009) (as a matter of law Plaintiff could not prove willfulness because Defendants had presented legitimate non-infringement defenses and the question of infringement was a close one); *Lucent*, 2007 WL 6955272, at *3 (objective likelihood of success on contention of invalidity or unenforceability is particularly relevant to willfulness); *Opti Inc. v. Apple, Inc.*, No. 2:07-Cv-21-CE, 2009 WL 4727912, at **2-3 (E.D. Tex. Dec. 3, 2009) (no willfulness because "issues of infringement and validity were hotly contested, close and required an intensely factual inquiry" even though defendants were ultimately unsuccessful); *Franklin Elec. Co. v. Dover Corp.*, No. 05-C-598-S, 2007 WL 5067678, at **8-9 (W.D. Wis. Nov. 15, 2007) (no willfulness due to Defendants' supportable non-infringement positions). As set forth in Defendants' letters requesting the opportunity to file summary judgment motions, Defendants have several reasonable bases for their arguments of non-infringement and

invalidity. Thus, as a matter of law, Defendants cannot be objectively reckless in continuing the alleged infringing activity.

Based on the arguments set forth above, Defendants respectfully request that the Court grant its request for permission to file a motion for summary judgment on the issue of no willful infringement.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CN/ECF system per Local Rule CV-5(a)(3) this 12th day of January 2011.

/s/ Louis A. Karasik
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