

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

BEDROCK COMPUTER  
TECHNOLOGIES LLC,

Plaintiff,

v.

SOFTLAYER TECHNOLOGIES, INC. et  
al.,

Defendants.

CASE NO. 6:09-CV-00269

Hon. Leonard E. Davis

**JURY TRIAL DEMANDED**

**DEFENDANTS’ MOTION FOR LEAVE**

**TO SERVE AN EXPERT REPORT REGARDING REEXAMINATION PROCEDURES**

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

## **I. INTRODUCTION**

The United States Patent & Trademark Office (PTO) has granted two reexaminations of the patent-in-suit, U.S. Patent No. 5,893,120 (the '120 Patent). The requests for these reexaminations specifically involved a number of prior art references that are different from certain prior art references that Defendants<sup>1</sup> intend to use at trial. Defendants filed a motion in limine asking that the Court preclude any references to the ongoing reexaminations. However, the Court has not yet decided whether to allow such references.

If the Court decides to permit reference to the reexams, Defendants request that the Court grant it leave to disclose an expert with respect to the PTO's reexamination process. Given the complexity of the dual reexaminations of the '120 Patent, and the fact that the PTO considered some, but not all, prior art, there is a significant danger that the jury will become confused regarding what exactly the examiner's decision means, and whether the examiner considered all of the prior art in the reexam. To counter this danger, Defendants request that they be allowed to rely on the testimony of an expert in the PTO's reexamination procedures, who can guide the jury through what exactly the reexam means with respect to the prior art.

## **II. FACTUAL BACKGROUND**

### *The First Reexamination*

The first request for reexamination of the '120 Patent was filed in February 2010. The basis for this request was four prior art references, referred to as "Morrison," "Thatte," "Dirks," and "Morris," alone and in combination with each other. The PTO granted the request for reexamination on March 25, 2010, and issued a first office action rejecting all claims on July 23, 2010. Bedrock responded to the office action, amending two of the independent claims and

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<sup>1</sup> This motion is filed on behalf of Defendants Google Inc., Amazon.com Inc., SoftLayer Technologies, Inc., Yahoo! Inc., AOL Inc. and MySpace, Inc.

adding four more. On January 14, 2011, the PTO issued a Notice of Intent to Issue a Reexamination Certificate (NIRC). See Declaration of Henry Lien In Support Of Defendants' Motion for Leave To Serve An Expert Report Regarding Reexamination Procedures In The United States Patent And Trademark Office (Lien Decl.), Ex. A.

Among the materials Bedrock submitted to the PTO in conjunction with the reexam were the Defendants' invalidity contentions in this case, as well as the invalidity contentions from the related *Red Hat Inc. v. Bedrock Computer Technologies LLC* case. Those contentions included hundreds of pages of charts relating to dozens of prior art references, including prior art Defendants intend to rely on at trial, such as code from the Naval Research Laboratories (NRL), and code from prior versions of Linux. However, in the "List of References Cited By Applicant and Considered by Examiner" (Form 1449), the examiner indicated that he did not consider either the NRL or prior Linux code. See Lien Decl. Ex. B. Nor did the request for reexamination or any office actions or responses to office actions ever mention the NRL or prior Linux code.

#### *The Second Reexamination*

Before the PTO issued its NIRC, a second reexamination request was filed with the PTO in January 2011. This second request added two additional references, "Van Wyk," and "Nemes '495," as well as the "Thatte," "Dirks," and "Morris" references from the previous reexam. The PTO granted this second request with respect to Thatte and Dirks. Lien Decl. Ex. C. Again, nowhere in the request for reexam were the NRL code, prior Linux code, or certain other prior art discussed.

#### *Defendants' Motion in Limine*

Defendants filed a motion in limine seeking to preclude any reference to either

reexamination of the '120 patent because such evidence will unfairly prejudice the defendants and confuse the jury. The Court has not yet ruled on this motion in limine.

### **III. ARGUMENT**

If the Court permits reference to either reexamination of the '120 Patent, Defendants should be permitted to designate an expert to explain the PTO's reexamination procedures to address the significant danger that the results of such reexams will confuse the jury and unfairly prejudice Defendants. District courts have inherent power to enforce scheduling orders and to impose sanctions. FED. R. CIV. P. 16(f)(1)(C). When determining whether to permit the designation of an expert witness after the disclosure deadline, courts in the Fifth Circuit consider (1) the explanation for the failure to identify the witness; (2) the importance of the testimony; (3) potential prejudice in allowing the testimony; and (4) the availability of a continuance to cure such prejudice. *Betzel v. State Farm Lloyds*, 480 F.3d 704, 707 (5th Cir. 2007). Here, each of the four factors warrants allowing Defendants to identify an expert with respect to PTO reexamination procedures.

#### **A. The Timing Of Defendants' Identification Of An Expert Is Justified.**

First, Defendants' identification of an expert on reexamination procedures after the disclosure deadline is fully justified given that the Court is still determining whether the evidence of the reexamination should be precluded from trial, the PTO has yet to actually issue the reexamination certificate in the first reexamination, and Bedrock only recently disclosed its intent to rely on such evidence in through its exhibit list and motions in limine. Courts generally preclude evidence of non-final reexaminations because their probative value is substantially outweighed by the risk of unfair prejudice. *See, e.g., i4i L.P. v. Microsoft Corp.*, 670 F. Supp. 2d 568, 588 (E.D. Tex. 2009) (Davis, J.) ("The simple fact that a reexamination decision has been made by the PTO is not evidence probative of any element regarding any claim of

invalidity. . . . Even if it was, its probative value is substantially outweighed by its prejudicial effect in suggesting to the jury that it is entitled to ignore both the presumption of validity and the defendant's clear and convincing burden at trial."); *SRI Int'l, Inc. v. Internet Sec. Sys., Inc.*, 647 F. Supp. 2d 323, 356 (D. Del. 2009) ("[a]bsent unusual circumstances, none of which were presented here, non-final decisions made during reexamination are not binding, moreover, they are more prejudicial (considering the overwhelming possibility of jury confusion) than probative of validity.").

Defendants' need for an expert of reexam procedures only arises if this Court denies their motion in limine. If this Court determines that the evidence of either reexamination is admissible at trial, then Defendants will need such expert testimony to prevent jury confusion with respect to the meaning of the reexamination and its effects on prior art that was not considered by the examiner. Furthermore, Defendants did not learn that Bedrock was planning to offer evidence regarding the first reexamination until it served its exhibit list on March 11, 2011 including such documents and filed a motion in limine to preclude reference to the second reexam while allowing reference to the first reexam. See Dkt. Nos. 578, 579, 587. Because Defendants do not yet know whether expert testimony on this subject is necessary, its identification of such an expert at this time is fully justified.

**B. Expert Testimony Is Important To Defendants' Invalidity Defense.**

Expert testimony regarding PTO reexamination procedures is vital to Defendants' invalidity defense. Courts have recognized that testimony from a patent attorney with respect to patent office procedures can be helpful to a jury. See, e.g., *Sundance, Inc. v. Demonte Fabricating Ltd.*, 550 F.3d 1356, 1361 n. 2 (Fed. Cir. 2008); *Bausch & Lomb, Inc. v. Alcon Lab., Inc.*, 79 F. Supp. 2d 252, 255 (W.D.N.Y. 2000) (holding that testimony regarding "the general

procedures involved in the patent application process . . . may be helpful to the jury, and is therefore admissible”).

Here, Defendants plan to present prior art that was not explicitly considered by the examiner, including the NRL and Linux code. If Bedrock is permitted to introduce evidence that the PTO has issued a reexamination certificate, the jury may understand that evidence to mean that the PTO has examined in depth all of the prior art Defendants will rely on at trial, when in fact, it has not. Furthermore, the fact that the PTO granted a second reexamination after the issuance of the NIRC but before the issuance of the reexamination certificate will no doubt confuse the jury as to why the PTO would issue a reexamination certificate while at the same time continuing a second reexam.<sup>2</sup>

To prevent such confusion, Defendants should be allowed to present the testimony of an expert in patent office procedures, who can explain what the patent examiner considers on reexam, discuss how the particular reexam documents in this case indicate that the examiner did not consider certain pieces of art,<sup>3</sup> and fully place the two reexams in the proper context. Such testimony will help the jury understand the impact such a reexamination should have on the

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<sup>2</sup> The PTO’s rules provide that the two reexamination proceedings could not have been merged because the NIRC issued in the first proceeding before the PTO granted the petition for reexamination in the second proceeding. *See, e.g.*, 37 C.F.R. § 1.565(c) (proceedings merged only if the first one “has not been terminated”); MPEP 2287, paragraph 6 (“A NIRC informs the patent owner and any third party requester that the reexamination prosecution has been terminated.”); Lien Decl. Exs. A, C (NIRC issued in the first proceeding issued before (and thus terminating the first proceeding before) the grant of the second reexamination petition).Second, the PTO has stated that not proceeding to ultimately conclude in the first proceeding in such a situation in which proceedings are not merged would be contrary to the “special dispatch” requirement of 35 U.S.C. § 305. *See* MPEP 2283(V).

<sup>3</sup> This is not like *Bausch & Lomb*, where the Court precluded testimony about generalized “problems” encountered by the PTO. 79 F. Supp. 2d at 256. Here, specific documents in this particular reexam indicate that particular pieces of prior art that Defendants plan to rely upon were not considered by the examiner in issuing the reexamination certificate. *See* Lien Decl. Ex. B. Moreover, the complex procedural posture of the reexam will require expert testimony to help the jury understand it.

validity of the patent in light of prior art not explicitly considered by the examiner. *See Bausch & Lomb*, 79 F. Supp. 2d at 255.

Moreover, Bedrock recently produced a number of documents relating to reexam statistics, presumably with the intent of using these at trial. Defendants object to the use of such evidence by Bedrock at trial, but to the extent Bedrock is permitted to introduce such evidence, Defendants will need an expert to explain and rebut such evidence.

**C. Bedrock Would Not Be Prejudiced By Permitting Expert Testimony Regarding Patent Office Procedures**

Permitting Defendants to identify an expert to testify regarding patent office procedures will not prejudice Bedrock. The testimony that would be proffered by such an expert would be narrow in scope, relating only to patent office procedures for reexamination. It would not affect any of Defendants' invalidity or non-infringement arguments, and would only serve to mitigate any potential unfair prejudice that would result from permitting the jury to hear evidence regarding the reexaminations. Moreover, though the timeframe until trial is short, Bedrock can still depose the expert before trial, particularly given the narrow scope of the testimony he would be offering.

**D. Defendants Do Not Believe A Continuance Is Necessary.**

Because of the limited scope of the testimony an expert on patent office procedures would provide, and the fact that the testimony will likely be uncontroversial, Defendants do not believe a continuance of trial is necessary. However, to the extent the Court believes a continuance is necessary to remedy any prejudice to Bedrock resulting from such limited testimony, the Court could provide for a short continuance to give Bedrock the opportunity to cure such prejudice.

**IV. CONCLUSION**

For all of the reasons given above, Defendants respectfully request that, in the event that the Court permits Bedrock to proffer evidence of the reexamination of the '120 Patent, the Court also permit Defendants to identify an expert to testify regarding patent office reexamination procedures.

Dated: March 28, 2011

Respectfully submitted,

/s/ Todd M. Briggs, with permission by  
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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 the forgoing document via the Court's CM/ECF system pursuant to the Court's Local Rules this 28th day of March, 2011.

/s/ Michael E. Jones

**CERTIFICATE OF CONFERENCE**

I hereby certify that counsel on behalf of Defendants, Henry Lien, attempted to meet and confer with counsel for Plaintiff regarding their position as to this motion via email. Counsel for Defendants were unable to confirm with counsel for Plaintiff regarding their position and file this motion under the assumption that Plaintiff is opposed to the relief sought in this motion.

/s/ Michael E. Jones